

ALLIED MEDIA PROJECTS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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

ALLIED MEDIA PROJECTS, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	14
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	15
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Allied Media Projects, Inc.

We have audited the accompanying statement of financial position of Allied Media Projects, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's December 31, 2010 financial statements and, in our report dated November 15, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allied Media Projects, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2012, on our consideration of Allied Media Projects, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Boisvenu & Company, P.C.

October 26, 2012

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

	Unrestricted	Temporarily Restricted	Total 2011	Total 2010
ASSETS				
Current Assets				
Cash	\$ 1,920	\$ 283,516	\$ 285,436	\$ 74,197
Accounts receivable	94,907	-	94,907	30,928
Prepaid expenses	-	-	-	545
Total Current Assets	<u>96,827</u>	<u>283,516</u>	<u>380,343</u>	<u>105,670</u>
Non-current Assets				
Equipment - net	104,642	-	104,642	14,720
Lease deposit	2,500	-	2,500	-
Total Non-current Assets	<u>107,142</u>	<u>-</u>	<u>107,142</u>	<u>14,720</u>
TOTAL ASSETS	<u>\$ 203,969</u>	<u>\$ 283,516</u>	<u>\$ 487,485</u>	<u>\$ 120,390</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 8,549	\$ -	\$ 8,549	\$ 2,207
Accrued expenses	32,574	-	32,574	-
Deferred revenue	41,341	-	41,341	2,500
Loan payable	-	-	-	20,000
Total Liabilities	<u>82,464</u>	<u>-</u>	<u>82,464</u>	<u>24,707</u>
Net Assets				
Unrestricted	121,505	-	121,505	20,564
Temporarily restricted	-	283,516	283,516	75,119
Total Net Assets	<u>121,505</u>	<u>283,516</u>	<u>405,021</u>	<u>95,683</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 203,969</u>	<u>\$ 283,516</u>	<u>\$ 487,485</u>	<u>\$ 120,390</u>

See accompanying notes to financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

	Unrestricted	Temporarily Restricted	Total 2011	Total 2010
REVENUE AND SUPPORT				
Grants and sponsorship	\$ 627,588	\$ 325,027	\$ 952,615	\$ 218,630
Contributions and support	29,525	-	29,525	21,509
Investment return	153	-	153	-
Registration and program fees	140,464	-	140,464	108,404
Other program income	5,986	-	5,986	334
	<u>803,716</u>	<u>325,027</u>	<u>1,128,743</u>	<u>348,877</u>
Net assets released from restrictions	<u>116,630</u>	<u>(116,630)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>920,346</u>	<u>208,397</u>	<u>1,128,743</u>	<u>348,877</u>
EXPENSES				
Program services	689,974	-	689,974	221,888
Management and general	77,683	-	77,683	17,112
Fund raising	51,748	-	51,748	14,759
TOTAL EXPENSES	<u>819,405</u>	<u>-</u>	<u>819,405</u>	<u>253,759</u>
CHANGE IN NET ASSETS	100,941	208,397	309,338	95,118
NET ASSETS, beginning of year	<u>20,564</u>	<u>75,119</u>	<u>95,683</u>	<u>565</u>
NET ASSETS, end of year	<u>\$ 121,505</u>	<u>\$ 283,516</u>	<u>\$ 405,021</u>	<u>\$ 95,683</u>

See accompanying notes to financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

	Program Services	Management and General	Fund Raising	Total 2011	Total 2010
Salaries	\$ 230,687	\$ 55,088	\$ 36,189	\$ 321,964	\$ 101,250
Payroll taxes	20,013	4,779	3,140	27,932	8,513
Employee benefits	11,936	2,850	1,872	16,658	-
Outside services	106,820	3,107	2,903	112,830	15,860
Occupancy	34,609	3,262	2,103	39,974	7,073
Information technology	60,990	5,748	3,705	70,443	6,782
Office supplies and expenses	7,751	730	471	8,952	4,837
Conferences, training and meetings	34,311	-	-	34,311	49,877
Activities and materials	59,791	-	-	59,791	28,179
Printing	6,285	592	382	7,259	5,743
Travel and transportation	31,715	-	-	31,715	10,733
Awards and assistance	49,219	-	-	49,219	1,200
In-kind materials	19,650	-	-	19,650	11,250
Total Functional Expenses					
Before Depreciation	673,777	76,156	50,765	800,698	251,297
Depreciation	16,197	1,527	983	18,707	2,462
Total Functional Expenses	<u>\$ 689,974</u>	<u>\$ 77,683</u>	<u>\$ 51,748</u>	<u>\$ 819,405</u>	<u>\$ 253,759</u>

