

**ALLIED MEDIA PROJECTS, INC.,
ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED**

COMBINING FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying combining financial statements of Allied Media Projects, Inc., Allied Media Action Fund, and Love Bldg, Incorporated (a nonprofit organization), which comprise the combining statement of financial position as of December 31, 2021, and the related combining statements of activities and cash flows and Allied Media Projects, Inc., and Allied Media Action Fund statements of functional expenses for the year then ended, and the related notes to the combining financial statements.

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., Allied Media Action Fund, and Love Bldg, Incorporated as of December 31, 2021, 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.

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 Allied Media Projects, Inc., Allied Media Action Fund, and Love Bldg, Incorporated 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 Combining Financial Statements

Management is responsible for the preparation and fair presentation of the combining 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 combining financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Allied Media Projects, Inc., Allied Media Action Fund, and Love Bldg, Incorporated's ability to continue as a going concern within one year after the date that the combining financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combining 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, including omissions, 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 combining 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 combining 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 combining 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 Allied Media Projects, Inc., Allied Media Action Fund, and Love Bldg, Incorporated'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 combining financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allied Media Projects, Inc., Allied Media Action Fund, and Love Bldg, Incorporated'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.

Report on Summarized Comparative Information

We have previously audited Allied Media Projects, Inc. and Allied Media Action Fund's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenue & Company, P.C.

April 28, 2023

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

COMBINING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Allied Media Projects, Inc.	Allied Media Action Fund	Love Bldg, Incorporated	Total 2021	Total 2020
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 38,335,285	\$ 719,682	\$ 100	\$ 39,055,067	\$ 19,314,384
Accounts receivable	1,493,153	-	-	1,493,153	704,627
Prepaid expenses	9,554	-	-	9,554	51,699
Intra-organization due (to) from	<u>(7,553,456)</u>	<u>(1,234)</u>	<u>7,554,690</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>32,284,536</u>	<u>718,448</u>	<u>7,554,790</u>	<u>40,557,774</u>	<u>20,070,710</u>
Non-current Assets					
Property and equipment - net	1,004,345	-	-	1,004,345	1,031,867
Construction in progress	5,080,802	-	-	5,080,802	1,361,505
Deposits	<u>8,995</u>	<u>-</u>	<u>-</u>	<u>8,995</u>	<u>3,265</u>
Total Non-current Assets	<u>6,094,142</u>	<u>-</u>	<u>-</u>	<u>6,094,142</u>	<u>2,396,637</u>
TOTAL ASSETS	<u>\$ 38,378,678</u>	<u>\$ 718,448</u>	<u>\$ 7,554,790</u>	<u>\$ 46,651,916</u>	<u>\$ 22,467,347</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	\$ 806,198	\$ 2,622	\$ -	\$ 808,820	\$ 140,232
Accrued expenses	852,678	-	-	852,678	702,138
Deferred revenue	178,609	-	-	178,609	-
Mortgage payable, current portion	<u>45,022</u>	<u>-</u>	<u>-</u>	<u>45,022</u>	<u>49,375</u>
Total Current Liabilities	<u>1,882,507</u>	<u>2,622</u>	<u>-</u>	<u>1,885,129</u>	<u>891,745</u>
Long-term Liabilities					
Restoration commitments	-	-	-	-	649,239
Mortgage payable, net of current portion	<u>954,933</u>	<u>-</u>	<u>-</u>	<u>954,933</u>	<u>975,625</u>
Total Long-term Liabilities	<u>954,933</u>	<u>-</u>	<u>-</u>	<u>954,933</u>	<u>1,624,864</u>
Total Liabilities	<u>2,837,440</u>	<u>2,622</u>	<u>-</u>	<u>2,840,062</u>	<u>2,516,609</u>
Net Assets					
Without donor restrictions					
Undesignated	1,629,138	82,337	7,554,790	9,266,265	7,882,624
Board designated	-	-	-	-	60,000
With donor restrictions	<u>33,912,100</u>	<u>633,489</u>	<u>-</u>	<u>34,545,589</u>	<u>12,008,114</u>
Total Net Assets	<u>35,541,238</u>	<u>715,826</u>	<u>7,554,790</u>	<u>43,811,854</u>	<u>19,950,738</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 38,378,678</u>	<u>\$ 718,448</u>	<u>\$ 7,554,790</u>	<u>\$ 46,651,916</u>	<u>\$ 22,467,347</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Allied Media Projects, Inc.			Allied Media Action Fund			Love Bldg, Incorporated	Combining Totals	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	2021	2020
REVENUE AND SUPPORT									
Contributions and donations	\$ -	\$ 38,543,409	\$ 38,543,409	\$ 1,989	\$ 378,311	\$ 380,300	\$ -	\$ 38,923,709	\$ 19,559,559
Contributions of non-financial assets	12,400	-	12,400	-	-	-	-	12,400	-
CARES Act income	-	-	-	-	-	-	-	-	523,111
Program and other income	936,262	1,360,925	2,297,187	-	-	-	-	2,297,187	1,773,185
Dividends and interest	20,903	-	20,903	-	-	-	-	20,903	24,977
	969,565	39,904,334	40,873,899	1,989	378,311	380,300	-	41,254,199	21,880,832
Net assets released from restrictions	17,527,654	(17,527,654)	-	217,516	(217,516)	-	-	-	-
TOTAL REVENUE AND SUPPORT	18,497,219	22,376,680	40,873,899	219,505	160,795	380,300	-	41,254,199	21,880,832
EXPENSES									
Program services	15,778,685	-	15,778,685	180,028	-	180,028	-	15,958,713	8,663,134
Management and general	2,442,983	-	2,442,983	40,855	-	40,855	-	2,483,838	2,657,986
Fund raising	377,603	-	377,603	1,785	-	1,785	-	379,388	328,765
TOTAL EXPENSES	18,599,271	-	18,599,271	222,668	-	222,668	-	18,821,939	11,649,885
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	(102,052)	22,376,680	22,274,628	(3,163)	160,795	157,632	-	22,432,260	10,230,947
OTHER CHANGE									
Building rental income - net	(71,144)	-	(71,144)	-	-	-	-	(71,144)	(74,687)
Member equity contributed	(6,054,790)	-	(6,054,790)	-	-	-	7,554,790	1,500,000	-
CHANGE IN NET ASSETS	(6,227,986)	22,376,680	16,148,694	(3,163)	160,795	157,632	7,554,790	23,861,116	10,156,260
NET ASSETS, beginning of year	7,857,124	11,535,420	19,392,544	85,500	472,694	558,194	-	19,950,738	9,794,478
NET ASSETS, end of year	\$ 1,629,138	\$ 33,912,100	\$ 35,541,238	\$ 82,337	\$ 633,489	\$ 715,826	\$ 7,554,790	\$ 43,811,854	\$ 19,950,738

