

**ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND**

COMBINING FINANCIAL STATEMENTS

DECEMBER 31, 2020

BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan

ALLIED MEDIA PROJECTS, INC. AND ALLIED MEDIA ACTION FUND

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
COMBINING STATEMENT OF FINANCIAL POSITION	3
COMBINING STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES FOR ALLIED MEDIA PROJECTS, INC.	5
STATEMENT OF FUNCTIONAL EXPENSES FOR ALLIED MEDIA ACTION FUND	6
COMBINING STATEMENT OF CASH FLOWS	7
NOTES TO COMBINING FINANCIAL STATEMENTS.....	8



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Allied Media Projects, Inc.
and Allied Media Action Fund

We have audited the accompanying combining financial statements of Allied Media Projects, Inc. and Allied Media Action Fund (nonprofit organizations), which comprise the combining statement of financial position as of December 31, 2020, and the related combining statements of activities, cash flows and the functional expenses of Allied Media Projects, Inc. for the year ended and the functional expenses of Allied Media Action Fund, for the period from inception (May 1, 2020) to December 31, 2020 and the related notes to the combining financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combining 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combining financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the combining financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combining financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the individual and combining financial positions of Allied Media Projects, Inc. and Allied Media Action Fund as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Allied Media Projects, Inc.'s December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenu & Company, P.C.

November 5, 2021

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

COMBINING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Allied Media Projects, Inc.	Allied Media Action Fund	Total 2020	Total 2019
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 18,736,245	\$ 578,139	\$ 19,314,384	\$ 10,140,036
Accounts receivable	641,594	63,033	704,627	423,003
Prepaid expenses	51,699	-	51,699	48,115
Intra-organization due to (from)	82,978	(82,978)	-	-
Total Current Assets	<u>19,512,516</u>	<u>558,194</u>	<u>20,070,710</u>	<u>10,611,154</u>
Non-current Assets				
Property and equipment - net	1,031,867	-	1,031,867	1,056,612
Construction in progress	1,361,505	-	1,361,505	-
Security deposit	3,265	-	3,265	3,265
Total Non-current Assets	<u>2,396,637</u>	<u>-</u>	<u>2,396,637</u>	<u>1,059,877</u>
TOTAL ASSETS	<u>\$ 21,909,153</u>	<u>\$ 558,194</u>	<u>\$ 22,467,347</u>	<u>\$ 11,671,031</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 140,232	\$ -	\$ 140,232	\$ 459,817
Accrued expenses	702,138	-	702,138	385,686
Deferred revenue	-	-	-	6,050
Mortgage payable, current portion	49,375	-	49,375	78,357
Total Current Liabilities	<u>891,745</u>	<u>-</u>	<u>891,745</u>	<u>929,910</u>
Long-term Liabilities				
Restoration commitments	649,239	-	649,239	-
Mortgage payable, net of current portion	975,625	-	975,625	946,643
Total Long-term Liabilities	<u>1,624,864</u>	<u>-</u>	<u>1,624,864</u>	<u>946,643</u>
Total Liabilities	<u>2,516,609</u>	<u>-</u>	<u>2,516,609</u>	<u>1,876,553</u>
Net Assets				
Without donor restrictions				
Undesignated	7,797,124	85,500	7,882,624	2,282,843
Board designated	60,000	-	60,000	60,000
With donor restrictions	11,535,420	472,694	12,008,114	7,451,635
Total Net Assets	<u>19,392,544</u>	<u>558,194</u>	<u>19,950,738</u>	<u>9,794,478</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,909,153</u>	<u>\$ 558,194</u>	<u>\$ 22,467,347</u>	<u>\$ 11,671,031</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Allied Media Projects, Inc.			Allied Media Action Fund			Combining Totals	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	2020	2019
REVENUE AND SUPPORT								
Contributions and donations	\$ 5,864,531	\$ 13,100,028	\$ 18,964,559	\$ -	\$ 595,000	\$ 595,000	\$ 19,559,559	\$ 11,658,216
CARES Act income	523,111	-	523,111	-	-	-	523,111	-
Program income	1,710,142	-	1,710,142	63,043	-	63,043	1,773,185	1,289,780
Dividends and interest	24,977	-	24,977	-	-	-	24,977	13,340
Loss on disposal of assets	-	-	-	-	-	-	-	(1,615)
	8,122,761	13,100,028	21,222,789	63,043	595,000	658,043	21,880,832	12,959,721
Net assets released from restrictions	9,016,243	(9,016,243)	-	122,306	(122,306)	-	-	-
TOTAL REVENUE AND SUPPORT	17,139,004	4,083,785	21,222,789	185,349	472,694	658,043	21,880,832	12,959,721
EXPENSES								
Program services	8,589,194	-	8,589,194	73,940	-	73,940	8,663,134	7,144,061
Management and general	2,632,605	-	2,632,605	25,381	-	25,381	2,657,986	501,954
Fund raising	328,237	-	328,237	528	-	528	328,765	261,185
TOTAL EXPENSES	11,550,036	-	11,550,036	99,849	-	99,849	11,649,885	7,907,200
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	5,588,968	4,083,785	9,672,753	85,500	472,694	558,194	10,230,947	5,052,521
OTHER CHANGE								
Building rental income - net	(74,687)	-	(74,687)	-	-	-	(74,687)	(68,275)
CHANGE IN NET ASSETS	5,514,281	4,083,785	9,598,066	85,500	472,694	558,194	10,156,260	4,984,246
NET ASSETS, beginning of year	2,342,843	7,451,635	9,794,478	-	-	-	9,794,478	4,810,232
NET ASSETS, end of year	\$ 7,857,124	\$ 11,535,420	\$ 19,392,544	\$ 85,500	\$ 472,694	\$ 558,194	\$ 19,950,738	\$ 9,794,478

