



100 Black Men of Atlanta, Inc.
Financial Report
December 31, 2023

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AUDIT | TAX | ADVISORY

100 Black Men of Atlanta Inc.

100 Black Men of Atlanta, Inc.

Financial Statements

And Independent Auditor's Report

December 31, 2023

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Financial Report
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **100 Black Men of Atlanta, Inc.** (100 Black Men of Atlanta), (a Georgia nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of 100 Black Men of Atlanta as of December 31, 2023, 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 Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence about the dispositions of net property and equipment due to the organization's records being incomplete. Consequently, we were unable to determine whether any adjustments to the carrying amounts of property, plant, and equipment, net assets, and the related elements making up the statements of activities and cash flows were necessary.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 of Atlanta 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 qualified 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 Atlanta'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 Responsibility of 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 it 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 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.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

A handwritten signature in black ink that reads "RF6 LLC". The "R" and "F" are connected, and the "6" is a large digit. "LLC" is written in a smaller, separate font to the right.

Atlanta, Georgia

December 31, 2023

100 BLACK MEN OF ATLANTA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 608,013
Accounts Receivable	232,234
Settlement Receivable, Current	8,667
Prepaid Items	1,500
Total Current Assets	<u>850,413</u>

Noncurrent Assets

Long-Term Investments	671,080
Right of Use Asset	24,652
Total Non current Assets	<u>695,733</u>
Total Assets	<u>\$ 1,546,146</u>

LIABILITIES and NET ASSETS

Current Liabilities

Accounts Payable	\$ 36,350
Accrued Liabilities	30,423
Deferred Revenue	277,000
Total Current Liabilities	<u>343,773</u>

Noncurrent Liabilities

Right of Use Lease Liability	26,657
Line of Credit	483,369
Total Noncurrent Liabilities	<u>510,026</u>
Total Liabilities	<u>853,799</u>

NET ASSETS

Without Donor Restrictions	692,347
With Donor Restrictions	-
Total Net Assets	<u>692,347</u>
Total Liabilities and Net Assets	<u>\$ 1,546,146</u>

See Notes to Financial Statements

100 Black Men of Atlanta, Inc.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals 2023
PUBLIC SUPPORT AND REVENUES			
PUBLIC SUPPORT			
Individuals	\$ 820,704	\$ 7,466	\$ 828,170
Corporate	179,485	775,818	955,302
Governmental Grants		56,928	56,928
Total Public Support	1,000,189	840,212	1,840,401
REVENUES			
Member Dues and Assessments	90,457	-	90,457
Special Events	408,665	408,665	408,665
Net Appreciation of Investments	20,227	-	20,227
Investment Earnings	-	9,886	9,886
Total Revenues	519,350	9,886	529,236
OTHER INCOME			
Gain on Sale of Assets	4,936	-	4,936
Settlement Income	510,841	-	510,841
Miscellaneous Income	2,000	-	2,000
Total Other Income	517,777	-	517,777
Total Public Support and Revenues Before Reclassifications			
Net Assets Released from Restrictions:	2,037,316	850,098	2,887,414
Restrictions Satisfied by Payments	850,098	(850,098)	-
Total Public Support and Revenues After Reclassifications			
2,887,414	-	2,887,414	-
EXPENSES			
Program Services:			
Special Events	534,624	-	534,624
Project Success	410,484	-	410,484
Other Programs	921,488	-	921,488
Total Program Services Expenses	1,866,597	-	1,866,597
Support Services: Mgmt and General	1,207,657	-	1,207,657
Total Expenses	3,074,254	-	3,074,254
NET ASSETS			
Changes in Net Assets	(186,840)	-	(186,840)
Prior Period Adjustment	(36,647)	-	(36,647)
Net Assets, Beginning of the Year	915,834	-	915,834
Net Assets, End of the Year	\$ 692,347	-	\$ 692,347

