

100 Black Men of Atlanta, Inc.

**Financial Statements
and Independent Auditor's Report**

December 31, 2021

100 Black Men of Atlanta, Inc.

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Independent Auditor's Report

To the Board of Directors of
100 Black Men of America, Inc.
101 Jackson St NE, 2nd Floor
Atlanta, Georgia 30312

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of 100 Black Men of Atlanta, Inc. (100 Black Men), (a Georgia nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses 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 100 Black Men 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 100 Black Men 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's for the Financial Statements

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

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 100 Black Men's ability to continue as a going concern within one year after the date that the 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 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 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 100 Black Men’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 100 Black Men’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.

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

Ramph & Associates, P.C.

Alpharetta, Georgia

March 13, 2023

The 100 Black Men of Atlanta, Inc.

Statement of Financial Position
As of December 31, 2021

	<u>2021</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 442,011
Accounts Receivable	100,997
Prepaid Expenses	2,625
Total Current Assets	545,633
Noncurrent Assets	
Long-Term Investments	716,559
Property and Equipment, Net	133,827
Right of Use Asset	136,744
Total Non current Assets	987,130
Total Assets	\$ 1,532,763
LIABILITIES and NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 39,712
Deferred Revenue	46,750
Total Current Liabilities	86,462
Noncurrent Liabilities	
Right of Use Lease Liability	136,744
Total Noncurrent Liabilities	136,744
Total Liabilities	223,206
NET ASSETS	
With Donor Restrictions	1,309,557
Total Net Assets	1,309,557
Total Liabilities and Net Assets	\$ 1,532,763

See accompanying notes to financial statements.

The 100 Black Men of Atlanta, Inc.

Statement of Activity
For the year ended December 31, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Totals</u> <u>2021</u>
PUBLIC SUPPORT AND REVENUES			
PUBLIC SUPPORT			
Individuals	\$ 146,349	\$ 25,845	\$ 172,194
Corporate	1,016,616	212,444	1,229,060
Special Events	156,883	-	156,883
In-kind Contributions (Others)	-	10,000	10,000
Total Public Support	1,319,848	248,289	1,568,137
REVENUES			
Member Dues and Assessments	152,159	145,807	297,966
Other Income	-	23,503	23,503
Net Appreciation of Investments	48,422	-	48,422
Investment Earnings	40	14,847	14,887
Total Revenues	200,621	184,157	384,778
Total Public Support and Revenues Before Reclassifications			
	1,520,469	432,446	1,952,915
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	432,446	(432,446)	-
Total Public Support and Revenues After Reclassifications	1,952,915	-	1,952,915
EXPENSES			
Program Services:			
Special Events (Including In-Kind)	101,920	-	101,920
Project Success	1,371,337	-	1,371,337
Other Programs	251,051	-	251,051
Total Program Services Expenses	1,724,308	-	1,724,308
Support Services: Mgmt and General	525,682	-	525,682
Total Expenses	2,249,990	-	2,249,990
NET ASSETS			
Changes in Net Assets	(297,075)	-	(297,075)
Net Assets, Beginning of the Year	1,606,632	-	1,606,632
Net Assets, End of the Year	\$ 1,309,557	\$ -	\$ 1,309,557

See accompanying notes to financial statements.

The 100 Black Men of Atlanta, Inc.

Statement of Cash Flow
For the year ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in Net Assets	\$ (297,075)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used In Operating Activities	
Depreciation	(7,203)
(Increase) in Accounts Receivables	(107,783)
(Increase) in Prepaid Expenses	(2,996)
Increase in Accounts Payable	311,631
(Decrease) in Deferred Revenue	(78,077)
Net Cash Used In Operating Activities	<u>(181,503)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
(Decrease) in Notes Payable	(68,372)
Net Cash Used In Financing Activities	<u>(68,372)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Unrealized (Gains) on Investment	(57,125)
Purchases of Property and Equipment	(7,386)
Net Cash Used In Investing Activities	<u>(64,511)</u>
Net Decrease in Cash and Cash Equivalents	(314,385)
Cash and Cash Equivalents, Beginning of Period	756,396
Cash and Cash Equivalents, End of Period	<u><u>\$ 442,011</u></u>

See accompanying notes to financial statements.

