LIVE ACTION

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

ROBERT D. BEN-KORI, CPA, PLLC

LIVE ACTION
FINANCIAL STATEMENTS
December 31, 2021

TABLE OF CONTENTS

ROBERT D. BEN-KORI, CPA, PLLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Live Action
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Live Action (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Live Action as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Live Action's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Live Action'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.

Robert D. Ben-Kori, CPA, PLLC

June 6, 2022

LIVE ACTION
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

CURRENT ASSETS	
Cash	$2,516,021
Investments	6,116,533
Prepaid Expenses	44,705
Total Current Assets	8,677,259
PROPERTY AND EQUIPMENT	
Office Equipment	42,163
Less: Accumulated Depreciation	(33,485)
Net Property and Equipment	8,678
OTHER ASSETS	
Security Deposits	19,685
Total Other Assets	19,685
TOTAL ASSETS	$8,705,622

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	$1,150,573
Deferred Lease Obligation	13,595
Total Current Liabilities	1,164,168
Total Liabilities	1,164,168
NET ASSETS	
Without Donor Restrictions	7,541,454
Total Net Assets	7,541,454
TOTAL LIABILITIES AND NET ASSETS	$8,705,622

See accompanying notes to financial statements.

LIVE ACTION

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUE	
Contributions	$13,884,552
Non-Cash Contributions	172,325
On-Line Sales	209,460
Net Investment Income	138,208
Special Events Revenue	317,108
Honorarium	3,600
Total Support and Revenue	14,725,253
EXPENSES	
Program Services	10,689,648
Supporting Services	
Management and General	1,210,161
Fundraising	1,802,810
Total Expenses	13,702,619
INCREASE IN NET ASSETS	1,022,634
NET ASSETS, Beginning of Year	6,518,820
NET ASSETS, End of Year	$ 7,541,454

See accompanying notes to financial statements.

LIVE ACTION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	Total
Advertising and Promotion	$4,351,965	$ 14,977	$ 36,303	$4,403,245
Bank Charges and Fees		135,051		135,051
Conferences and Conventions	150,328	11,383	1,987	163,698
Contract Services	2,851,028	78,954	55,870	2,985,852
Depreciation	10,349	1,294	1,294	12,937
Donations	17,678			17,678
Employee Benefits	1,715	132,076		133,791
Events	87,390	3,372	292,897	383,659
Information Technology	35,316	14,566	1,319	51,201
Insurance	48,418	39,954		88,372
Licenses and Permits		197		197
Occupancy	17,957	143,620		161,577
Other	58,266	12,004	1,307	71,577
Payroll Taxes	136,777	15,768	30,426	182,971
Postage and Mailing Services	458,150	41,974	773,588	1,273,712
Printing and Copying	291,648	5,100	223,234	519,982
Professional Fees	23,500	101,137		124,637
Publications and Subscriptions	169,726	11,351	16,279	197,356
Repairs and Maintenance	24,114	282		24,396
Salaries	1,643,245	405,318	353,696	2,402,259
Supplies	69,790	10,960	9,185	89,935
Telephone and Internet	362	9,242	2,345	11,949
Travel	241,926	21,581	3,080	266,587
Total Expenses	$10,689,648	$1,210,161	$1,802,810	$13,702,619

See accompanying notes to financial statements.

LIVE ACTION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	$1,022,634
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	12,937
Non-Cash Contributions	(172,325)
(Gain) Loss on Sale of Investments	3,991
Unrealized (Gain) Loss on Investments	(59,337)
(Increase) Decrease in:	
Security Deposits	4,500
Prepaid Expenses	(1,865)
Increase (Decrease) in:	
Accounts Payable	1,029,571
Deferred Lease Obligation	(790)
Net Cash Provided by Operating Activities	1,839,316
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from the Sale of Investments	163,410
Purchases of Investments	(6,051,718
Net Cash Used by Investing Activities	(5,888,308)
NET DECREASE IN CASH	(4,048,992)
CASH, Beginning of Year	6,565,013
CASH, End of Year	$2,516,021

See accompanying notes to financial statements.

Note 1 - Organization

Live Action (the Organization) was founded in 2008 and was headquartered in Santa Clara County, California and is now headquartered in Arlington, Virginia. Live Action is a Nonprofit Public Benefit Corporation. The Corporation was formed for the express purpose of educating the public about the humanity of the preborn and the threats against the vulnerable and defenseless.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

Live Action presents its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC Topic 958, Not-For-Profit-Entities. Under FASB ASC 958, Live Action is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

A description of these net asset categories follows:

- Net assets without donor restrictions include revenues and expenses associated with the principal mission of Live Action.

- Net assets with donor restrictions generally include contributions and unconditional promises to give for which time and purpose restrictions have not been met.

  Net assets with donor restrictions also include gifts, trusts and contributions which require, by donor restriction, that the corpus be invested in net assets with donor restrictions in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Note 2 - Summary of Significant Accounting Policies (Continued)

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 reporting period. Actual results could differ from those estimates.

Receivables

Receivables are accounted for on the accrual basis. As of December 31, 2021, the Organization believes that all receivables, if any, are fully collectable. Accordingly, there is no allowance for doubtful accounts. There were no receivables at December 31, 2021.

Investments

The Organization follows the recommendations of the Financial Accounting Standard Board in FASB ASC Topic 958, Not-For-Profit Entities. Under FASB ASC 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

Property and Equipment

Property and equipment is stated at cost or donated value and is depreciated using the straight-line method over the estimated useful lives of the assets of five to seven years.

