



SHINE GLOBAL, INC. AND AFFILIATES

**COMBINED FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024**

SHINE GLOBAL, INC. AND AFFILIATES
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AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Shine Global, Inc. and Affiliates:

Opinion

We have audited the accompanying financial statements of Shine Global, Inc. and Affiliates (the "Organization", a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shine Global, Inc and Affiliates as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

NawrockiSmith

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Hauppauge, New York
June 3, 2025

Nawrocki Smith LLP

SHINE GLOBAL, INC. AND AFFILIATES
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 542,474
Accounts receivable	7,001
Contributions receivable	3,850
Prepaid expenses	<u>5,544</u>

Total current assets 558,869

NONCURRENT ASSETS:

Property and equipment, net	1,686
Other assets	<u>185</u>

Total noncurrent assets 1,871

Total assets \$ 560,740

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 23,918
Accrued expenses	<u>25,137</u>

Total current liabilities 49,055

NET ASSETS:

Without donor restrictions	247,149
With donor restrictions	<u>264,536</u>

Total net assets 511,685

Total liabilities and net assets \$ 560,740

The accompanying notes to financial statements
are an integral part of this statement.

SHINE GLOBAL, INC. AND AFFILIATES
COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Contributions	\$ 495,303	\$ 559,619	\$ 1,054,922
License fees	8,005	-	8,005
Production fees	7,153	-	7,153
Other income	710	-	710
Special events	52,889	-	52,889
In-kind contributions	134,520	-	134,520
Interest	21,421	-	21,421
Net assets released from restriction	442,500	(442,500)	-
	<u>1,162,501</u>	<u>117,119</u>	<u>1,279,620</u>
EXPENSES:			
Program services	863,712	-	863,712
Administration	238,406	-	238,406
	<u>1,102,118</u>	<u>-</u>	<u>1,102,118</u>
NON-OPERATING ITEMS:			
Rental income	72,000	-	72,000
Realized loss	(733)	-	(733)
	<u>71,267</u>	<u>-</u>	<u>71,267</u>
CHANGE IN NET ASSETS	131,650	117,119	248,769
NET ASSETS, BEGINNING OF YEAR	<u>115,499</u>	<u>147,417</u>	<u>262,916</u>
NET ASSETS, END OF YEAR	<u>\$ 247,149</u>	<u>\$ 264,536</u>	<u>\$ 511,685</u>

The accompanying notes to financial statements
are an integral part of this statement.

SHINE GLOBAL, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Administration	Total
Film production	\$ 416,936	\$ -	\$ 416,936
Film award	107,891	-	107,891
Salaries and wages	151,166	50,388	201,554
In-kind expenses	134,520	-	134,520
Operating lease expense	8,910	72,090	81,000
Accounting	6,896	27,584	34,480
Travel	-	23,736	23,736
Payroll taxes and benefits	16,950	5,650	22,600
Marketing and promotion	15,008	5,003	20,011
Office	-	13,369	13,369
Payroll processing fees	-	5,006	5,006
Legal	-	5,000	5,000
Meals and entertainment	-	4,844	4,844
Miscellaneous	-	4,495	4,495
Insurance	-	4,441	4,441
Depreciation	3,196	1,065	4,261
Outside services	2,239	747	2,986
Filing fees	-	2,765	2,765
Credit card fees	-	2,692	2,692
Film festival and conferences	-	2,593	2,593
Utilities	-	2,249	2,249
Professional memberships	-	1,800	1,800
Postage and delivery	-	1,411	1,411
Cleaning	-	1,026	1,026
Registration fees	-	452	452
Total	\$ 863,712	\$ 238,406	\$ 1,102,118

The accompanying notes to financial statements
are an integral part of this statement.

SHINE GLOBAL, INC. AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 248,769
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,261
Increase in accounts receivable	(7,001)
Decrease in contributions receivable	4,200
Increase in prepaid expenses	(4,990)
Decrease in other assets	6,750
Increase in accounts payable	17,197
Decrease accrued expenses	<u>(1,630)</u>
Net cash provided by operating activities	<u>267,556</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	267,556
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>274,918</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 542,474</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(1) Organization and operations

Shine Global, Inc. ("Shine Global"), is a not-for-profit media company. Shine Global produces inspiring films and compelling content about children and their families. Through tailored distribution and outreach, Shine Global connects with their audiences in communities, classrooms, museums and on capitol hill as part of a powerful engagement campaign to encourage social change.

(2) Summary of significant accounting policies

The accompanying combined financial statements include the assets, liabilities, revenues and expenses of the Organization. The following is a summary of significant accounting policies followed by the Organization:

Principles of combination

The combined financial statements include the accounts of Shine Global, Inc., Daughters of the Hills, LLC, Inocente Film, LLC, War Dance Ventures, LLC, Election Effect, LLC, Virtually Free, LLC, SOD, LLC, Business of Trouble, LLC and One Way Up, LLC (collectively, the "Organization"), and the results of their operations and their cash flows for the year ended December 31, 2024. All intercompany accounts and transactions have been eliminated in combination.

Basis of accounting and financial statement presentation

The accompanying combined financial statements are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP") which require that the Organization's combined financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization has elected to show restricted support for which restrictions are met in the same reporting period as support within net assets without donor restrictions.

Cash and cash equivalents

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Accounts and contributions receivables

Accounts and contributions receivables are stated at the amount management expects to collect from outstanding balances. Receivables are expected to be collected within one year and are therefore recorded at net realizable. As of December 31, 2024, the accounts and contributions receivable was \$10,851.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

Liquidity considerations

Quantitative

As of December 31, 2024, the Organization has \$553,325 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Combined Statement of Financial Position date, as noted in the assets section.

