

MEE Productions Inc.

Financial Statements

December 31, 2023 and 2022

MEE Productions Inc.

Table of Contents

	<u>Page</u>
Independent Accountant's Review Report	1-2
Financial Statements	
Balance Sheet	3
Statements of Operations	4
Statements of Shareholders' Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7-17
Supplementary Information	
Schedule of Operating Expenses	18



Independent Accountant's Review Report

Officers and Directors
MEE Productions Inc.
Philadelphia, Pennsylvania

We have reviewed the accompanying financial statements of MEE Productions Inc. (a Pennsylvania corporation), which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of operations, shareholders' equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement to accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of MEE Productions Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Barsz Gowie Amon & Fultz, LLC
barszgowie.com
info@barszgowie.com

1400 N. Providence Road
Building 2, Suite 1040
Media, PA 19063
Phone: 610.565.1120
Fax: 610.565.1159

411 Old Baltimore Pike
Chadds Ford, PA 19317
Phone: 610.388.7800
Fax: 610.388.9332

105 Chesley Drive
First Floor
Media, PA 19063
Phone: 610.521.6556
Fax: 610.521.6557

Supplementary Information

The 2023 supplementary information included in Schedule of Operating Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Barsz Gowie Amon & Fultz LLC

Media, Pennsylvania
February 7, 2025

MEE Productions Inc.
Balance Sheet
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 175,506	\$ 220,284
Accounts receivable	39,950	91,200
Marketable securities, at fair value	215,949	179,873
Loan to officer	10,000	17,828
Prepaid expenses	37,482	32,725
	<u>478,887</u>	<u>541,910</u>
<u>Property and Equipment</u>		
Equipment and video, net	5,746	6,188
<u>Other assets</u>		
Other assets	21,437	-
Right of use asset - operating lease	172,728	226,007
	<u>194,165</u>	<u>226,007</u>
<u>Total Other Assets</u>	<u>194,165</u>	<u>226,007</u>
<u>Total Assets</u>	<u>\$ 678,798</u>	<u>\$ 774,105</u>
<u>Liabilities and Shareholders' Equity</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ -	\$ 28,014
Accrued expenses	33,486	15,316
Accrued corporate income taxes	7,846	3,846
Deferred revenue	19,901	96,126
Operating lease - current	56,253	41,115
	<u>117,486</u>	<u>184,417</u>
<u>Total Current Liabilities</u>	<u>117,486</u>	<u>184,417</u>
<u>Long Term Liabilities</u>		
Operating lease - long term	136,749	193,002
	<u>136,749</u>	<u>193,002</u>
<u>Shareholders' Equity</u>		
Common shares, \$1 par value; 75,000 shares authorized; 30,024 shares issued and outstanding	30,024	30,024
Paid-in capital	432,065	432,065
Retained earnings	(37,526)	(65,403)
	<u>424,563</u>	<u>396,686</u>
<u>Total Shareholders' Equity</u>	<u>424,563</u>	<u>396,686</u>
<u>Total Liabilities and Shareholders' Equity</u>	<u>\$ 678,798</u>	<u>\$ 774,105</u>

See accompanying notes to the financial statements.

MEE Productions Inc.
Statement of Operations
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Research and consulting	\$ 265,500	\$ 235,646
Media and video production	465,949	72,471
Advertising and marketing campaigns	419,309	333,768
Speaking and workshops	1,500	261,690
	<hr/>	<hr/>
<u>Total Revenues</u>	1,152,258	903,575
	<hr/>	<hr/>
<u>Operating Expenses</u>	1,162,258	1,071,916
	<hr/>	<hr/>
<u>Income (Loss) from Operations</u>	(10,000)	(168,341)
	<hr/>	<hr/>
<u>Other Income (Expense)</u>		
Commission and other income	300	506
Net investment income (loss)	37,577	(24,857)
Interest expense	-	(831)
	<hr/>	<hr/>
<u>Total Other Income (Expense)</u>	37,877	(25,182)
	<hr/>	<hr/>
<u>Net (Loss) Income</u>	<u>\$ 27,877</u>	<u>\$ (193,523)</u>

See accompanying notes to the financial statements.

