

**100 Black Men of Middle Tennessee, Inc.**

**Audit Report**

**December 31, 2015**

**Sylvia Johnson  
Certified Public Accountant  
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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, 2015, and the related statements of activities, functional expenses and cash flows for the year 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, 2015, 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 Certified Public Accountant

Nashville, TN  
June 10, 2016

**100 Black Men of Middle Tennessee, Inc.**  
**Statement of Financial Position**  
**December 31, 2015**

**ASSETS**

**Current Assets**

Total Cash and Cash Equivalents	\$ 294,727
Assessments and Pledges Receivable	95,346
Prepaid Expenses	10,075
<b>Total Current Assets</b>	<u>400,148</u>

**Fixed Assets**

Furniture, Fixtures and Equipment	23,369
Accumulated Depreciation	(20,700)
<b>Total Fixed Assets</b>	<u>2,669</u>

**Other Assets**

Investments in Stock and Equity Securities	-
Investments in Mutual Funds Securities	15,753
	<u>15,753</u>

**TOTAL ASSETS**

\$ 418,570

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Accounts Payable	\$ -
Deferred Revenue	\$ 177,192
<b>Total Current Liabilities</b>	<u>177,192</u>

**Equity**

Unrestricted Assets	241,378
Restricted Assets	
<b>Total Equity</b>	<u>241,378</u>

**TOTAL LIABILITIES & EQUITY**

\$ 418,570

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, 2015

### CHANGES IN UNRESTRICTED NET ASSETS

#### Revenue and Support

Gala Revenue	\$ 167,303
Contributions	13,422
Dividend and Interest Income	293
Grants	65,275
In-Kind Donations	70,976
Membership Dues	15,275
Realized Gains / (Losses) on Investments	486
Other Fundraising	37,375

Total Revenue and Support	<u>370,405</u>
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#### Expenses

Program Services	56,364
Fundraising	189,100
Management and General	113,686
Net Unrealized Loss on Investments	1,050

Total Expenses	<u>360,200</u>
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#### Change in Net Assets

Restricted Assets	-
Unrestricted Assets	10,205

Total Change in Net Assets	<u>10,205</u>
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Net Asset at Beginning of Year	<u>231,173</u>
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Net Assets at End of Year	<u>\$ 241,378</u>
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# 100 Black Men of Middle Tennessee, Inc.

## Statement of Cash Flows

For the Years Ended December 31, 2015

### OPERATING ACTIVITIES

Net Income	\$ 10,205
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Gala Receivable	40,400
Membership Dues Receivable	1,780
Prepaid Expenses	(10,075)
Accumulated Depreciation	2,174
Accounts Payable	
Deferred Revenue	14,000
Net cash provided by operating activities	58,484

### INVESTING ACTIVITIES

Office Equipment	(3,354)
Community Foundation Endowment	387
Net cash provided by investing activities	(2,967)

### FINANCING ACTIVITIES

Deferred Gala Income	37,000
Net cash provided by financing activities	37,000
Net cash increase for period	92,517
Cash at beginning of period	202,210
Cash at end of period	\$ 294,727

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, 2015

	Program Services	General and Admin	Fundraising	Total
Academic Enrichment	6,179			6,179
Bad Debt (Uncollectible Gala) Expense			45,650	45,650
Bank Service Charges		170		170
Credit Card Processing Fees			535	535
Depreciation Expense		2,174		2,174
Dues & Membership		70		70
Equipment Rental		6,664		6,664
In-Kind Expense		8,500	62,476	70,976
Insurance		550		550
Internet Service		658		658
Meals & Refreshments	1,791	1,600		3,391
Office Expense	45	3,673	200	3,918
Other Expenses	675	5,454	62,668	68,797
Payroll Processing Fee		3,108		3,108
Payroll Tax Expense	2,254	5,298	1,167	8,719
Printing	1,845	727	1,404	3,976
Professional Services		4,000		4,000
Salary and Wage Expense	28,952	68,054	15,000	112,006
Scholarships Awarded	8,875			8,875
Supplies & Materials	610	46		656
Telephone		1,225		1,225
Transportation	4,394			4,394
Travel & Ent	744	1,005		1,749
Website Updates		710		710
	<u>\$ 56,364</u>	<u>\$ 113,686</u>	<u>\$ 189,100</u>	<u>\$ 359,150</u>

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 Statements**  
**For the Periods Ending December 31, 2015**

**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.

**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 June 10, 2016, the date the financial statements were available to be issued. The subsequent events occurring 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, 2015:

Furniture & Fixtures	\$ 4,045
Office Equipment	<u>19,324</u>
	23,369
Less accumulated depreciation	<u>(20,700)</u>
Total Fixed Assets	\$ 2,669

## Note 3 – Investments

A summary of investment current value as of December 31, 2015 is as follows:

Community Foundation Endowment	<u>\$ 15,753</u>
Total Investments	\$ 15,753

## Note 4 – Deferred Revenue

Deferred Revenue consisted of the following as of December 31, 2015:

Michael and Pamela Carter	\$ 83,192
Resume Challenge	50,000
Gala Revenue	<u>44,000</u>
Total Deferred Revenue	\$177,192

## 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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June 10, 2016

To the Boards of Directors  
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, 2015, 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 note 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 condition was 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 Directors, 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, Certified Public Accountant