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Program Services	Management and General	Fund Raising	Total 2020	Total 2019
Salaries	\$ 3,293,227	\$ 587,066	\$ 105,217	\$ 3,985,510	\$ 2,511,974
Payroll taxes	233,189	41,569	7,450	282,208	186,178
Employee benefits	290,441	51,775	9,280	351,496	232,777
Outside services	1,753,889	1,439,289	68,668	3,261,846	2,558,596
Occupancy	237,125	13,247	14,572	264,944	164,986
Information technology	317,781	274,433	7,791	600,005	370,980
Conferences, training and meetings	172,741	99,532	2,311	274,584	443,731
Activities and materials	436,245	118,047	110,154	664,446	452,293
Travel and transportation	112,339	7,327	2,442	122,108	422,317
Awards and assistance	1,727,464	-	-	1,727,464	559,764
Bad debt	9,019	-	-	9,019	-
Total Functional Expenses Before Depreciation	8,583,460	2,632,285	327,885	11,543,630	7,903,596
Depreciation	5,734	320	352	6,406	3,604
Total Functional Expenses	<u>\$ 8,589,194</u>	<u>\$ 2,632,605</u>	<u>\$ 328,237</u>	<u>\$ 11,550,036</u>	<u>\$ 7,907,200</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA ACTION FUND

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE PERIOD FROM INCEPTION TO DECEMBER 31, 2020

