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

COMBINING FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2022, and the related combining statements of activities and cash flows and Allied Media Projects, Inc., Allied Media Action Fund and Love Bldg, Incorporated's 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, 2022, 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, 2021 combining financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenu & Company, P.C.

February 23, 2024

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

COMBINING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022, WITH COMPARATIVE TOTALS FOR 2021

	Allied Media Projects, Inc.	Allied Media Action Fund	Love Bldg, Incorporated	Total 2022	Total 2021
ASSETS					
Current Assets					
Cash and cash equivalents	$ 40,091,151	$ 1,076,347	$ 380,535	$ 41,548,033	$ 39,055,067
Accounts receivable	1,224,920	-	-	1,224,920	1,493,153
Prepaid expenses	48,222	-	-	48,222	9,554
Intra-organization due (to) from	(7,494,560)	(57,024)	7,551,584	-	-
Total Current Assets	33,869,733	1,019,323	7,932,119	42,821,175	40,557,774
Non-current Assets					
Property and equipment - net	964,537	-	-	964,537	1,004,345
Right-of-use assets - operating lease	468,423	-	-	468,423	-
Construction in progress	9,027,194	-	-	9,027,194	5,080,802
Deposits	8,995	-	-	8,995	8,995
Total Non-current Assets	10,469,149	-	-	10,469,149	6,094,142
TOTAL ASSETS	$ 44,338,882	$ 1,019,323	$ 7,932,119	$ 53,290,324	$ 46,651,916
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	$ 1,347,360	$ 1,880	$ 36,760	$ 1,386,000	$ 808,820
Accrued expenses	936,415	-	-	936,415	852,678
Deferred revenue	22,700	-	-	22,700	178,609
Operating lease liabilities - current portion	57,010	-	-	57,010	-
Mortgage payable, current portion	-	-	-	-	45,022
Total Current Liabilities	2,363,485	1,880	36,760	2,402,125	1,885,129
Long-term Liabilities					
Operating lease liabilities - net of current portion	411,413	-	-	411,413	-
Mortgage payable, net of current portion	3,300,000	-	-	3,300,000	954,933
Total Long-term Liabilities	3,711,413	-	-	3,711,413	954,933
Total Liabilities	6,074,898	1,880	36,760	6,113,538	2,840,062
Net Assets					
Without donor restrictions					
Undesignated	15,803,166	149,580	1,500,000	17,452,746	9,266,265
Board designated	(6,054,790)	-	6,054,790	-	-
With donor restrictions	28,515,608	867,863	340,569	29,724,040	34,545,589
Total Net Assets	38,263,984	1,017,443	7,895,359	47,176,786	43,811,854
TOTAL LIABILITIES AND NET ASSETS	$ 44,338,882	$ 1,019,323	$ 7,932,119	$ 53,290,324	$ 46,651,916

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, 2022, WITH COMPARATIVE TOTALS FOR 2021

	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	With Donor Restrictions	Total	2022	2021
REVENUE AND SUPPORT											
Contributions and donations	$ -	$ 27,320,211	$ 27,320,211	$ -	$ 544,040	$ 544,040	$ -	$ 300,000	$ 300,000	$ 28,164,251	$ 38,923,709
Contributions of non-financial assets	-	-	-	-	-	-	-	-	-	-	12,400
Program and other income	552,692	1,241,755	1,794,447	-	-	-	-	-	-	1,794,447	2,297,187
Dividends and interest	24,887	-	24,887	-	-	-	-	-	-	24,887	20,903
Intra-organization support	(571,605)	-	(571,605)	-	-	-	-	571,605	571,605	-	-
	5,974	28,561,966	28,567,940	-	544,040	544,040	-	871,605	871,605	29,983,585	41,254,199
Net assets released from restrictions	33,958,458	(33,958,458)	-	309,666	(309,666)	-	531,036	(531,036)	-	-	-
TOTAL REVENUE AND SUPPORT	33,964,432	(5,396,492)	28,567,940	309,666	234,374	544,040	531,036	340,569	871,605	29,983,585	41,254,199
EXPENSES											
Program services	23,173,023	-	23,173,023	180,511	-	180,511	505,670	-	505,670	23,859,204	15,958,713
Management and general	2,126,133	-	2,126,133	47,421	-	47,421	25,233	-	25,233	2,198,787	2,483,838
Fund raising	413,056	-	413,056	14,491	-	14,491	133	-	133	427,680	379,388
TOTAL EXPENSES	25,712,212	-	25,712,212	242,423	-	242,423	531,036	-	531,036	26,485,671	18,821,939
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	8,252,220	(5,396,492)	2,855,728	67,243	234,374	301,617	-	340,569	340,569	3,497,914	22,432,260
OTHER CHANGE											
Building rental income - net	(132,982)	-	(132,982)	-	-	-	-	-	-	(132,982)	(71,144)
Member equity contributed	-	-	-	-	-	-	-	-	-	-	1,500,000
CHANGE IN NET ASSETS	8,119,238	(5,396,492)	2,722,746	67,243	234,374	301,617	-	340,569	340,569	3,364,932	23,861,116
NET ASSETS, beginning of year	1,629,138	33,912,100	35,541,238	82,337	633,489	715,826	7,554,790	-	7,554,790	43,811,854	19,950,738
NET ASSETS, end of year	$ 9,748,376	$ 28,515,608	$ 38,263,984	$ 149,580	$ 867,863	$ 1,017,443	$ 7,554,790	$ 340,569	$ 7,895,359	$ 47,176,786	$ 43,811,854