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Program Services	Management and General	Fund Raising	Total 2021	Total 2020
Salaries	\$ 4,305,869	\$ 833,733	\$ 137,196	\$ 5,276,798	\$ 3,985,510
Payroll taxes	356,524	69,033	11,360	436,917	282,208
Employee benefits	412,480	79,868	13,143	505,491	351,496
Outside services	5,045,016	843,850	138,632	6,027,498	3,261,846
Occupancy	148,395	155,799	17,704	321,898	264,944
Information technology	176,054	159,645	6,153	341,852	600,005
Conferences, training and meetings	226,797	26,607	-	253,404	274,584
Communications and marketing	601,251	78,030	17,418	696,699	-
Activities and materials	541,643	178,282	35,506	755,431	664,446
Travel and transportation	143,123	17,689	-	160,812	122,108
Awards and assistance	3,813,540	-	-	3,813,540	1,727,464
Bad debt	-	-	-	-	9,019
Total Functional Expenses Before Depreciation	15,770,692	2,442,536	377,112	18,590,340	11,543,630
Depreciation	7,993	447	491	8,931	6,406
Total Functional Expenses	<u>\$ 15,778,685</u>	<u>\$ 2,442,983</u>	<u>\$ 377,603</u>	<u>\$ 18,599,271</u>	<u>\$ 11,550,036</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA ACTION FUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Program Services	Management and General	Fund Raising	Total 2021	Total 2020
Salaries	\$ 108,045	\$ 18,029	\$ -	\$ 126,074	\$ 54,171
Payroll taxes	10,533	1,757	-	12,290	3,867
Employee benefits	14,250	2,378	-	16,628	6,240
Outside services	28,889	12,401	1,600	42,890	6,669
Occupancy	-	1,664	-	1,664	2,998
Information technology	9,236	2,697	-	11,933	5,256
Office supplies and expenses	2,672	1,873	185	4,730	1,623
Conferences, training and meetings	341	56	-	397	16
Communications and marketing	6,062	-	-	6,062	-
Travel and transportation	-	-	-	-	9
Awards and assistance	-	-	-	-	19,000
Total Functional Expenses	<u>\$ 180,028</u>	<u>\$ 40,855</u>	<u>\$ 1,785</u>	<u>\$ 222,668</u>	<u>\$ 99,849</u>