All acquisitions of property and equipment of $2,500 or more and all 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.

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributions

Live Action accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board FASB ASC Topic 958, Not-For-Profit-Entities. In accordance with FASB ASC 958, contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

When a 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.

Intentions to Give

Intentions to give which may be rescinded at any time were not recognized in the financial statements because they did not meet the criteria for revenue recognition under FASB ASC Topic 958.

Advertising

Advertising costs are expensed as incurred. Advertising costs incurred for the year ending 2021 were $4,403,245.

Income Taxes

Live Action is a 501(c)(3) nonprofit organization exempt from Federal and State income taxes. Accordingly, no provision for income taxes is required in the accompanying financial statements.

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are classified into the following categories: program service, management and general and fundraising. Accordingly, certain costs have been allocated among the program and supporting services benefited. Expenses, which cannot be specifically identified with one functional area, are allocated proportionately based on an estimation of effort spent.

Cash Equivalents

For purposes of the statement of cash flows, Live Action considers all unrestricted highly liquid debt instruments with a maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2021.

Subsequent Events Evaluation

Management has evaluated subsequent events through June 6, 2022, the date the financial statements were available to be issued.

Note 3 - Investments

Investments as of December 31, 2021 consist of mutual funds and corporate stocks, which are carried at fair value based on quoted prices in active markets (all Level 1 measurements).

Investments are summarized as follows as of December 31, 2021:

Mutual Funds	$6,113,622
Corporate Stocks	2,911
	$6,116,533

Note 3 - Investments (Continued)

Net investment income consists of the following:

Interest Income	$ 21,137
Dividend Income	61,725
Realized Gain (Loss) on Sale of Investments	(3,991)
Unrealized Gain (Loss) on Investments	59,337
	$ 138,208

Note 4 - Allocation Of Joint Costs

During the year ending December 31, 2021 as part of its public awareness activities Live Action has incurred joint costs approximating $1,491,942 for informational activities that included a fundraising appeal. These costs have been allocated $531,131 to program services and $960,811 to fundraising.

Note 5 - Leases

Live Action leases office space under an operating lease. The following is a schedule of approximate future minimum lease payments under noncancelable operating lease for office space with initial or remaining terms of one year or more as of December 31, 2021:

2022	$ 74,575
2023	77,185
2024	45,931
	$ 197,691

Total office space rental expense was $161,577 in 2021.

Note 6 - Concentrations

As of December 31, 2021 the Organization had approximately $2,368,562 on deposit with two banks. This amount exceeds the Federally insured limit of $250,000 per bank by approximately $1,868,562.

Note 7 - Related Party Transactions

Live Action and another Organization are considered related parties since they have common officers and directors. No related party transactions were reported in 2021.

Note 8 - Commitments and Contingencies

Live Action is subject to various claims and litigation. In the opinion of management, the outcome of such matters will not have a material effect on the financial position of Live Action.

Note 9 - Liquidity and Availability of Resources

Live Action has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Live Action has $8,632,554 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $2,516,021 and investments of $6,116,533. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

Note 10 - On-Line Sales

On-Line Sales of $209,460 are presented net of cost of sales of approximately $112,786 in the statement of activities.

Note 11 - Upcoming Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which changes the accounting for all leases with terms longer than 12 months, primarily by the recognition of lease assets and lease liabilities by lesees for leases classified as operating under current GAAP. A lessee will be required to recognize a liability to make lease payments (the lease liability) and an asset representing its right to use the underlying asset for the lease term (the right-of-use asset). The right-of-use asset and the lease liability are initially measured at the present value of the lease payments.

Note 11 - Upcoming Accounting Pronouncements (Continued)

The accounting applied by a lessor is largely unchanged from existing GAAP. Lessors will account for leases using an approach that is substantially equivalent to existing standards for sales-type leases, direct financing leases and operating leases.

Leases will continue to be classified as either operating or finance leases (currently referred to as capital leases). The determination of lease classification as operating or finance will be done in a manner similar to existing standards. Lessors will account for operating leases using an approach that is substantially equivalent to existing standards. The new standard is effective for annual periods beginning after December 15, 2020. Live Action is evaluating the impact the standard will have on the financial statements; however, the standard is not expected to have a significant impact on the financial statements as Live Action does not lease a significant amount of space or equipment, and accounting for Live Action's lessor activities, if any, will not significantly change.

In June 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-05, which defers the effective date of ASU 2016-02 one year making it effective, for private companies for annual reporting periods beginning after December 15, 2021. Live Action does not expect this guidance to have a significant impact on the financial statements.

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. Not-for-profits will be required to provide additional information on the contributions of nonfinancial assets they receive under a new accounting standard issued. Contributed nonfinancial assets can include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; materials and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services.

Note 11 - Upcoming Accounting Pronouncements (Continued)

The new ASU requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the statement of activities, disaggregated by category that depicts the type of nonfinancial assets. For each category of contributed nonfinancial assets recognized, the standard requires a not-for-profit to disclose qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If they were utilized, a description of the programs or other activities in which those assets were used is required. The not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets must also be disclosed as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets. FASB is requiring the standard to be applied retrospectively. The standard takes effect for annual reporting periods beginning after June 15, 2021. Live Action does not expect this guidance to have a significant impact on the financial statements.

Note 12 - Subsequent Events and COVID 19 Disclosure

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economy and financial markets. It is unknown how long these conditions will last and what the complete financial effect will be to Live Action.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.