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 37,844	\$ 16,051	\$ 276	\$ 54,171
Payroll taxes	2,702	1,145	20	3,867
Employee benefits	4,359	1,849	32	6,240
Outside services	2,529	4,140	-	6,669
Occupancy	2,683	150	165	2,998
Information technology	3,672	1,557	27	5,256
Office supplies and expenses	1,134	481	8	1,623
Conferences, training and meetings	11	5	-	16
Travel and transportation	6	3	-	9
Awards and assistance	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
Total Functional Expenses	<u>\$ 73,940</u>	<u>\$ 25,381</u>	<u>\$ 528</u>	<u>\$ 99,849</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Allied Media Projects, Inc.	Allied Media Action Fund	Total 2020	Total 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 9,598,066	\$ 558,194	\$ 10,156,260	\$ 4,984,246
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation	37,495	-	37,495	34,692
Loss on disposal of equipment	-	-	-	1,615
(Increase) decrease in operating assets				
Accounts receivable	(218,591)	(63,033)	(281,624)	(297,611)
Prepaid expenses	(3,584)	-	(3,584)	(30,283)
Increase (decrease) in operating liabilities				
Accounts payable	(319,585)	-	(319,585)	300,928
Accrued expenses	316,452	-	316,452	229,156
Security deposits payable	-	-	-	(8,405)
Deferred revenue	(6,050)	-	(6,050)	6,050
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,404,203</u>	<u>495,161</u>	<u>9,899,364</u>	<u>5,220,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Construction in progress	(1,361,505)	-	(1,361,505)	-
Restoration commitments	649,239	-	649,239	-
Purchase of property and equipment	(12,750)	-	(12,750)	(15,277)
NET CASH USED BY INVESTING ACTIVITIES	<u>(725,016)</u>	<u>-</u>	<u>(725,016)</u>	<u>(15,277)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments (from) to intra-organization - net	(82,978)	82,978	-	-
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(82,978)</u>	<u>82,978</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,596,209	578,139	9,174,348	5,205,111
CASH AND CASH EQUIVALENTS, beginning of year	<u>10,140,036</u>	<u>-</u>	<u>10,140,036</u>	<u>4,934,925</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 18,736,245</u>	<u>\$ 578,139</u>	<u>\$ 19,314,384</u>	<u>\$ 10,140,036</u>
SUPPLEMENTAL DISCLOSURES				
Interest paid	<u>\$ 62,525</u>	<u>\$ -</u>	<u>\$ 62,525</u>	<u>\$ 61,403</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Allied Media Projects, Inc. (the Project) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation. The Project was founded in 2002 and incorporated in the State of Ohio with authority to transact business in Michigan.

Allied Media Action Fund (the Fund) is a nonprofit membership organization exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code and was incorporated on May 1, 2020 (date of inception).

The mission of the Project and the Fund (the Organization) is to cultivate media strategies for a more just and creative world. The Organization allocates certain overhead expenses including salaries and occupancy between the Project and the Fund based upon actual time and utilization analysis. The accounting policies of the Organization are an integral part of the combining financial statements.

The Organization's program and supporting services are as follows:

Program Services

The purpose of the Project is to cultivate media for liberation. Its programs include the biannual Allied Media Conference, a gathering of social justice organizers and alternative media makers; a Sponsored Projects Program to assist and support social justice art, media and technology projects; and a Speaker's Bureau offering public presentations and performances. The Fund's purpose is to educate legislators and the general public on issues facing Michigan and the United States.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure support from individuals, foundations and government agencies.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donor: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operation.

Net assets with donor restrictions are 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. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible at December 31, 2020; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of five to thirty-nine years. The Organization's policy is to capitalize acquisitions of \$2,500 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue and Support

Agency contract arrangements with foundations, corporations or governmental agencies constitute and are accounted for as conditional contributions since the resource provider does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Revenue is recognized when the condition is satisfied. Conditions are satisfied based on incurring qualified expenses, and/or satisfying a milestone, and/or execution of other deliverable units of service. A refundable advance is recorded when the Organization receives assets (i.e. cash) in advance of the satisfaction of the conditions within these arrangements. As of December 31, 2020, there were no refundable advances recorded for agency contracts.

Retroactive determination of allowable costs by resource providers may result in final settlements different from interim payments for reimbursable services submitted by the Organization. Revenue is reported at the estimated net realizable amounts from resource providers for services rendered, including estimated retroactive adjustments under reimbursement agreements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Under ASU 2018-08, the Organization elects to report restricted contributions that were initially conditional and for which both the condition and the restriction simultaneously occur, as increases in net assets without donor restrictions.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

The Organization reports unconditional gifts of cash and other assets as support with donor restrictions, if they are received with donor stipulations that limit the use of the donated assets. 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 as net assets released from restrictions. If the contribution and use of purpose-restricted donation occurs in the same period, then the support will be recorded as without donor restriction.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program activities.

Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to the associated program and supporting services. Certain indirect costs have been allocated among the programs and supporting services benefited. Personnel and related costs are allocated based on estimates of time and effort. Other costs, such as occupancy, are allocated on a square footage basis.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ended prior to December 31, 2013.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 20,019,011
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(12,008,114)
Restoration commitments	(649,239)
Board designations:	
Reserve funds	<u>(60,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,301,658</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization also could draw from its line of credit up to \$1,000,000 (as further discussed in Note 16). The Organization has unused construction loan financing available of \$975,000, which will be used to pay for the restoration commitments (as further discussed in Note 4).