The 100 Black Men of Atlanta, Inc.
Statement of Functional Expenses
For the year ended December 31, 2021

	Program Services				Supporting Services	
	Special Events	Project Success	Other Program	Total	Mgmt & General	Total
PERSONNEL						
Salaries and Wages	\$ 6,600	\$ 418,899	\$ -	\$ 425,499	\$ 40,594	\$ 466,093
Payroll Taxes and Benefits	1,296	93,950	-	95,246	25,921	121,167
Total	7,896	512,849		520,745	\$ 66,515	587,260
PROGRAM ACTIVITIES						
Program Expenses	32,799	68,931	107,412	209,142	31,144	240,286
Professional Services	21,418	246,465	14,185	282,068	11,355	293,423
Contractual	214	10,255	-	10,469	4,289	14,758
Tuition	-	178,869	45,775	224,644	-	224,644
Meetings and and Conference	17,542	27,982	8,262	53,786	15,670	69,456
Travel	1,186	1,344	4,897	7,427	-	7,427
Robotics	-	-	9,532	9,532	-	9,532
Marketing & Promotions	2,314	55,523	1,929	59,766	773	60,539
BUILDING OPERATIONS						
Other	883	61,020	34,279	96,182	9,391	105,573
Space Costs	1,782	34,036	-	35,818	35,641	71,459
Office Supplies	6,434	73,742	23,754	103,930	7,510	111,440
Taxes, Licenses and Fees	4,276	10	-	4,286	10	4,296
Depreciation	246	6,956	-	7,202	4,924	12,126
Telephone	1,133	32,009	264	33,406	7,556	40,962
Bad Debt	-	-	-	-	322,126	322,126
Printing Expense	10	1,300	762	2,072	194	2,266
Interest Expense	-	58	-	58	-	58
Repairs and Maintenance	367	21,794	-	22,161	2,449	24,610
Equipment Rentals	3,420	29,394	-	32,814	6,135	38,949
In-Kind Expenses	-	8,800	-	8,800	-	8,800
Total	\$ 101,920	\$ 1,371,337	\$ 251,051	\$ 1,724,308	\$ 525,682	\$ 2,249,990

See accompanying notes to financial statements.

The 100 Black Men of Atlanta, Inc.

**Notes to Financial Statements
For the year ended December 31, 2021**

Note 1 - Business and summary of significant accounting policies.

Description of business

100 Black Men of Atlanta, Inc. (the "Organization") was organized in 1986 as a non-profit corporation. The mission of the Organization is to provide support and improve the quality of life for African Americans, and youth, in the Atlanta community through self-help programs and activities. The current focus of the Organization is on mentoring, hands-on initiatives related to education, and economic empowerment.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

100 Black Men reports information on its financial position and activities according to the reporting requirements of U.S. GAAP, which specifies that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are categorized into two net asset classes: net assets without donor restrictions and net assets with donor restrictions. Descriptions of the two net assets asset categories are as follows:

Net Assets with Donor Restrictions

Net assets with donor restrictions include gifts, pledges receivable, and earnings from net assets that are donor-restricted for a certain purpose or program. When the related purpose or program is accomplished, whether by use of net assets with donor restrictions or net assets without donor restrictions, the net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include all net assets that are not subject to donor-imposed restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization bases its estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances. Accordingly, actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents generally consist of cash on hand and cash held in money market and demand deposit accounts. The Organization considers all highly liquid investments with

The 100 Black Men of Atlanta, Inc.

**Notes to Financial Statements
For the year ended December 31, 2021**

an original maturity of three months or less from the date of purchase to be cash equivalents. The Organization maintains cash balances at certain banks which at times may exceed the Federal Deposit Insurance Corporation limits. At December 31, 2021, the Organization had no accounts that exceeded Federally insured limits.

Investments

Investments are presented in the financial statements at their fair market value as determined by quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities as net appreciation (depreciation) of investments.

Accounts Receivable

Accounts and other receivables are stated at unpaid balances and are deemed to be fully collectible. Accordingly, no provision for uncollectible accounts is made for these receivables. However, management periodically reviews the collectability of these amounts and when an account is deemed to be uncollectible, a charge is made to bad debt expense and the receivable is removed from the books and records.

Property and equipment

Property and equipment costs are stated at cost less accumulated depreciation and amortization. Routine maintenance and repairs are expensed as incurred. The cost of major additions, replacements and improvements are capitalized. Gains and losses from sales or retirements of property and equipment are included in the operating results for the fiscal year in which they occur.

Property and equipment are depreciated over the following years on a straight-line basis:

	<u>Years</u>
Building and building improvements	40
Computer equipment	5
Computer software	3.5
Furniture and fixtures	5
Other equipment	5

Leasehold improvements are amortized over the lesser of the lease term or the estimated useful life of the asset. The company determines the lease term as the fixed non-cancelable term of the lease plus all periods for which failure to renew the lease imposes a penalty on the lessee in an amount such that renewal appears, at the inception of the lease, to be reasonably assured.

Income Tax

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded on the accompanying financial statements. Donations made to the Organization qualify for charitable contribution deductions.

Accounting principles generally accepted in United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize

The 100 Black Men of Atlanta, Inc.