MEE Productions Inc.
Statement of Shareholders' Equity
For the Years Ended December 31, 2023 and 2022

	Common Stock		Paid - In	Retained	Total
	Shares	Amount	Capital	Earnings	
<u>Balance - January 1, 2022</u>	30,024	\$ 30,024	\$ 432,065	\$ 128,120	\$ 590,209
Net Loss	-	-	-	(193,523)	(193,523)
<u>Balance - December 31, 2022</u>	30,024	30,024	432,065	(65,403)	396,686
Net Income	-	-	-	27,877	27,877
<u>Balance - December 31, 2023</u>	30,024	\$ 30,024	\$ 432,065	\$ (37,526)	\$ 424,563

See accompanying notes to the financial statements.

MEE Productions Inc.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows From Operating Activities</u>		
Net (Loss) Income	\$ 27,877	\$ (193,523)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	2,689	3,072
Changes in operating assets and liabilities:		
Accounts receivable	51,250	(52,210)
Prepaid expenses	(4,757)	1,958
Other assets	(21,437)	-
Right of use asset - operating lease	53,279	(226,007)
Accounts payable	(28,014)	18,884
Accrued expenses	18,170	(561)
Accrued corporate income taxes	4,000	-
Deferred revenue	(76,225)	38,773
Lease liability - operating lease	(41,115)	234,117
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>(14,283)</u>	<u>(175,497)</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of marketable securities and investments	(36,076)	26,738
Loans to shareholder	7,828	(7,828)
Acquisitions of equipment and video	(2,247)	-
<u>Net Cash (Used in) Provided by Investing Activities</u>	<u>(30,495)</u>	<u>18,910</u>
<u>Cash Flows from Financing Activities</u>		
(Repayments) proceeds from EIDL loan	-	(49,900)
<u>Net Cash Provided by Financing Activities</u>	<u>-</u>	<u>(49,900)</u>
<u>Net Increase in Cash and Cash Equivalents</u>	(44,778)	(206,487)
<u>Cash and Cash Equivalents - beginning</u>	220,284	426,771
<u>Cash and Cash Equivalents - ending</u>	\$ 175,506	\$ 220,284
Supplemental Disclosure of Cash Flow Information		
Non Cash Investing and Financing Activities:		
Unrealized (loss) gain on marketable securities	\$ 33,696	\$ (28,110)

See accompanying notes to the financial statements.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 Nature of Business and Summary of Significant Accounting Policies

Nature of Business

MEE Productions, Inc. (the “Company”) is a full-service communications, market research, and social marketing firm that specializes in developing cost effective, cutting edge, and culturally relevant messages for hard to reach, low income, and underserved audiences. The Company is headquartered in Philadelphia with satellite offices in Atlanta, Los Angeles and Pittsburgh. The Company services both public and private sectors with services that include market research, media production, advertising, and consulting services.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized as earned and expenses are recorded at the time liabilities are incurred.

Revenue Recognition/Deferred Revenue

The Company derives revenues from four primary sources: market research, media and video production, advertising and marketing campaigns, and speaking and workshops. Additionally, at times there may be other sources of revenues based on contracted sales and/or other sales that do not fall into the main sales categories that are classified as other.

Revenue related to market research, media and video, advertising and marketing campaigns, are recognized based on contracted fees and the satisfaction of performance obligations as defined in the customer’s contract. Once the performance obligation has been met the customer is billed, and revenue is recorded.

Speaking and workshop revenue are generated by having in-person and online (webinar) training sessions. Services are defined by contract which include performance obligations and fees for service. Revenues are recognized once the services have been provided and they have been billed based on the contract terms.

Other revenue typically includes non-traditional marketing and community campaign development, which can be subject to performance obligations that may be present within a contract.