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Allied Media Projects, Inc.	Allied Media Action Fund	Love Bldg, Incorporated	Total 2021	Total 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 16,148,694	\$ 157,632	\$ 7,554,790	\$ 23,861,116	\$ 10,156,260
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	40,020	-	-	40,020	37,495
(Increase) decrease in operating assets					
Accounts receivable	(851,559)	63,033	-	(788,526)	(281,624)
Prepaid expenses	42,145	-	-	42,145	(3,584)
Deposits	(5,730)	-	-	(5,730)	-
Increase (decrease) in operating liabilities					
Accounts payable	665,966	2,622	-	668,588	(319,585)
Accrued expenses	150,540	-	-	150,540	316,452
Deferred revenue	178,609	-	-	178,609	(6,050)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>16,368,685</u>	<u>223,287</u>	<u>7,554,790</u>	<u>24,146,762</u>	<u>9,899,364</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Construction in progress	(3,719,297)	-	-	(3,719,297)	(1,361,505)
Restoration commitments	(649,239)	-	-	(649,239)	649,239
Purchase of property and equipment	(12,498)	-	-	(12,498)	(12,750)
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,381,034)</u>	<u>-</u>	<u>-</u>	<u>(4,381,034)</u>	<u>(725,016)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payments on mortgage payable	(25,045)	-	-	(25,045)	-
Payments (from) to intra-organization - net	7,636,434	(81,744)	(7,554,690)	-	-
NET CASH USED BY FINANCING ACTIVITIES	<u>7,611,389</u>	<u>(81,744)</u>	<u>(7,554,690)</u>	<u>(25,045)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,599,040	141,543	100	19,740,683	9,174,348
CASH AND CASH EQUIVALENTS, beginning of year	18,736,245	578,139	-	19,314,384	10,140,036
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 38,335,285</u>	<u>\$ 719,682</u>	<u>\$ 100</u>	<u>\$ 39,055,067</u>	<u>\$ 19,314,384</u>
SUPPLEMENTAL DISCLOSURES					
Interest paid	\$ 61,298	\$ -	\$ -	\$ 61,298	\$ 62,525

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization's combining financial statements include activities of the following corporations:

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).

Love Bldg, Incorporated (LBI) 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. LBI was formed in 2020.

The mission of the Project, the Fund, and LBI (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, the Fund, and LBI 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 Project has an investment in Love Building LLC (a disregarded entity), whose results from operations have been combined with those of the Project. The Fund's purpose is to educate legislators and the general public on issues facing Michigan and the United States. LBI's purpose is to support the programs of the Project and the Fund.

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.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Raising

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

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.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* (effective date as amended by ASU 2020-05). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance under generally accepted accounting principles (GAAP) in the U.S. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The most noticeable difference with the

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued)

implementation of the new ASU is the transition away from industry-specific guidance in favor of broader, principles-based guidance. The Organization adopted the new standard effective January 1, 2021, the first day of the Organization's fiscal year, using the full retrospective method. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption. There are no significant changes in any financial statement line item that resulted from adopting ASU 2014-09, in comparison with the prior period.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments expand presentation and disclosure requirements for contributed nonfinancial assets (also referred to as gifts-in-kind). The amendments require that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, the ASU also require expanded disclosures relating to each category of contributed nonfinancial assets. Specifically, nonprofit organizations must disclose contributed nonfinancial assets received disaggregated by category that depicts the type of assets contributions. FASB ASU No. 2020-07 is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization adopted the new standard effective January 1, 2021, the first day of the Organization's fiscal year using the full retrospective method. There are no significant changes in any financial statement line item that resulted from adopting ASU 2020-07, in comparison with the prior year.