Qualitative

As of December 31, 2024, the Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 6 months of normal operating expenses.

Property and equipment

Property and equipment are capitalized at cost or, if donated, at fair market value as of the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment 5 years

Capitalized film costs

Film costs are capitalized using the individual film forecast computation method. According to this method, capitalized film costs are amortized by a ratio of current period actual revenue by the estimated remaining unrecognized ultimate revenue. Estimated ultimate revenue will be an accurate approximation of the remaining revenue to receive over a three-year period after the completion of the film.

Impairment of long-lived assets and long-lived assets to be disposed of

The Organization follows the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) on accounting for the impairment or disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These provisions did not have an impact on the Organization’s financial position, results of activities or liquidity during the year ended December 31, 2024.

Revenue recognition

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received* and *Contributions Made* and FASB ASC 606, *Revenues from Contracts with Customers*.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

The following are the significant revenue recognition accounting policies of the Organization:

Contributions - Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Rental income - Contracts are established upon signed agreement, for which the Organization provides unrestricted access to the premises for the period. The lease operates on an annual calendar year with monthly rental payments. The rental payment is \$6,000 per month. The Organization recognizes the revenue as subsidized rental income on a monthly basis as the premises are provided.

License fees - Contracts are established upon signed agreement, for which the Organization provides the licensor with access to the specific documentary based off their agreement. Rates vary significantly depending on the license usage, the licensor and the documentary requested. Each contract is unique based off the licensor's specific needs. The Organization recognized the revenue once the license service is provided. Refunds are provided on demand.

Production fees - Contracts are established upon signed agreement, for which the Organization provides the licensor with access to the specific documentary based off their agreement. Rates vary significantly depending on the type of documentary being produced, the requests or demands for the documentary and the amounts the Organization are working with are willing to contribute to the production. The Organization recognizes the revenue based off a schedule as the production is underway. Refunds are provided on demand.

Special events - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Significant judgments

The board of directors and management of the Organization determine the transaction prices of the services provided depending on the license usage, licensor, the type of documentary being produced and several factors as described above. In addition, the timing of satisfaction of performance obligations is determined on a case-by-case basis.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

In-kind contributions

In accordance with FASB Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* (“Topic 958”) in-kind contributions are recorded as in-kind at their fair market value at their date of donation. The Organization reports the in-kind donations as unrestricted support, unless explicit donor stipulations specify how the in-kind donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

In-kind donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. Such amounts are reflected in the accompanying combined financial statements as in-kind contributions and in-kind expenses.

Functional expenses

Expenses are recognized when incurred. The Combined Statement of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include salaries and wages and payroll taxes and benefits, which are allocated on the basis of estimates of time and effort. Depreciation and rent are allocated on basis of square footage and use, and all other expenses are allocated on a systematic and rational basis.

Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar provisions of the New York State, New Jersey and California tax laws. Accordingly, no provision for federal or state income taxes is required.

Uncertainty in income taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to examination by applicable taxing jurisdictions for tax years prior to 2021.

The use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(7) Related party transactions

Members of the Board of Directors provide financial support to the Organization, either individually or through their related entities. The Organization received approximately \$103,200 in contributions from various Board members or related entities during the year ended December 31, 2024.

On October 3, 2007, the Organization entered into an agreement with War Dance Ventures, LLC (“War Dance Ventures”) whereby they assigned their rights, titles, interest, and obligations in War Dance Ventures for 70% interest in any future profits or losses generated in the distribution of the Film with two other members. As of December 31, 2016, all of the other partners have withdrawn from investment, and as a result, the Organization’s membership interest has increased to 100%.

On July 7, 2011, the Organization entered into an agreement with Antidote, LLC (“Antidote”) regarding the development, production, and distribution of the documentary motion picture “Inocente”. Furthermore, the Organization agreed that any future profits generated would first be used to repay Antidote \$326,947, which represents 120% of their initial contribution to the project. On June 15, 2016, Antidote transferred its right, title, and interest in Inocente to Unison, Inc. (“Unison”). As of December 31, 2022, the Organization is potentially responsible to repay a Note in the amount of \$241,640 in the event the film was to generate profits. The Organization is not responsible for further repayment to Unison if no more profits are generated from the film. As of December 31, 2024, the Organization has accrued \$8,482 for amounts owed to Unison.

Subsequent to entering into the producer’s agreement with Antidote, on August 1, 2011, the Organization formed a limited liability company named Inocente Film LLC (“the LLC”). The Organization has a 100% equity interest in the LLC.

On August 22, 2013, the Organization formed a limited liability company named Daughters of the Hills LLC (“DOTH”). The purpose of DOTH is to engage in the development and production of the documentary motion picture “The Wrong Light”. The Organization has a 100% equity interest in DOTH.

On March 22, 2013, the Organization formed a limited liability company named One Way Up LLC (“One Way Up”). One Way Up was formed for the production of the documentary motion picture “1 Way Up”. As of December 31, 2017, the Organization has a 100% equity interest in One Way Up.

On June 15, 2015, the co-founders of the Organization formed a limited liability company called SOD Film LLC (“SOD”). As of December 31, 2017, the co-founders transferred ownership to the Organization, which has a 100% equity interest in SOD.

On May 19, 2017, the Organization formed a limited liability company called Virtually Free LLC (“VF”). The Organization has 100% equity interest in VF. VF is a production company for the documentary motion picture “Virtually Free”.

On March 28, 2024, the Organization formed a limited liability company called Business of Trouble LLC. The Organization has 100% equity interest in Business of Trouble LLC. Business of Trouble LLC is a production company for the TTI project.

SHINE GLOBAL, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(8) Subsequent events

The Organization has evaluated subsequent events through June 3, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure in the financial statements.