The Company enters into various contracts which are generally short-term in duration. Payments received in advance of the completion of defined performance obligations are shown as deferred revenue until the period when the product sales or service is provided.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash balances and highly liquid debt instruments with a maturity of three months or less.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 Nature of Business and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company maintains allowances for estimated losses resulting from the inability of its clients to make required payments. Management considers the following factors when determining the collectability of specific client accounts: client credit-worthiness, past transaction history with the client, current economic industry trends, and changes in client payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's clients were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2023 and 2022 accounts receivable was \$39,950 and \$91,200, respectively.

Marketable Securities

As part of its cash management program, the Company from time to time maintains a portfolio of marketable investment securities. The securities have an investment grade and a term to earliest maturity generally less than one year.

The Company classifies its debt and marketable equity securities into held-to-maturity, trading, or available-for sale categories. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available for sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with the change in unrealized gains and losses recognized in earnings. Debt and marketable securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 Nature of Business and Summary of Significant Accounting Policies (Continued)

Property and Equipment, Net

Property and equipment is carried at cost, less accumulated depreciation, and amortization. Expenditures for maintenance and repairs are charged to expense as incurred. Renewals and betterments that extend the asset's useful life are capitalized. Depreciation and amortization are computed using an accelerated method over the estimated useful lives of the property:

	<u>Estimated</u>
	<u>Useful Lives</u>
Equipment and video	5-7 years

The carrying amount of all long-lived assets is evaluated periodically to determine if an adjustment to the depreciation period or the non-depreciated balance is warranted. Based upon its most recent analysis, the Company believes that no impairment of equipment and video exists as of December 31, 2023.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 Nature of Business and Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk

The Company places its cash deposits and temporary cash investments with financial institutions that at times may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limit. At December 31, 2023, the Company’s cash is held at four financial institutions.

Investment risk - Investments are exposed to various risks such as market volatility interest rate and credit risks. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the values of these securities will occur in the near term and that such changes could affect the amounts reported in the balance sheets. The Organization's principal financial instruments subject to market risk are its investments. The degree and concentration of market risk varies by the type of investment.

Leases

The Company accounts for leases in accordance with ASC 842. The Company is a lessee in noncancelable operating leases for its office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Company determines if an arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Company recognizes lease liability and right of use asset at the commencement date of the lease. Beginning January 1, 2022, operating lease right of use assets and the related current and long-term portions of operating lease liabilities have been presented on the balance sheet.

ASC-842 provides lessees with a practical expedient that permits the Company to make an accounting policy election to use a risk-free rate, instead of the incremental borrowing rate, as the discount rate for the leases. The election is made by each underlying class of assets.

The Company has elected for all underlying classes of assets, that have a lease term of twelve months or less, but greater than one month at lease commencement to not recognize right of use assets and lease liabilities for short-term leases. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2 Marketable Securities at Fair Value

The Company's investments in marketable securities were \$179,873 and \$206,611, for the years ended December 31, 2023 and 2022, and are carried at their fair value based on the quoted market prices of the securities at December 31, 2023 and 2022. For 2023 and 2022, net realized and net unrealized gains and losses for the period are included in the statement of operations (Note 1 changes in accounting method).

Marketable securities consist of the following:

<u>December 31, 2023</u>	<u>Cost</u>	<u>Accumulated Gains on Marketable Securities</u>	<u>Accumulated Losses on Marketable Securities</u>	<u>Fair Value</u>
Common Stocks	\$ 42,625	\$ 86,595	\$ -	\$ 129,220
Exchange – Traded & Closed End Funds	41,650	27,551	-	69,201
Corporate Bonds	10,004	-	(231)	9,773
Mutual funds	8,913	-	(1,158)	7,755
	<u>\$ 103,192</u>	<u>\$ 114,146</u>	<u>\$ (1,389)</u>	<u>\$ 215,949</u>

<u>December 31, 2022</u>	<u>Cost</u>	<u>Accumulated Gains on Marketable Securities</u>	<u>Accumulated Gains on Marketable Securities</u>	<u>Fair Value</u>
Common Stocks	\$ 41,277	\$ 63,289	\$ -	\$ 104,566
Exchange – Traded & Closed End Funds	40,692	17,262	-	57,954
Corporate Bonds	10,008	-	(238)	9,770
Mutual funds	8,912	-	(1,329)	7,583
	<u>\$ 100,889</u>	<u>\$ 80,551</u>	<u>\$ (1,567)</u>	<u>\$ 179,873</u>

