

**BLACK MEN COALITION FOUNDATION CORPORATION**

**FINANCIAL STATEMENTS**

December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Black Men Coalition Foundation Corporation  
Madison, Wisconsin

**Opinion**

We have audited the financial statements of Black Men Coalition Foundation Corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Black Men Coalition Foundation Corporation 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 Opinion**

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 Black Men Coalition Foundation Corporation 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 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 Black Men Coalition Foundation Corporation'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 GAAS 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 GAAS, 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 Black Men Coalition Foundation Corporation'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 Black Men Coalition Foundation Corporation'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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
December 20, 2024

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2023

<b>ASSETS</b>	
Cash	\$ 391,823
Cash held in escrow	1,000,000
Unconditional promises to give	22,325
Due from related party	13,091
Prepaid expenses	61,220
Operating lease right-of-use asset	15,807
Equipment, net	<u>89,967</u>
<b>Total assets</b>	<b><u>\$ 1,594,233</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 26,478
Accrued wages	9,806
Accrued interest	13,771
Due to related party	20,948
Operating lease liability	15,807
Promissory note, net	<u>980,222</u>
Total liabilities	1,067,032
<b>NET ASSETS</b>	
Deficit without donor restrictions	410,201
With donor restrictions	<u>117,000</u>
Total net assets	<u>527,201</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,594,233</u></b>

See accompanying notes.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions	\$ 610,086	\$ 329,786	\$ 939,872
Special events	11,390	-	11,390
Investment return, net	14,859	-	14,859
Other revenue	15,001	-	15,001
<b>Total revenues</b>	<b>651,336</b>	<b>329,786</b>	<b>981,122</b>
<b>EXPENSES</b>			
Program services			
Employment	153,712	-	153,712
Housing	49,099	-	49,099
Financial Literacy	43,333	-	43,333
Youth Baseball	104,987	-	104,987
Supporting activities			
Management and general	178,897	-	178,897
Fundraising	99,149	-	99,149
<b>Total expenses</b>	<b>629,177</b>	<b>-</b>	<b>629,177</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	212,786	(212,786)	-
<b>Change in net assets</b>	<b>234,945</b>	<b>117,000</b>	<b>351,945</b>
Net assets at beginning of year	175,256	-	175,256
<b>Net assets (deficit) at end of year</b>	<b>\$ 410,201</b>	<b>\$ 117,000</b>	<b>\$ 527,201</b>

See accompanying notes.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2023

	Program Services				Supporting Activities		Total Expenses
	Employment	Housing	Financial Literacy	Youth Baseball	Management and General	Fundraising	
Personnel	\$ 47,872	\$ 21,319	\$ 33,743	\$ 21,319	\$ 45,822	\$ 45,822	\$ 215,897
Professional fees	7,000	15,000	-	14,184	70,062	8,520	114,766
Supplies	11,587	7,280	369	36,840	500	5,629	62,205
Event	20,795	-	-	105	14,450	27,282	62,632
Advertising and promotion	100	-	-	19,635	24,950	75	44,760
Office	8,782	3,911	6,190	3,911	8,406	8,406	39,606
Depreciation	25,361	-	-	-	-	-	25,361
Occupancy	3,060	1,228	1,943	1,228	3,778	2,639	13,876
Interest	13,993	-	-	-	-	-	13,993
Grants to others	4,512	-	516	2,180	-	-	7,208
Insurance	811	361	572	361	776	776	3,657
Repairs and maintenance	8,983	-	-	22	4	-	9,009
Travel	856	-	-	2,475	-	-	3,331
Meals and entertainment	-	-	-	2,727	7,006	-	9,733
Fees	-	-	-	-	2,912	-	2,912
Miscellaneous	-	-	-	-	231	-	231
<b>Total expenses</b>	<b>\$ 153,712</b>	<b>\$ 49,099</b>	<b>\$ 43,333</b>	<b>\$ 104,987</b>	<b>\$ 178,897</b>	<b>\$ 99,149</b>	<b>\$ 629,177</b>