See Notes to Financial Statements

100 Black Men of Atlanta, Inc.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services		
	Special Events	Project Success	Other Program	Total	Mgmt & General	Total	
PERSONNEL							
Salaries and Wages	\$ -	\$ 235,884	\$ 106,518	\$ 342,402	\$ 119,200	\$ 461,602	
Payroll Taxes and Benefits	-	54,452	24,589	79,041	27,516	106,557	
Total	-	290,335	131,107	421,442	146,717	568,159	
PROGRAM ACTIVITIES							
Program Expenses	482,264	46,608	213,189	742,061	28,300	770,361	
Contractual and Professional	7,953	44,580	179,030	231,564	228,746	460,310	
Scholarships and Tuition	-	6,000	112,016	118,016	1,968	119,984	
Meetings and Conference	5,750	-	2,964	8,714	-	8,714	
Meals	4,442	6,483	38,516	49,440	546	49,986	
Travel	-	-	16,134	16,134	25,823	41,957	
Marketing & Promotions	21,920	-	64,434	86,353	70,763	157,116	
Security Expense	-	-	4,786	4,786	-	4,786	
BUILDING OPERATIONS							
Awards and Grants	-	12,000	13,043	25,043	-	25,043	
Charitable Contribution	8,500	4,478	83,317	96,295	16,716	113,011	
Other	1,416	-	24,974	26,390	77,149	103,539	
Office Supplies	1,440	-	-	1,440	33,638	35,078	
Taxes, Licenses and Fees	-	-	-	-	266	266	
Insurance	-	-	-	-	13,238	13,238	
Depreciation and Amortization	-	-	10,785	10,785	27,546	38,331	
Bad Debt	-	-	-	-	463,000	463,000	
Payroll Processing Fees	-	-	16,150	16,150	3,539	19,689	
Shipping, Copying, and Printing	199	-	7,999	8,198	5,894	14,092	
Interest Expense	-	-	-	-	38,796	38,796	
Repairs and Maintenance	-	-	-	-	703	703	
Equipment Rentals	740	-	3,045	3,785	24,310	28,095	
Total	\$ 534,624	\$ 410,484	\$ 921,488	\$ 1,866,597	\$ 1,207,657	\$ 3,074,254	

See Notes to Financial Statements

100 Black Men of Atlanta, Inc.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ (186,840)
Adjustments to reconcile net income to net cash provided by operating activities:	
Used in Operating Activities:	
Prior Period Adjustment	(36,647)
(AIncrease) in Settlement Receivable	(8,667)
(AIncrease) in Accounts Receivable	(286,220)
(DDecrease) in Accounts Payable	(25,005)
(AIncrease) in Accrued Liabilities	30,423
(AIncrease) in Deferred Revenue	218,860
(AIncrease) in Other Current Liabilities	30,286
Net Cash from Operating Activities	(263,810)

CASH FLOWS USED IN INVESTING ACTIVITIES

Disposal of Property and Equipment, Net	120,895
(Decrease) in Right of Use Asset	112,092
Unrealized (Gain) on Investment	26,397
(Increase) in Prepaid Items	(1,500)
Net Cash Used In Investing Activities	257,884

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Line of Credit	158,369
(Decrease) in Right of Use Lease Liability	(110,087)
Net Cash Used In Financing Activities	48,282

Net Increase in Cash and Cash Equivalents	42,356
Cash and Cash Equivalents, Beginning of Period	565,657
Cash and Cash Equivalents, End of Period	\$ 608,013

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

100 Black Men of Atlanta, Inc. (the "Organization") was organized in 1986 as a non-profit corporation. The mission of the Organization is to improve the quality of life by supporting and enhancing educational and economic opportunities, particularly for African American youth in the Atlanta community. The Organization achieves its mission through various programs and initiatives focused on mentoring, education, enrichment, and economic empowerment.

The Organization's members, who are accomplished professionals in business, law, government, and academia, serve as mentors and role models, dedicating their time and talents to help youth overcome challenges such as poverty, underachievement, and violence. Through these efforts, the Organization empowers young people to reach their highest potential and become productive members of society.

The Organization is also actively involved in public policy advocacy and collaborates with various community partners to further its mission and create positive change in the Atlanta community.

Basis of Accounting and Measurement Focus:

The financial statements of 100 Black Men of Atlanta Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The organization uses the accrual basis of accounting, which recognizes revenues when they are earned and expenses when they are incurred, regardless of when cash is received or paid. The measurement focus of the financial statements is on the flow of economic resources. This focus emphasizes the determination of changes in net assets, financial position, and cash flows.

In accordance with FASB ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, the financial statements present information about net assets and changes in net assets in two classes: net assets with donor restrictions and net assets without donor restrictions.