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

3. PROPERTY AND EQUIPMENT

At December 31, 2020, property and equipment consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Equipment	\$ 77,489	\$ 12,750	\$ -	\$ 90,239
Furniture	7,337	-	-	7,337
Website	90,766	-	-	90,766
Building	777,900	-	-	777,900
Land improvements	60,000	-	-	60,000
Fixtures	50,000	-	-	50,000
Land	194,900	-	-	194,900
	<u>\$ 1,258,392</u>	<u>\$ 12,750</u>	<u>\$ -</u>	1,271,142
Less accumulated depreciation				<u>239,275</u>
				<u>\$ 1,031,867</u>

4. CONSTRUCTION LOAN COMMITMENT

The Organization has a commitment to borrow from a third party up to \$975,000 for capital renovation to its building.

5. MORTGAGE PAYABLE

The Organization executed a loan commitment of \$2,000,000, using \$1,025,000 for the purchase of land and building. Terms of the loan commitment agreement are for the Organization to pay interest only of 5.875% through May 31, 2021 followed by the amortization period; whereby, the Organization pays monthly principal and interest over the next 15 years of \$16,742.37. The loan is collateralized by the real estate property at 4731 Grand River, Detroit, Michigan.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

5. MORTGAGE PAYABLE (continued)

Future maturities on the \$2,000,000 commitment are as follows for the years ending December 31:

2021	\$ 117,197
2022	200,908
2023	200,908
2024	200,908
2025	200,908
Thereafter	<u>2,092,797</u>
Total minimum payments	3,013,626
Less amount representing interest	<u>1,013,626</u>
Present value of minimum payments	2,000,000
Less commitment to borrow for capital renovations	975,000
Less current portion	<u>49,375</u>
Long-term portion	<u><u>\$ 975,625</u></u>

6. BOARD DESIGNATED NET ASSETS

Net assets designated for working capital needs. These designations are based on actions by the Board of Directors, which can be altered or revoked at a future time by a majority vote of the Board.

7. COMMITTED FUNDS

The Organization has encumbered \$445,000 of funds for future grants.

8. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020, net assets with donor restrictions consist of cash and cash equivalents and accounts receivable and are available for the following:

Subject to expenditure for specified purpose:	
Sponsored projects	\$ 11,646,317
Allied Media Conference	<u>361,797</u>
	<u><u>\$ 12,008,114</u></u>

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

Subject to expenditure for specified purpose:	
Sponsored projects	\$ 8,769,896
Allied Media Conference	<u>368,653</u>
	<u>\$ 9,138,549</u>

10. CONTINGENCY

In the normal course of operations, there could be outstanding contingent liabilities resulting from lawsuits, governmental agency assessments, etc., which are not known to the Organization and therefore have not been reflected in the accompanying financial statements. The Organization's management is of the opinion that such liabilities, if any, will be either immaterial or the Organization's insurance coverage is adequate to cover any potential losses.

11. RETIREMENT PLAN

The Organization participates in a retirement plan established under Internal Revenue Code Section 403(b) covering all eligible employees. The plan allows employees to make elective deferrals. Under the plan, the Organization contributes a percentage of a qualifying employee's salary to the purchase of individual account balances. Retirement plan expense was approximately \$60,500 for the year ended December 31, 2020.

12. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution in Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, the cash balances are fully insured.

The Organization also maintains its cash balances in one credit union in Michigan. The balances are insured by the National Credit Union Administration (NCUA) up to \$250,000. At December 31, 2020, the uninsured cash balances totaled approximately \$18,705,700.

ALLIED MEDIA PROJECTS, INC.
AND ALLIED MEDIA ACTION FUND

NOTES TO COMBINING FINANCIAL STATEMENTS

13. BUILDING RENTAL INCOME

Revenue from building rental income was \$18,927 with related expenses of \$93,614 for the year ended December 31, 2020.

14. COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

15. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 5, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which could affect the Organization's operations both directly and indirectly through its impact on funding sources, vendors, staff and contracted services. The financial effects on the Organization are not readily determinable. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Subsequent to the fiscal year end, the Organization obtained a line of credit up to \$1,000,000. Borrowings under this line of credit bear interest at a rate equal to the prime rate plus 1.00%. The line of credit expires on October 28, 2024. Borrowings under this agreement are collateralized by substantially all assets of the Organization.