See accompanying notes to financial statements.

ALLIED MEDIA PROJECTS, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 309,338	\$ 95,118
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	18,707	2,462
(Increase) decrease in operating assets		
Accounts receivable	(63,979)	(25,128)
Lease deposit	(2,500)	-
Prepaid expenses	545	505
Increase (decrease) in operating liabilities		
Accounts payable	6,342	931
Accrued expenses	32,574	-
Deferred revenue	<u>38,841</u>	<u>2,500</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>339,868</u>	<u>76,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(108,629)</u>	<u>(17,182)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(108,629)</u>	<u>(17,182)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from loans	-	20,000
Payments on loans	<u>(20,000)</u>	<u>(5,500)</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(20,000)</u>	<u>14,500</u>
NET INCREASE IN CASH	211,239	73,706
CASH, beginning of year	<u>74,197</u>	<u>491</u>
CASH, end of year	<u>\$ 285,436</u>	<u>\$ 74,197</u>

See accompanying notes to financial statements.

ALLIED MEDIA PROJECTS, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Allied Media Projects, Inc. (the Organization) 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 mission of the Organization is to cultivate media strategies for a more just and creative world.

The Organization was founded in 2002 and incorporated in the State of Ohio with authority to transact business in Michigan.

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

Program Services

The purpose of the Organization is to support the growth of media-based organizing models and disseminate them through the annual Allied Media Conference, an annual gathering of social justice organizers and alternative media makers in the Detroit area.

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.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

ALLIED MEDIA PROJECTS, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Unrestricted Net Assets – net assets that are not subject to “donor-imposed” time or purpose restrictions.

Temporarily Restricted Net Assets – net assets subject to “donor-imposed” restrictions that may or will be met by actions of the Organization and/or the passage of time. Restrictions that expire with the passage of time or can be removed by accomplishing certain requirements are classified as temporarily restricted net assets.

Permanently Restricted Net Assets – net assets subject to “donor-imposed” restrictions that they be maintained in perpetuity. Restrictions that require an asset be invested and only allow the income to be used are classified as permanently restricted net assets. The Organization has no permanently restricted net assets at December 31, 2011.

Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

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. The Organization has no cash equivalents at December 31, 2011.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible at December 31, 2011; 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.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is carried at cost or, if donated, at fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of three to seven years. The Organization's policy is to capitalize acquisitions of \$1,000 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

Revenue from grant awards under expense reimbursement programs is recognized in the period during which the related expenses are incurred. In cases where expenses are incurred in advance of receiving the grant, revenue and accounts receivable are recorded in the period during which the expenses are incurred. In cases where grants are received in advance of incurring the expenses, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related expenses are incurred.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support 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), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as unrestricted support 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.

ALLIED MEDIA PROJECTS, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

Contributions of donated services that create or enhance nonfinancial 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

Direct expenses, which can be clearly defined as incurred for a specific program, are charged to that program. The Organization allocates common expenses to program and supporting services based on time studies by management.

Income Taxes

The Organization accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these standards, the Organization recognizes tax positions only to the extent that the Organization believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. The Organization believes that it has no uncertain tax positions for the year ended December 31, 2011.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, change in net assets, or cash flows. Accordingly, the Organization had not recorded any reserves, or related accruals for interest and penalties for uncertain tax position at December 31, 2011.

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 ending prior to December 31, 2004.