See accompanying notes to combining financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022, WITH COMPARATIVE TOTALS FOR 2021

	Program Services	Management and General	Fund Raising	Total 2022	Total 2021
Salaries	$ 4,861,615	$ 941,342	$ 154,904	$ 5,957,861	$ 5,276,798
Payroll taxes	388,449	75,214	12,377	476,040	436,917
Employee benefits	485,054	93,920	15,455	594,429	505,491
Outside services	8,104,781	663,157	154,619	8,922,557	6,027,498
Occupancy	342,373	57,845	22,935	423,153	321,898
Information technology	223,321	180,377	10,012	413,710	341,852
Conferences, training and meetings	604,177	71,998	26,929	703,104	253,404
Communications and marketing	537,009	3,135	270	540,414	696,699
Activities and materials	1,015,853	31,115	14,973	1,061,941	755,431
Travel and transportation	508,879	7,594	103	516,576	160,812
Awards and assistance	6,093,708	-	-	6,093,708	3,813,540
Total Functional Expenses Before Depreciation	23,165,219	2,125,697	412,577	25,703,493	18,590,340
Depreciation	7,804	436	479	8,719	8,931
Total Functional Expenses	$ 23,173,023	$ 2,126,133	$ 413,056	$ 25,712,212	$ 18,599,271

See accompanying notes to combining financial statements.

ALLIED MEDIA ACTION FUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022, WITH COMPARATIVE TOTALS FOR 2021

	Program Services	Management and General	Fund Raising	Total 2022	Total 2021
Salaries	$ 36,746	$ 13,218	$ 2,908	$ 52,872	$ 126,074
Payroll taxes	3,147	1,132	249	4,528	12,290
Employee benefits	2,370	853	187	3,410	16,628
Outside services	61,945	24,303	9,700	95,948	42,890
Occupancy	1,982	923	202	3,107	1,664
Information technology	13,459	4,842	1,065	19,366	11,933
Office supplies and expenses	17,946	2,021	152	20,119	4,730
Conferences, training and meetings	358	129	28	515	397
Communications and marketing	980	-	-	980	6,062
Travel and transportation	78	-	-	78	-
Awards and assistance	41,500	-	-	41,500	-
Total Functional Expenses	$ 180,511	$ 47,421	$ 14,491	$ 242,423	$ 222,668

See accompanying notes to combining financial statements.

LOVE BLDG, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fund Raising	2022
Salaries	$ -	$ 6,603	$ -	$ 6,603
Payroll taxes	-	424	-	424
Employee benefits	-	146	-	146
Outside services	192,696	16,651	109	209,456
Occupancy	4,908	324	-	5,232
Information technology	42	772	-	814
Supplies and activity materials	1,450	207	24	1,681
Conferences, training and meetings	675	106	-	781
Communications and marketing	4,791	-	-	4,791
Travel and transportation	1,108	-	-	1,108
Awards and assistance	300,000	-	-	300,000
Total Functional Expenses	$ 505,670	$ 25,233	$ 133	$ 531,036

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, 2022, WITH COMPARATIVE TOTALS FOR 2021

	Allied Media Projects, Inc.	Allied Media Action Fund	Love Bldg, Incorporated	Total 2022	Total 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	$ 2,722,746	$ 301,617	$ 340,569	$ 3,364,932	$ 23,861,116
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	39,808	-	-	39,808	40,020
Operating lease expense amortization	19,782	-	-	19,782	-
(Increase) decrease in operating assets					
Accounts receivable	268,233	-	-	268,233	(788,526)
Prepaid expenses	(38,668)	-	-	(38,668)	42,145
Deposits	-	-	-	-	(5,730)
Increase (decrease) in operating liabilities					
Accounts payable	541,162	(742)	36,760	577,180	668,588
Accrued expenses	83,737	-	-	83,737	150,540
Deferred revenue	(155,909)	-	-	(155,909)	178,609
Principal payments on operating leases	(19,782)	-	-	(19,782)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,461,109	300,875	377,329	4,139,313	24,146,762
CASH FLOWS FROM INVESTING ACTIVITIES					
Construction in progress	(3,946,392)	-	-	(3,946,392)	(3,719,297)
Restoration commitments	-	-	-	-	(649,239)
Purchase of property and equipment	-	-	-	-	(12,498)
NET CASH USED BY INVESTING ACTIVITIES	(3,946,392)	-	-	(3,946,392)	(4,381,034)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payments on mortgage payable	2,300,045	-	-	2,300,045	(25,045)
Payments (from) to intra-organization - net	(58,896)	55,790	3,106	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	2,241,149	55,790	3,106	2,300,045	(25,045)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,755,866	356,665	380,435	2,492,966	19,740,683
CASH AND CASH EQUIVALENTS, beginning of year	38,335,285	719,682	100	39,055,067	19,314,384
CASH AND CASH EQUIVALENTS, end of year	$ 40,091,151	$ 1,076,347	$ 380,535	$ 41,548,033	$ 39,055,067
SUPPLEMENTAL DISCLOSURES					
Interest paid	$ 90,476	$ -	$ -	$ 90,476	$ 61,298

See accompanying notes to combining financial statements.