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, 2021; 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., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

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, 2021, 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.

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, in accordance with *Presentation of Financial Statements of Not-for-Profit Entities* FASB ASC 958-605-45-4B.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

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. 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.

In accordance with *Revenue from Contracts with Customers* FASB 606-10-50, revenue from program income is recognized as service is rendered. Revenue under contracts is recognized on the basis of actual time incurred multiplied by the billable hourly rate stated in the contract, plus materials expense incurred. Revenue from contracts with customers includes consulting contracts which are reported under program and other income. The majority of these revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. In cases where costs are incurred in advance of billings, a receivable is recorded in the period during which the expenses are incurred. In cases where billings are in excess of costs or advance payments are received, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related service is rendered.

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AND LOVE BLDG, INCORPORATED

NOTES TO COMBINING FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2014.

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, 2021, 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	\$ 40,548,220
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(34,545,589)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,002,631</u>

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
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NOTES TO COMBINING FINANCIAL STATEMENTS

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

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 5).

3. PROPERTY AND EQUIPMENT

At December 31, 2021, property and equipment consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Equipment	\$ 90,239	\$ 12,498	\$ -	\$ 102,737
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>\$ 1,271,142</u>	<u>\$ 12,498</u>	<u>\$ -</u>	1,283,640
Less accumulated depreciation				<u>279,295</u>
				<u>\$ 1,004,345</u>

4. 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 6.00% through October 1, 2021 followed by the amortization period; whereby, the Organization pays monthly principal and interest over the next 14 years of \$8,649.53. The loan is collateralized by the real estate property at 4731 Grand River, Detroit, Michigan.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
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NOTES TO COMBINING FINANCIAL STATEMENTS

4. MORTGAGE PAYABLE (continued)

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

2022	\$ 103,794
2023	103,794
2024	103,794
2025	103,794
2026	103,794
Thereafter	<u>977,399</u>
Total minimum payments	1,496,369
Less amount representing interest	<u>496,414</u>
Present value of minimum payments	999,955
Less current portion	<u>45,022</u>
Long-term portion	<u><u>\$ 954,933</u></u>

5. LINE OF CREDIT

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. As of December 31, 2021, the Organization has the full amount available for use.

6. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021, 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	\$ 34,353,067
Allied Media Conference	<u>192,522</u>
	<u><u>\$ 34,545,589</u></u>

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
AND LOVE BLDG, INCORPORATED

NOTES TO COMBINING FINANCIAL STATEMENTS

7. 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	\$ 17,411,462
Allied Media Conference	<u>333,708</u>
	<u>\$ 17,745,170</u>

8. NON-CASH CONTRIBUTIONS

For the year ended December 31, 2021, the Organization recognized the following contributed nonfinancial assets within the statement of activities:

Equipment/supplies	\$ 8,900
Various professional services	<u>3,500</u>
	<u>\$ 12,400</u>

All gifts in-kind received by the Organization for the year ended December 31, 2021, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

The contributed services recognized comprise various services (e.g. brainstorm presentation, design, etc). Contributed services are reported at the estimated fair value in the financial statements based on current rates for similar services.

9. 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.

ALLIED MEDIA PROJECTS, INC., ALLIED MEDIA ACTION FUND,
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NOTES TO COMBINING FINANCIAL STATEMENTS

10. 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 \$121,100 for the year ended December 31, 2021.

11. 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, 2021, 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, 2021, the uninsured cash balances totaled approximately \$38,621,000.

12. BUILDING RENTAL INCOME

Revenue from building rental income was \$21,243 with related expenses of \$92,387 for the year ended December 31, 2021.

13. 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, 2020, from which the summarized information was derived.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 28, 2023, the date the financial statements were available to be issued.