Notes to Financial Statements For the year ended December 31, 2021

a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

Fair Value Measurements

The Organization accounts for fair value measurements under FASB ASC 820, *Fair Value Measurements*, which establishes a hierarchy for the inputs used to measure fair value based on the nature of the data input, which generally ranges from Level 1 to Level 3. Multiple inputs may be used to measure fair value.

Level 1: Measurements that are most observable is based on quoted prices of identical instruments obtained from principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to ensure liquidity.

Level 2: Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid. Measurements may consider inputs that other market participants would use in valuing a portfolio, quoted market prices for similar securities, interest rates, credit risks and others.

Level 3: Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations.

Cash, accounts receivable, accounts payable and accrued liabilities are considered financial instruments. The carrying values of these financial instruments approximate fair value because of their immediate or short-term maturity and are valued at level 1 inputs (active markets).

Right to Use Asset

The Organization has recorded a right to use lease asset as a result of implementing ASC 842. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease.

Donated Facilities and Other Goods

Donated facilities, leasehold improvements and other donated goods are reflected in the statements as both contributions and expenses or capital assets at estimated fair value at the time of the donation. No amounts have been reflected in the financial statements for donated non-professional services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that

The 100 Black Men of Atlanta, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain costs have been allocated among the program and supporting services benefiting from the costs.

Subsequent events

The Organization has evaluated subsequent events through March 13, 2023, which is the date the financial statements were available to be issued.

Note 2 – Property and Equipment

Property and equipment consisted of the following amounts at December 31, 2021.

Equipment		\$ 85,159
Furniture		355,661
Computers & Software		<u>382,958</u>
		823,778
Accumulated Depreciation		<u>(689,951)</u>
Net Property and Equipment		<u>\$ 133,827</u>

Note 3 – Net Assets

The components of the respective net asset accounts as of December 31, 2021, is as follows:

Net Assets Without Donor Restrictions:

General Operations		\$ 1,175,730
Property and Equipment		<u>133,827</u>
Total		<u>\$ 1,309,557</u>

Note 4 - Investments

The Organization assets measured at fair value and the levels within the fair value hierarchy on a recurring basis (at least annually) as of December 31, 2021 are as follows:

The 100 Black Men of Atlanta, Inc.

**Notes to Financial Statements
For the year ended December 31, 2021**

	Fair Value	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Equity Securities	\$ 281,628	\$ 281,628	\$ -	\$ -
Mutual Funds Investments				
Bond Funds	72,880	72,880	-	-
Equity Funds	-	-	-	-
Exchange Traded Funds	186,851	186,851	-	-
Fixed Income Securities	140,203	140,203	-	-
Cash Held for Investing	34,134	-	-	-
Total Investments	\$ 715,696	\$ 681,562	\$ -	\$ -

Note 5 – Revolving Credit Agreement

The Organization renewed a \$500,000 revolving line of credit on August 17, 2020 at an interest rate of 3.25 percent with interest payable monthly on the month's average outstanding balance. The note was renewed through March 31, 2023. If any balance of the credit line is outstanding, the Organization will not, without first obtaining prior written consent from the bank, create or permit any lien, encumbrance, charge, or security interest of any kind to exist on any outstanding amount of unrestricted or Quasi-Endowment funds. As of December 31, 2021, the Organization was following all applicable loan provisions and the line of credit outstanding balance was zero.

Note 6 – Leases

The Organization has several noncancelable operating leases, primarily for various types of equipment that expire at various dates through October 2023. Those leases generally contain renewal options of periods ranging from three to four years and require the Organization to pay all executory costs such as taxes, maintenance, and insurance.

Lease expense under the above leases was \$15,430 for the year ended December 31, 2021. At December 31, 2021 future minimum lease payments under noncancelable leases are as follows:

2022	\$ 14,220
2023	11,850
Total	<u>\$ 26,070</u>

The Organization has an operating lease for a space rental with Ebenezer Baptist Church that expires in November 2023. This lease contains 1 renewal option of an additional 5 years after the conclusion of the original lease. This lease requires the organization to pay a proportional share of operating expenses in addition to the base rent.

The 100 Black Men of Atlanta, Inc.

**Notes to Financial Statements
For the year ended December 31, 2021**

Rent expense under the above lease was \$62,412 for the year ended December 31, 2021. At December 31, 2021, future minimum lease payments under the rental lease is as follows:

2022	\$ 54,152
2023	<u>49,639</u>
Total	<u>\$ 103,791</u>

Note 7 - Contingencies

During the course of the year, the Organization, as a result of a whistleblower action, investigated a complaint concerning misappropriation of funds. The Organization has recorded a charge to bad debt expense in the Statement of Activities. Any recovery will be recorded and recognized when funds are received.