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.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

Management's significant estimates include, but are not limited to, the allowance for doubtful accounts, the useful lives of property and equipment, the valuation of investments, and the allocation of functional expenses. These estimates are periodically reviewed and adjusted as necessary to reflect current conditions and any changes in the Organization's operations.

Cash and Cash Equivalents:

Cash and cash equivalents for 100 Black Men of Atlanta Inc. consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The organization maintains its cash balances in various financial institutions. These balances may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. 100 Black Men of Atlanta Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

For the purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Authority's financial statements. These items are accounted for using the consumption method.

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.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued):

Investment Income

Investment income, including interest, dividends, and realized and unrealized gains and losses, is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the use of the income is restricted by the donor.

Investment Risks

The organization's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Accounts Receivable:

Accounts and other receivables are stated as unpaid balances. Management periodically reviews the collectability of these amounts and when an account is deemed uncollectible, a charge is made to bad debt expense and the receivable is removed from the books and records. The allowance for doubtful accounts is established through a provision for bad debts charged to expense. Accounts receivables are presented net of an allowance for doubtful accounts. The allowance is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable. Management considers historical write-off experience, customer creditworthiness, and current economic trends in evaluating the adequacy of the allowance for doubtful accounts.

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 is 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.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued):

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

- Building and building improvements: 40 years
- Computer equipment: 5 years
- Computer software: 3.5 years
- Furniture and fixtures: 5 years
- Other equipment: 5 years

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 that renewal appears, at the inception of the lease, to be reasonably assured.

Tax-Exempt Status:

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 the United States of America (GAAP) require the Organization's management to evaluate tax positions taken by the Organization and recognize 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 the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023, 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.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 ranges from Level 1 to Level 3. Multiple inputs may be used to measure fair value.

- **Level 1:** Measurements that are most observable are 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 are of approximate fair value because of their immediate or short-term maturity and are valued at Level 1 inputs (active markets).

Right-of-Use Asset:

The Organization recorded a right-of-use lease asset due to ASC 842. The right-of-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-of-use asset is amortized on a straight-line basis over the life of the related lease.

In accordance with ASC 842, the Organization determines the lease term as the non-cancelable period of the lease, together with all periods for which the lessee has the option to extend the lease if it is reasonably certain to exercise that option, and all periods for which the lessee has the option to terminate the lease if it is reasonably certain not to exercise that option. The Organization reassesses the lease term if there is a significant event or change in circumstances within its control that affects its ability to exercise (or not to exercise) an option to extend or terminate the lease.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities and Other Goods:

Donated facilities, leasehold improvements, and other donated goods are reflected in the financial 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 assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

In accordance with FASB ASC 958-605-25-16, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization recognizes the fair value of contributed services that meet these criteria as both revenue and expense in the period received.

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. In accordance with FASB ASC 958-720, the Organization reports expenses by their functional classification, such as program services, management and general, and fundraising. The Organization allocates expenses, based on estimates of time and effort, that benefit multiple functional areas using a reasonable and consistent allocation method.

NOTE 2 – GOVERNMENTAL GRANTS

100 Black Men of Atlanta received a governmental grant from the Department of Human Services (DHS) and the Division of Family and Children Services (DFACS). The approved budget for the Grant is \$100,000. Of this \$100,000, \$52,387.60 was received during the fiscal year ended December 31, 2023. This grant was provided to support the Organization's Fatherhood Program, which aims to

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – GOVERNMENTAL GRANTS (CONTINUED)

enhance the involvement of fathers in the lives of their children and promote positive parenting practices.

In accordance with FASB ASU No. 2021-10, 100 Black Men of Atlanta recognizes governmental grants as revenue when the conditions for earning the grants are substantially met. The grant amount of \$52,387.60 received from the DHS was recognized as revenue in the statement of activities for the year ended December 31, 2023, as the related expenses were incurred, and the conditions of the grant were met. This accounting policy is in accordance with FASB ASC 958-605, which provides guidance on the recognition of contributions received.

NOTE 3 – PROPERTY, PLANT, AND EQUIPMENT

Property, Plant, and Equipment for the year ended December 31, 2023, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Property & Equipment, Net	\$ 120,895		\$ 120,895	\$ -
Total Property & Equipment, Net	<u>\$ 120,895</u>	<u>\$ -</u>	<u>\$ 120,895</u>	<u>\$ -</u>

During the fiscal year ended December 31, 2023, 100 Black Men of Atlanta was unable to provide sufficient information regarding the disposal of its Net Property, Plant, and Equipment.

