100 Black Men of Middle Tennessee, Inc.

Audit Report

December 31, 2013

Sylvia Johnson
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100 Black Men of Middle Tennessee, Inc.

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Sylvia Johnson, Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
100 Black Men of Middle Tennessee, Inc.

I have audited the accompanying statements of financial position of 100 Black Men of Middle Tennessee, Inc. (a nonprofit organization) as of December 31, 2012, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 100 Black Men of Middle Tennessee, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sylvia Johnson

Sylvia Johnson Certified Public Accountant

Nashville, TN
September 13, 2013

100 Black Men of Middle Tennessee, Inc.
Statement of Financial Position
December 31, 2012

ASSETS	
Current Assets	
Total Cash and Cash Equivalents	$ 52,557
Cash in Brokerage Accounts	315
Assessments and Pledges Receivable	106,150
Total Current Assets	158,707
Fixed Assets	
Furniture, Fixtures and Equipment	20,015
Accumulated Depreciation	(18,202)
Total Fixed Assets	1,813
Other Assets	
Investments in Stock and Equity Securities	87,550
Investments in Mutual Funds Securities	32,515
	120,065
TOTAL ASSETS	$ 280,584
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	$ 5,553
Deferred Gala Income	18,000
Line of Credit	26,172
Total Current Liabilities	49,725
Equity	
Unrestricted Assets	43,607
Restricted Assets	187,252
Total Equity	230,859
TOTAL LIABILITIES & EQUITY	$ 280,584

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

100 Black Men of Middle Tennessee, Inc.
Statement of Activities
For the Years Ended December 31, 2012

CHANGES IN UNRESTRICTED NET ASSETS	
Revenue and Support	
Gala Revenue	$229,125
Contributions	27,283
Dividend and Interest Income	1,452
Grants	38,500
In-Kind Donations	42,000
Membership Dues	9,724
Refund / Reduction of Prior Year Expenses	5,003
Total Revenue and Support	353,087
Expenses	
Program Services	221,728
Fundraising	95,304
Management and General	97,454
Net Unrealized Loss on Investments	3,330
Total Expenses	417,816
Change in Net Assets	
Restricted Assets	(5,945)
Unrestricted Assets	(58,784)
Total Change in Net Assets	(64,729)
Net Asset at Beginning of Year	295,903
Net Assets at End of Year	$231,174

See Independent Auditor's Report

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100 Black Men of Middle Tennessee, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2012

OPERATING ACTIVITIES	
Net Income	$ (64,729)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Gala Receivable	(58,700)
Prepaid Expenses	1,448
Accumulated Depreciation	(18,732)
Accounts Payable	3,103
Net cash provided by operating activities	(137,610)
INVESTING ACTIVITIES	
Vehicle	19,250
AmSouth Investment	37,383
Community Foundation Endowment	(3,721)
Paine -Webber	150
Sterne Agee	130,292
Net cash provided by investing activities	183,354
FINANCING ACTIVITIES	
Deferred Gala Income	(10,000)
Reliant Bank LOC	(24,053)
Net cash provided by financing activities	(34,053)
Net cash increase for period	11,691
Cash at beginning of period	40,866
Cash at end of period	$ 52,557

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

100 Black Men of Middle Tennessee, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services	General and Admin	Fundraising	Total
Advertising			800	800
Auto Insurance		500		500
Bank Service Charges		1,369		1,369
Brokerage Fees and Charges		123		123
Collateral Design & Printi			5,768	5,768
Conferences & Seminars		1,450		1,450
Consultant Services		23,624	6,000	29,624
Contract Labor		375		375
Credit Card Processing Fees		490		490
Depreciation Expense		518		518
Dues & Membership		3,335		3,335
Equipment Rental	1,876	3,753	1,876	7,505
Field Trips/Outings	408			408
In-Kind Expense		12,000	30,000	42,000
Interest Expense		2,814		2,814
Maintenance & Repair - Equipment		829		829
Meals & Refreshments	21,229	876		22,105
Office Expense	150	3,555		3,705
Other Fundraising Expenses	10,483		47,883	58,366
Other Program Expenses	1,489			1,489
Payroll Processing Fee		3,135		3,135
Payroll Tax Expense	8,978	2,626		11,604
Postage and Delivery		550	660	1,210
Professional Services		500		500
Salary Expense	104,612	30,600		135,212
Scholarships Awarded	62,297			62,297
Subscriptions		350		350
Supplies & Materials		1,236		1,236
Telephone	720	504	216	1,441
Transportation	7,700			7,700
Travel & Ent		2,009		2,009
Video & Multimedia Expense	1,786		2,100	3,886
Website Updates		332		332
	$ 221,728	$ 97,454	$ 95,304	$ 414,486

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements.

100 Black Men of Middle Tennessee, Inc.
Notes to Financial Statement
For the Periods Ending December 31, 2012

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The 100 Black Men of Middle Tennessee, Inc.(100BMMT) is a nonprofit corporation that was organized in the State of Tennessee on February 1, 1991. The organization's mission is to nurture and enhance the growth, development and opportunities for young black males in Middle Tennessee with objectives to encourage value systems and to develop positive work ethics.

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Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, "Not-for-Profit Organizations."

Cash and Cash equivalents

For purposes of the Statement of Financial Position, the company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This consists of cash held in checking and savings accounts.

Fixed Assets

Fixed assets and other property are recorded at historical cost or at the estimated fair market value as determined by church management. Fixed assets are depreciated over their estimated useful lives using the straight-line-method.

Revenue and Expense Recognition

The primary source of support is from membership dues, assessments and one major fundraising event. Dues and pledges are recognized as support when due or made. Funds received are recorded as unrestricted or restricted support depending on the existence or nature of purpose collected or the donor's restriction. When a donor's stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, there are no provisions for income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through September 13, 2013, the date the financial statements were available to be issued. The subsequent events occuring in the immediate period following the review date that have any material effect on the organization or financial statements have been noted in the related section.

Note 2 – Fixed Assets

Fixed Assets consisted of the following at December 31, 2012:

Furniture & Fixtures	$ 4,045
Office Equipment	15,970
	20,015
Less accumulated depreciation	(18,202)
Total Fixed Assets	**$ 1,813**

Note 3 – Investments

A summary of securities current values as of December 31, 2012 are as follows:

Equities – Sterne Agee	$ 42,946
Mutual Funds – Sterne Agee	19,644
Community Foundation Endownment	12,871
O'Charley's Stock	44,604
Total Investments	$120,065

Subsequent to the audit date, the O'Charley and the Sterne Agee investments have been liquidated.

Note 4 – Restricted Assets

Temporarily restricted net assets are available fro the following specific program services:

100 Kings, Scholors and Other Community Programs	$187,252

Note 5 – Line of Credit

The organization has a $100,000 line of credit with Reliant Bank of Brent, Tennessee. The stated interest rate is 5.5%. The current liability balance as of December 31, 2012 is $26,172.

Note 5 – 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Sylvia Johnson, Certified Public Accountant
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September 13, 2013

To the Boards of Directors
Of 100 Black Men of Middle Tennessee, Inc.

In planning and performing my audit of the financial statements of 100 Black Men of Middle Tennessee, Inc.(100BMMT) for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, I considered 100BMMT's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

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

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

However, I noted certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal control that, in my judgement, could adversely affect 100BMMT ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The following reportable conditions were noted:

1. Organizational Structure

   The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the Organization to provide oversight and independent review functions.

This report is intended solely for the information and use of the Boards of Trustees and Deacons, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Sylvia Johnson

Sylvia Johnson, Certified Public Accountant