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.

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 Pronouncement

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* that requires a lessee to recognize on the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term, regardless of classification of a lease as an operating or finance lease (previously capital lease). The Organization adopted ASU 2016-02 on January 1, 2022, using the modified retrospective approach for operating leases, with a term greater than 12 months. The Organization also elected the package of practical expedients permitted under the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncement (continued)

new standard that allowed the Organization to carry forward historical lease classification for existing leases on the adoption date, and allowed the Organization not to assess whether an existing contract contains a lease or initial direct cost. As permitted by the guidance, prior comparative periods will not be adjusted under this method. As of the beginning of the year, the Organization had no right-of-use assets or lease liabilities.

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, 2022; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

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

Contributions received that are conditional are recognized as revenue when the condition is satisfied. A condition occurs where the donor stipulation creates a measurable barrier contingent on a future performance or event which limits how the activity is conducted, and the entitlement to the funding is directly related to the satisfaction of the stipulation. 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, 2022, there were no refundable advances recorded for agency contracts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

In accordance with *Revenue from Contracts with Customers* FASB 606-10-50, revenue from program income is recognized as service is rendered. 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.

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, 2015.

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, 2022, 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	$ 42,772,953
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(29,724,040)
Financial assets available to meet cash needs for general expenditures within one year	$ 13,048,913

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, 2022, property and equipment consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Equipment	$ 102,737	$ -	$ -	$ 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
	$ 1,283,640	$ -	$ -	1,283,640
Less accumulated depreciation				319,103
				$ 964,537

4. MORTGAGE PAYABLE

The Organization has a note payable of $3,300,000. The note payable is due with interest at 5.75%. Monthly payments of interest only are due through November 5, 2023 followed by monthly principal and interest payments of $23,326 with a balloon payment of approximately $3,047,500 due November 5, 2028. The loan is collateralized by real and personal property at 4731 Grand River, Detroit, Michigan.

Future payments are as follows for the years ending December 31:

2023	$ 23,326
2024	279,916
2025	279,916
2026	279,916
2027	279,916
Thereafter	3,281,004
Total minimum payments	4,423,994
Less amount representing interest	1,123,994
Present value of minimum payments	3,300,000
Less current portion	-
Long-term portion	$ 3,300,000

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, 2022, the Organization has the full amount available for use.

6. LEASE COMMITMENTS

Operating Leases

The Organization has operating leases for office space expiring on various dates through September 2029. Pursuant to adopting FASB ASC 842, the Organization determines if an arrangement is a lease at the inception of a contract, and recognizes operating lease expense on a straight-line basis over the lease term. The Organization has elected to use a risk-free discount rate as allowed by FASB ASC 842-20-30-3. Leases with an initial term of twelve months or less are not recorded on the statement of financial position and are expensed on a straight-line basis.

The following summarizes the line items in the statement of financial position for right-of-use assets and lease liabilities of operating leases as of December 31, 2022:

Right-of-use assets	$ 468,423
Lease liabilities:	
Current	$ 57,010
Net of current	411,413
Total lease liabilities	$ 468,423

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022:

Weighted Average Remaining Lease Term:	6.67 years
Weighted Average Discount Rate:	3.62%

The following summarizes the components of lease expense included on the statement of activities and functional expenses for the year ended December 31, 2022:

Lease cost	
Operating leases:	
Occupancy	$ 24,104

6. LEASE COMMITMENTS (continued)

Operating Leases (continued)

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for the operating leases as of December 31, 2022, and reconciliation to operating lease liabilities reported on the statement of financial position:

2023	$ 73,036
2024	75,228
2025	77,484
2026	79,848
2027	82,200
Thereafter	142,200
Total lease payments	529,996
Less interest/discount	61,573
Present value of lease liability	468,423
Less current portion	57,010
Net of current portion	$ 411,413

The following summarizes cash flow information related to operating leases: cash paid for amounts included in the measurement of lease liabilities for the year ended December 31, 2022 was $19,782.

Lease asset obtained in exchange for lease obligation for the year ended December 31, 2022 was $488,205.

7. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022, 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	$ 29,724,040

8. 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	$ 34,799,160

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.

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 $128,000 for the year ended December 31, 2022.

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, 2022, 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, 2022, the uninsured cash balances totaled approximately $37,036,300.

12. BUILDING RENTAL INCOME

Revenue from building rental income was $25,400 with related expenses of $158,412 for the year ended December 31, 2022.

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, 2021, from which the summarized information was derived.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 23, 2024, the date the financial statements were available to be issued.