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, accounts receivable, and other short term assets and liabilities. For these financial instruments, carrying values approximate fair value.

ALLIED MEDIA PROJECTS, INC.
NOTES TO FINANCIAL STATEMENTS

2. EQUIPMENT

At December 31, 2011, equipment consists of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Equipment	\$ 4,283	\$ 59,489	\$ -	\$ 63,772
Furniture and fixtures	500	1,432	-	1,932
Website	12,400	47,708	-	60,108
	\$ 17,183	\$ 108,629	\$ -	125,812
Less accumulated depreciation				21,170
				\$ 104,642

3. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2011, temporarily restricted net assets consist of cash and accounts receivable and are available for the following:

Purpose restriction	
Media Collaborative	\$ 224,017
Allied Media Conference in 2012	59,499
	\$ 283,516

ALLIED MEDIA PROJECTS, INC.

NOTES TO FINANCIAL STATEMENTS

4. NET ASSETS RELEASED FROM RESTRICTIONS

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

Purpose restriction accomplished	
Broadband technology opportunities program	\$ 2,482
2011 Allied Media Conference	88,034
Ad fund	<u>26,114</u>
	<u>\$ 116,630</u>

5. OPERATING LEASES

The Organization is obligated under a lease for office space that expires February 1, 2013.

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

2012	\$ 33,000
2013	<u>2,750</u>
	<u>\$ 35,750</u>

For the year ended December 31, 2011, office rent expense was \$28,750.

6. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions in Michigan. The balances for interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) up to \$250,000. The balances on non-interest bearing transaction accounts are fully insured through December 31, 2012. At December 31, 2011, the cash balances were fully insured.

7. IN-KIND DONATIONS

In-kind donations are valued at \$19,650 for the year ended December 31, 2011. The offsetting charge is to in-kind materials.

ALLIED MEDIA PROJECTS, INC.
NOTES TO FINANCIAL STATEMENTS

8. 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, 2010, from which the summarized information was derived.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 26, 2012, the date the financial statements were available to be issued.

ALLIED MEDIA PROJECTS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

FEDERAL/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT/GRANT NUMBER	EXPENDITURES
U.S. Department of Commerce Office of National Telecommunications and Information Administration Passed through East Michigan Environmental Action Council Broadband Technology Opportunities Program (BTOP)	11.557	26-43-B10592	\$ <u>551,015</u>

ALLIED MEDIA PROJECTS, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Allied Media Projects, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Allied Media Projects, Inc.

We have audited the financial statements of Allied Media Projects, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated October 26, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Allied Media Projects, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Allied Media Projects, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Allied Media Projects, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Allied Media Projects, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boisvenu & Company, P.C.

October 26, 2012



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Allied Media Projects, Inc.

Compliance

We have audited Allied Media Projects, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Allied Media Projects, Inc.'s major federal programs for the year ended December 31, 2011. Allied Media Projects, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Allied Media Projects, Inc.'s management. Our responsibility is to express an opinion on Allied Media Projects, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Allied Media Projects, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Allied Media Projects, Inc.'s compliance with those requirements.

In our opinion, except for the noncompliance described in the preceding paragraph, Allied Media Projects, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Allied Media Projects, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Allied Media Projects, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Allied Media Projects, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. .

This report is intended solely for the information and use of management, others within the organization, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boisvenu & Company, P.C.

October 26, 2012

ALLIED MEDIA PROJECTS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Allied Media Projects, Inc.
2. No instances of noncompliance material to the financial statements of Allied Media Projects, Inc. were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for Allied Media Projects, Inc. expresses an unqualified opinion on all major federal programs.
4. No audit findings relative to the major federal award programs for Allied Media Projects, Inc. were found.
5. The program tested as a major program was: Broadband Technology Opportunities Program (BTOP), CFDA number 11.557.
6. The threshold for distinguishing Types A and B programs was \$300,000.
7. Allied Media Projects, Inc. was determined not to be a low risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS -
MAJOR FEDERAL AWARD PROGRAMS AUDIT

None