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2 Marketable Securities at Fair Value (Continued)

Investment income for the year ended December 31, consists of the following:

	<u>2023</u>
Net realized gains from sale of marketable securities	\$ -
Unrealized gain from marketable securities	33,696
Interest and dividend income	<u>3,881</u>
Net investment gain	<u>\$ 37,577</u>
	<u>2022</u>
Unrealized gains from sale of marketable securities	\$ -
Unrealized loss from marketable securities Interest and dividend income	(28,110)
	<u>3,253</u>
Net investment loss	<u>\$(24,857)</u>

Note 3 Fair Value Measurements

Fair value is measured using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs in measure fair value. The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 3 Fair Value Measurements (Continued)

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses the market approach valuation technique to value its investments. The market approach uses prices and other pertinent information generated from market transactions involving identical or comparable assets or liabilities.

The types of factors that the Company may take into account in fair value pricing the investments include using prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The following are the major categories of assets measured at the fair value of a recurring basis during the years ended December 31, 2023 and 2022, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Common stocks	\$ 129,220	\$ -	\$ -	\$ 129,220
Corporate bonds	9,773			9,773
Mutual funds	7,755	-	-	7,755
Exchange-traded products	69,201	-	-	69,201
	<u>\$ 215,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,949</u>

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 3 Fair Value Measurements (Continued)

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Common stocks	\$ 104,566	\$ -	\$ -	\$ 104,566
Corporate bonds	9,770			9,770
Mutual funds	7,583	-	-	7,583
Exchange-traded products	57,954	-	-	57,954
	<u>\$ 179,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,873</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Common stocks, exchange traded funds, and closed end funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued at the closing price as reported on the active market on which the bonds are traded.

Mutual funds and money market funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Company are open-end and closed-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Company are deemed to be actively traded.

Note 4 Property and Equipment

	<u>2023</u>	<u>2022</u>
Office Equipment	\$ 587,178	\$ 584,931
Video	<u>63,993</u>	<u>63,993</u>
	651,171	648,924
Less: Accumulated depreciation	<u>645,425</u>	<u>642,736</u>
Total property & equipment, net	<u>\$ 5,746</u>	<u>\$ 6,188</u>

Depreciation of equipment and video charged to operations for the years ended December 31, 2023 and 2022 were \$2,689 and \$3,072, respectively.

Note 5 Loan Payables

On July 3, 2020, the Company applied for and received a COVID-19 Economic Injury Disaster Loan (“EIDL loan”) in the amount of \$50,000. Installment payments, including principal and interest, of \$244 a month were to begin twelve months from the date of the loan. The balance of principal and interest will be payable thirty years from the date of the loan. The Company repaid the loan in full in February 2022. Interest expense amounted to \$0 and \$831 in 2023 and 2022, respectively, all of which was charged to operations.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 6 Capital Stock

The Company has two classes of Capital Stock, common and preferred. Both classes of stock have a par value of \$1 per share. 75,000 shares of common stock are authorized. 30,024 common shares are issued and outstanding at December 31, 2023 and 2022. 3,800 shares of preferred stock are authorized. None are issued and outstanding at December 31, 2023 and 2022. 21,200 shares have been reserved for future issuance.

Note 7 Leases

As of January 1, 2022, the Company adopted ASC 842 (see Note 2).

The Company leases its office space under non-cancelable operating lease arrangements expiring through December 2026. The Company is responsible for maintenance and repair of the premises as well as its proportionate share of real estate taxes and insurance for its real estate leases.

There were no financing leases as of December 31, 2023 and 2022.

The following summarizes the line items in the balance sheets which include amounts for operating leases at December 31, 2023 and 2022:

<u>Operating Leases</u>	<u>2023</u>	<u>2022</u>
Right of use assets - operating leases	\$ <u>172,728</u>	\$ <u>226,007</u>
Current portion of lease liability	\$ 56,253	\$ 41,115
Lease liabilities – operating leases	<u>136,749</u>	<u>193,002</u>
Total operating lease liabilities	<u>\$ 193,002</u>	<u>\$234,117</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022 its office space rental.