Consequently, the auditors were unable to determine whether any adjustments to the reported amounts were necessary. As a result, a qualified opinion on the financial statements concerning the ending balance of Property, Plant, and Equipment was issued.

Management is taking steps to improve the documentation and record-keeping processes for PPE to ensure that future financial statements are accurate and complete.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – LONG-TERM 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, 2023, are as follows:

	Fair Value	Quoted Price in	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
		Active Market for Identical Assets (Level 1)		
Assets				
Cash and Bank Sweep	\$ 244,416	\$ 244,416		
Fixed Income	34,445	34,445		
Equities	184,041	184,041		
Bond Funds	67,479	67,479		
Exchange Traded Funds	137,291	137,291		
Other Assets	3,407	3,407		
Total Investments	\$ 671,080	\$ 671,080	\$ -	\$ -

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. Subsequently, the line of credit was renewed again, and the current maturity date is September 5, 2025. The interest rate on the renewed line of credit is variable, currently at 8.50 percent. 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, 2023, the Organization was following all applicable loan provisions, and the line of credit outstanding balance was \$483,369.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – SETTLEMENT AGREEMENTS

During FY 2023, 100 Black Men of Atlanta entered two (2) settlement agreements, referred to as Settlement 1 and Settlement 2. The purpose of the settlements related to financial discrepancies identified by 100 Black Men of Atlanta during the Fiscal Year 2022. The settlement agreement stipulated terms, installment periods, and total amount to be paid to 100 Black Men of Atlanta.

Settlement 1:

Payment Amount and Schedule

The following is the Settlement Amount and anticipated Payment Schedule:

	Settlement 1 Payment Schedule		
	Beginning Balance	Settlement Payment	Ending Balance
Fiscal year ending December 31, 2023	\$ 480,000	\$ 19,000	\$ 461,000
2024	\$ 461,000	\$ 60,000	\$ 401,000
2025	\$ 401,000	\$ 60,000	\$ 341,000
2026	\$ 341,000	\$ 60,000	\$ 281,000
2027	\$ 281,000	\$ 60,000	\$ 221,000
2028	\$ 221,000	\$ 60,000	\$ 161,000
2029	\$ 161,000	\$ 60,000	\$ 101,000
2030	\$ 101,000	\$ 60,000	\$ 41,000
2031	\$ 41,000	\$ 41,000	-

Subsequent Events

During the Fiscal Year 2024, but before the issue of the FY 2023 Audit report, 100 Black Men of Atlanta was informed of events which made it unlikely that further payments would be received from Settlement 1. Management determined further payments from Settlement 1 to be more than likely not to be collected and a write-off to be completed.

Impact on Financial Statements

In accordance with FASB ASU No. 2018-08, 100 Black Men of Atlanta recognized Settlement Income Revenue of \$480,000, once the Settlement Agreement was finalized in the FY 2023. In addition, 100 Black Men of Atlanta established a Current and Long-Term Settlement Receivable that would be updated based on actual payments.

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – SETTLEMENT AGREEMENTS (CONTINUED)

Settlement 1 (Continued):

Impact on Financial Statements (Continued)

Upon determination of subsequent events, and in accordance with Subsequent Events disclosure FASB ASU 2010-09, sufficient evidence existed to require an adjustment at the date of the Financial Statement pertaining to the collectability of Settlement 1 Net Receivable amount. As such, a \$463,000 write-off was recorded to remove the Net Settlement Receivable as of the Fiscal Year Ending December 31, 2023.

