

100 BLACK MEN OF MIDDLE TENNESSEE

FINANCIAL STATEMENTS

DECEMBER 31, 2021

100 BLACK MEN OF MIDDLE TENNESSEE

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Independent Auditor's Report

To the Board of Directors of
The 100 Black Men of Middle Tennessee
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of the 100 Black Men of Middle Tennessee (a Tennessee not-for-profit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 the 100 Black Men of Middle Tennessee (the "Organization") as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors of
the 100 Black Men of Middle Tennessee

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 the Organization'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 the Organization'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.

Crosslin, PLLC

Nashville, Tennessee
November 2, 2022

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
Cash	\$ 576,249	\$ 440,412
Prepaid expenses	2,716	20
Investments	-	150
Beneficial interest in trusts	<u>32,027</u>	<u>28,674</u>
Total assets	<u>\$ 610,992</u>	<u>\$ 469,256</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	2,406	-
Notes payable	<u>-</u>	<u>25,000</u>
Total liabilities	<u>2,406</u>	<u>25,000</u>
Net assets without donor restrictions	576,559	415,582
Net assets with donor restrictions	<u>32,027</u>	<u>28,674</u>
Total net assets	<u>608,586</u>	<u>444,256</u>
Total liabilities and net assets	<u>\$ 610,992</u>	<u>\$ 469,256</u>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Contributions	\$ 342,110	\$ 395	\$ 342,505
Fundraising	126,576	-	126,576
Membership dues	23,520	-	23,520
Interest	52	-	52
Gain on beneficial interest in trust	-	2,958	2,958
Other income	25,000	-	25,000
	<hr/>	<hr/>	<hr/>
Total support and revenues	517,258	3,353	520,611
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	231,235	-	231,235
Administrative and general	89,161	-	89,161
GALA and fundraising	35,885	-	35,885
	<hr/>	<hr/>	<hr/>
Total expenses	356,281	-	356,281
	<hr/>	<hr/>	<hr/>
Change in net assets	160,977	3,353	164,330
	<hr/>	<hr/>	<hr/>
Net assets at beginning of the period	415,582	28,674	444,256
	<hr/>	<hr/>	<hr/>
Net assets at end of the period	\$ 576,559	\$ 32,027	\$ 608,586
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Contributions	\$ 454,478	\$ 4,093	\$ 458,571
Fundraising	98,101	-	98,101
Membership dues	38,485	-	38,485
Interest	7	-	7
Gain on beneficial interest in trust	-	2,876	2,876
	<hr/>	<hr/>	<hr/>
Total support and revenues	591,071	6,969	598,040
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	217,967	-	217,967
Administrative and general	81,590	-	81,590
GALA and fundraising	13,032	-	13,032
	<hr/>	<hr/>	<hr/>
Total expenses	312,589	-	312,589
	<hr/>	<hr/>	<hr/>
Change in net assets	278,482	6,969	285,451
	<hr/>	<hr/>	<hr/>
Net assets at beginning of the period	137,100	21,705	158,805
	<hr/>	<hr/>	<hr/>
Net assets at end of the period	<u>\$ 415,582</u>	<u>\$ 28,674</u>	<u>\$ 444,256</u>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Administrative and General	GALA and Fundraising	Total
Salaries and wages	\$ 96,818	\$ 37,652	\$ -	\$ 134,470
Payroll taxes	7,316	2,845	-	10,161
Gala	-	-	35,885	35,885
Program activities	125,919	-	-	125,919
Equipment rentals	-	1,033	-	1,033
Office expenses	-	252	-	252
Supplies	1,182	3,196	-	4,378
Telephone and internet	-	3,240	-	3,240
Mileage, travel, and entertainment	-	7,590	-	7,590
Dues and memberships	-	3,846	-	3,846
Insurance	-	8,749	-	8,749
Professional services	-	8,800	-	8,800
Miscellaneous	-	9,135	-	9,135
Advertising and marketing	-	2,823	-	2,823
	<u>\$ 231,235</u>	<u>\$ 89,161</u>	<u>\$ 35,885</u>	<u>\$ 356,281</u>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Administrative and General	GALA and Fundraising	Total
Salaries and wages	\$ 94,871	\$ 36,894	\$ -	\$ 131,765
Payroll taxes	6,849	2,664	-	9,513
Gala	-	-	13,032	13,032
Program activities	115,750	-	-	115,750
Equipment rentals	-	1,940	-	1,940
Office expenses	-	936	-	936
Supplies	285	769	-	1,054
Telephone and internet	-	2,203	-	2,203
Mileage, travel, and entertainment	-	10	-	10
Meetings	-	345	-	345
Dues and memberships	-	3,853	-	3,853
Insurance	-	11,410	-	11,410
Professional services	212	4,900	-	5,112
Miscellaneous	-	11,615	-	11,615
Advertising and marketing	-	1,051	-	1,051
Bad debt expenses	-	3,000	-	3,000
	<u>\$ 217,967</u>	<u>\$ 81,590</u>	<u>\$ 13,032</u>	<u>\$ 312,589</u>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 164,330	285,451
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on beneficial interest in trust	(2,958)	(3,069)
Forgiveness of note payable	(25,000)	-
Loss on investments	-	2,355
Increase in prepaid expenses	(2,696)	(20)
Decrease in accounts receivable	-	3,000
Decrease in unearned revenue	-	(41,000)
Increase in accounts payable	<u>2,406</u>	<u>-</u>
Net cash provided by operating activities	<u>136,082</u>	<u>246,717</u>
Cash flows from investing activities		
Investments in beneficial interest in trusts	(395)	(3,893)
Proceeds from the sale of investments	150	-
Proceeds from notes payable	<u>-</u>	<u>25,000</u>
Net cash (used in) provided by investing activities	<u>(245)</u>	<u>21,107</u>
Net increase in cash	135,837	267,824
Cash, beginning of the period	<u>440,412</u>	<u>172,588</u>
Cash, end of the period	<u><u>\$ 576,249</u></u>	<u><u>\$440,412</u></u>

See accompanying notes to the financial statements.