<u>Weighted Average Remaining Lease Term</u>	<u>2023</u>	<u>2022</u>
Operating leases	2.71 years	2.71 years
<u>Weighted Average Discount Rate</u>		
Operating leases	3.89%	3.89%

The maturities of lease liabilities as of December 31, 2023 were as follows:

	<u>Operating</u>
2024	\$ 62,852
2025	70,480
2026	<u>71,916</u>
Total lease payments	\$ 205,248
Less: interest	<u>(12,246)</u>
Present value of lease liabilities	<u>\$ 193,002</u>

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 Leases (Continued)

The following summarizes the line items in the income statements which include the components of lease expenses and other related charges for the period ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease and other related charges included in program services	<u>\$55,048</u>	<u>\$52,565</u>

The following summarizes cash flow information related to leases and other related charges for the period ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities and other related charges: Operating cash flows from operating leases	<u>\$49,500</u>	<u>\$49,500</u>

Note 8 Income Taxes

The Company adopted the relevant accounting standards regarding “*Accounting for Uncertainty in Income Taxes*,” that requires recognizing the financial statement benefit of a tax position only after determining that the relevant tax authority more-likely-than-not would sustain the position following an audit. For tax positions meeting the more-than-likely threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest costs related to unrecognized tax benefits are required to be calculated (if applicable) and would be classified as “interest expense” in the statement of operations.

Penalties would be recognized as a component of “operating expenses.” In many cases, the Company’s tax positions are related to tax years that remain subject to examination by relevant tax authorities. The Company files income tax returns in the United States and in various state and local jurisdictions.

As of December 31, 2023 and 2022, the Company had no unrecognized tax benefits or liabilities for uncertain tax positions.

The Company has Federal Net Operating Loss Carryovers (“NOL’s”) that can be used against future taxable income. As of December 31, 2023 the company NOL’s that can be carried forward total approximately \$422,000.

The Company also has PA Net Operating Loss Carryovers (“NOL’s”) that can be used against future taxable income. As of December 31, 2023, the company NOL’s that can be carried forward total approximately \$315,000.

MEE Productions Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 9 Major Clients

For the years ended December 31, 2023 and 2022 there were three major customers whose sales totaled 69% and 63% of total sales, respectively. Related accounts receivable balances were approximately \$0 and \$25,000 of total accounts receivable as of December 31, 2023 and 2022, respectively.

Note 10 Profit Sharing Plan

The Company has a discretionary profit-sharing plan covering all employees who have completed one full year of service. Contributions to the plan for the years ended December 31, 2023 and 2022 were \$10,634 and \$10,325, respectively.

Note 11 Subsequent Events

The Company has evaluated subsequent events through February 7, 2025, which was the date the accompanying financial statements were available to be issued, and there were no other events, which require recognition or disclosure in the financial statements.

MEE Productions Inc.
Schedule of Operating Expenses
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Employee Related Expenses</u>		
Payroll	\$ 708,444	\$ 662,191
Payroll taxes	52,977	51,314
Employee benefits	28,638	26,374
	790,059	739,879
 <u>Other Operating Expenses</u>		
Advertising	22,255	11,853
Bad debt	-	-
Contributions	2,675	2,282
Depreciation	2,689	3,072
Dues and subscriptions	7,195	6,310
Information technology services	7,939	9,626
Insurance	31,502	17,206
License and miscellaneous taxes	4,976	2,088
Office expense	55,743	52,696
Production and projects	70,891	52,646
Professional fees	78,102	55,152
Profit sharing expense	10,634	10,325
Rent	57,662	55,048
Repairs and maintenance	247	1,103
Meals and entertainment	-	6,797
Telephone	8,307	8,822
Transportation and travel	6,500	26,065
Utilities	4,882	10,946
	372,199	332,037
 <u>Total Operating Expenses</u>	\$ 1,162,258	\$ 1,071,916

See independent accountant's review report.