Settlement Receivable, Net				
	Beginning Balance	Settlement Payment	Write Off	Ending Balance
Fiscal year ending December 31, 2023	\$ 480,000	\$ 17,000	\$ 463,000	\$ -
Allowance for Doubtful Accounts - Settlement				
	Beginning Balance	Additions	Deletion	Ending Balance
Fiscal year ending December 31, 2023	\$ -	\$ 463,000	\$ 463,000	\$ -

Settlement 2:

Payment Amount and Schedule

The following is the Settlement Amount and anticipated Payment Schedule:

Settlement Payment Schedule				
	Beginning Balance	Settlement Payment	Ending Balance	
Fiscal year ending December 31, 2023	\$ 20,000	\$ 4,000	\$ 16,000	
2024	\$ 16,000	\$ 8,000	\$ 8,000	
2025	\$ 8,000	\$ 8,000	\$ (0)	

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 – SETTLEMENT AGREEMENTS (CONTINUED)

Settlement 2 (Continued):

Impact on Financial Statements

In accordance with FASB ASU No. 2018-08 100 Black Men of Atlanta recognized Settlement Income Revenue of \$20,000, once the Settlement Agreement was finalized in the FY 2023. During the FY 2023, 100 Black Men of Atlanta established a Current and Long-Term Settlement Receivable that would be updated based on actual payments made.

	Settlement Receivable, Net			
	Beginning Balance	Settlement Payment	Write Off	Ending Balance
Fiscal year ending December 31, 2023	\$ 20,000	\$ 12,003	\$ -	\$ 7,997

	Allowance for Doubtful Accounts - Settlement			
	Beginning Balance	Additions	Deletion	Ending Balance
Fiscal year ending December 31, 2023	\$ -	\$ -	\$ -	\$ -

As of December 31, 2023, the Ending Balance of the Settlement Receivable applicable to Settlement 2 is \$7,997. The total Net Settlement Receivable Ending Balance is considered current.

NOTE 7 – OPERATING LEASE COMMITMENTS

The Organization has an operating lease agreement with Ebenezer Building Foundation, Inc. for the rental of office space. The lease also includes provisions for the Organization to pay a proportional share of operating expenses and the base rent. The lease commenced on May 1, 2023, and has a term of 24 months, with an option for the Organization to terminate the lease without penalty after the eighteenth month upon providing one month's notice.

For the year ended December 31, 2023, the total lease expense recognized under this operating lease was \$12,326.

100 Black Men of Atlanta, Inc.
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NOTE 7 – OPERATING LEASE COMMITMENTS (CONTINUED)

Prior Ebenezer Building Foundation Lease

A prior lease with Ebenezer Building Foundation existed until May 1, 2023. The total operating lease expense from this prior lease amounted to \$26,005 in FY 2023. In accordance with ASC 842, any Right-of-Use Assets and Lease Liabilities associated with this lease have been removed as the lease has been materially modified or replaced.

Future Minimum Lease Payments

As of December 31, 2023, the future minimum lease payments under the operating lease are as follows:

Minimum Lease Payments		
Fiscal year ending December 31, 2023	\$	18,489
2024	\$	6,163
Total	<hr/>	<hr/>
	\$	24,652

Right-of-Use Asset and Lease Liability

The Organization recognized a Right-Of-Use Asset and a corresponding Lease Liability for the operating lease. The right-of-use asset and lease liability are measured at the present value of the lease payments over the lease term, discounted at the Organization's incremental borrowing rate.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

A discrepancy was identified between the Net Assets beginning balance of the Accounting System as of January 1, 2023, and the audited Financial Statements ending balance for December 31, 2022.

As a result of the correction, to reconcile the beginning balance of the Accounting System as of January 1, 2023, and the audited Financial Statements ending balance for December 31, 2022, the following adjustments have been made.

Net Assets		
Ending net position previously reported, December 31, 2022	\$	915,834
Beginning net position, January 1, 2023	\$	879,187
Adjustments:		
Net Assets		36,647
Beginning net position, January 1, 2023	<hr/>	<hr/>
	\$	915,834

100 Black Men of Atlanta, Inc.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 31, 2024, which is the date the financial statements were available to be issued. In accordance with FASB ASC 855, Subsequent Events, the Organization recognizes events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. These events are classified into two categories:

- Recognized Subsequent Events: Events that provide additional evidence about conditions that existed at the balance sheet date and affect the amounts or estimates involved in the preparation of financial statements. These events are recognized in the financial statements.
- Non-Recognized Subsequent Events: Events that provide evidence about conditions that did not exist at the balance sheet date but arose after that date. These events are not recognized in the financial statements but are disclosed if they are of such a nature that they must be disclosed to keep the financial statements from being misleading.

The Organization has determined that a subsequent event that required recognition or disclosure in the financial statements occurred as of December 31, 2024, refer to Note 6 – Settlement Agreement. No further recognized or non-recognized subsequent events have been identified to require further note disclosure.