100 BLACK MEN OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The 100 Black Men of Middle Tennessee (the “Organization”) was established in 1991. The Organization is a non-profit organization providing resources to further the academic and social development of black male students in Nashville and surrounding Middle Tennessee. The Organization is an affiliate of the 100 Black Men of America, Inc., a service organization chartered in 1986 with a commitment to improve the academic and social proficiency of inner-city black youth.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

For reporting purposes, the Organization’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Expirations of restrictions on net assets as the result of the passage of time and/or fulfilling donor-imposed stipulations are reported as net assets released from restrictions between the applicable classes of net assets in the statements of activities.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are recognized when the donor stipulations on which they depend are substantially met.

100 BLACK MEN OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Grants and Grant Receivables

The Organization receives funding under grants for program and operating costs. Revenue from grants is recognized as expenses are incurred.

Contributed Services

The Organization records revenue for voluntary donations of services when those services create or enhance the nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by contribution. For the year ended December 31, 2021, there were no contributed services meeting the requirement for recognition in the financial statements.

Estimates

Management of the Organization has made certain estimates and assumptions that affect the reported amounts of assets and liabilities, and reported accounts of revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers bank deposits and all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments

Investments are carried at fair value (generally at quoted market prices). Net realized and unrealized gains and losses are reflected in the statement of activities.

Beneficial Interest in Trusts

Beneficial interest in trusts represent resources neither in possession nor under the control of the Organization, but held and administered by outside parties for the benefit of the Organization and its mission. These funds are recorded at their fair value based on the underlying investments.

Reclassifications

Certain reclassifications have been made to 2021 amounts to conform to the 2022 financial statement presentation.

100 BLACK MEN OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Instruments and Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The inputs used to measure fair value are classified into the following hierarchy:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are derived principally from or corroborated by observable market data by correlation or other means, or inputs other than quoted prices that are observable for the asset or liability;

Level 3 - Unobservable inputs for the asset or liability based on the Organization's own assumptions.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; and accordingly, no provision for income taxes is included in the accompanying financial statements.

The Organization accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the Organization include, but are not limited to, the tax-exempt status and determination of whether certain income is subject to unrelated business income tax; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition.

Functional Allocation of Expenses

The Organization's costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Directly identifiable expenses are charged to programs. Supporting services expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization. Accordingly, costs have been allocated to the appropriate functions based upon management's estimates.

100 BLACK MEN OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash	\$576,249	\$440,412
Beneficial interest in trust and investments	<u>32,027</u>	<u>28,824</u>
Total financial assets	<u>608,276</u>	<u>469,236</u>
Less amounts not available to be used for general expenditures within one year:		
Financial assets not available to be used within one year	<u>32,027</u>	<u>28,674</u>
Financial assets available to be used for general expenditure within one year	<u>\$576,249</u>	<u>\$440,562</u>

As part of the Organization's liquidity management plan, it structures its financial assets to be available as its obligations come due. The Organization is continually soliciting additional funding and has solid relationships with its large donors.

C. BENEFICIAL INTEREST IN TRUST

The Organization has established a permanent endowment fund with the Community Foundation of Middle Tennessee (the "CFMT"). The funds held by the CFMT are for the benefit of the Organization. The CFMT only has variance power upon the dissolution of the Organization. Until such time, all income earned on the funds is for the benefit of the Organization. Total market value of the funds at December 31, 2021 and 2020 was \$32,027 and \$28,674, respectively, and has been recorded in the Organization's financial statements as a beneficial interest in trust, and are level 2 fair value financial instruments.

D. NET ASSETS

Net assets with donor restrictions at December 31, 2021 and 2020 totaled \$32,027 and \$28,674, respectively, and relate to an endowment held at the Community Foundation of Middle TN.

100 BLACK MEN OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

E. CONCENTRATIONS OF RISK

The Organization maintains its cash in high credit quality financial institutions at balances, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

F. COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. In order to assist in the mitigation of potential negative impact on the Organization’s operational and financial performance, the Organization applied for and received financing from the Small Business Administration (the “SBA”) totaling approximately \$25,000 through the Paycheck Protection Program (“Program”) during 2020. Under the Program, the loan is subject to forgiveness if it is utilized for expenditures such as certain payroll, rent, and utility costs. Management utilized the loan proceeds for purposes that qualify the loan for forgiveness under the Program and management was notified the loan was forgiven on March 22, 2021. The forgiveness of the loan has been recognized as revenue in 2021 and reported as other income in the statement of activities.

Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Organization’s results of future operations, financial position, and liquidity in 2021.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 2, 2022, the date the financial statements were available for issuance, and has determined that there were no subsequent events requiring disclosure.