See accompanying notes.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 351,945
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Depreciation	25,361
Amortization of operating lease right-of-use asset	1,368
Amortization of debt issuance costs	222
Donated stock	(496,717)
Net realized and unrealized gain on investments	(12,411)
Change in assets and liabilities	
Unconditional promises to give	(22,325)
Due from related party	47,072
Prepaid expenses	(61,220)
Accounts payable	26,478
Accrued wages	9,806
Accrued interest	13,771
Due to related party	20,948
Operating lease liability	<u>(1,368)</u>
Net cash flows from operating activities	(97,070)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of equipment	(18,001)
Proceeds from sales of investments	<u>509,128</u>
Net cash flows from investing activities	491,127
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Purchases of debt issuance costs	(20,000)
Proceeds from promissory note	<u>1,000,000</u>
Net cash flows from financing activities	<u>980,000</u>
<b>Net change in cash</b>	1,374,057
Cash and cash held in escrow at beginning of year	<u>17,766</u>
<b>Cash and cash held in escrow at end of year</b>	<u><u>\$ 1,391,823</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>	
Noncash investment and financing activities	
Donated stock	\$ 496,717
Reconciliation of cash and cash held in escrow reported in the statement of financial position to the totals shown in the statement of cash flows:	
Cash	\$ 391,823
Cash held in escrow	<u>1,000,000</u>
Cash and cash held in escrow at end of year	<u><u>\$ 1,391,823</u></u>

See accompanying notes.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Black Men Coalition Foundation Corporation (BMCF) paves the way to disrupt the poverty-prison-poverty cycle. It achieves this by combining employment, transportation, and supported housing services. Additionally, it offers comprehensive support like financial education, mental health service access, and opportunities for personal growth. BMCF's primary source of revenue is contributions.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All unconditional promises to give at the end of the year are considered receivable in less than one year.

**Equipment**

BMCF capitalizes all expenditures for equipment in excess of \$5,000, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Equipment is carried at cost or, if donated, at the approximate fair value on the date of donation. Depreciation is computed using the straight-line method.

**Leases**

BMCF does not recognize short-term leases in the statement of financial position. For these leases, BMCF recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. BMCF also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, BMCF uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Contributions**

Contributions received are recorded as increases in net assets without donor restriction or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Advertising**

BMCF uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that can be directly identified to a specific function are directly charged to that function. Expenses relating to more than one function are allocated on the basis of estimates of time and effort. Certain personnel, supplies, office, occupancy, and insurance costs are allocated based estimates of time and effort.

*Employment*—BMCF provides services to both the employer and employee. The goal of the program is to provide those most vulnerable with the soft skills to grow professionally and put them on a career path that facilitates success.

*Housing*—BMCF is developing a supported employment housing complex that will offer a vertically integrated program of employment, transportation, financial literacy, and employment housing.

*Financial Literacy*—In partnership with Summit Credit Union, BMCF offers a six-week financial literacy program that aims to empower participants to make informed financial decisions and improve their overall financial well-being.

*Youth Baseball*—BMCF offers a free youth baseball league to increase participation among underserved youth ages 4 to 12 to provide them with an opportunity to learn and enjoy the game of baseball.

*Management and general*—Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of BMCF's program strategies; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of BMCF; and manage the financial and budgetary responsibilities of BMCF.

*Fundraising*—Provides the structure necessary to encourage and secure funding from individuals, foundations, and corporations.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Tax Status**

BMCF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through December 20, 2024, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATION OF CREDIT RISK

BMCF maintains its cash balances at two local financial institutions. The balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023, BMCF’s uninsured cash balance was approximately \$52,000. BMCF performs ongoing evaluations of its financial institution to limit its concentration of risk exposure and believes the risk is minimal.

NOTE 3 – CASH HELD IN ESCROW

Cash held in escrow at December 31, 2023 can only be used for the purchase of real estate for the housing program.

NOTE 4 –EQUIPMENT

Equipment consisted of the following:

Vehicles	\$ 103,512
Construction in progress	<u>18,000</u>
Total equipment	121,512
Accumulated depreciation	<u>(31,545)</u>
Equipment, net	<u><u>\$ 89,967</u></u>

NOTE 5 – CONCENTRATION OF REVENUE

During the year ended December 31, 2023, approximately 83% of contribution revenue was from two donors.

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 – LEASE**

BMCF has a lease for its office space that expires in October 2025. The lease requires monthly payments of \$750. Total operating lease costs for the year ended December 31, 2023 totaled \$1,500.

Other information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 750
Right-of-use assets obtained in exchange for new operating lease liabilities	16,425
Weighted-average remaining lease term	1.83 years
Weighted-average discount rate	4.95%

The maturities of lease liabilities as of December 31, 2023, are as follows:

Year ending December 31:	
2024	\$ 9,000
2025	<u>7,500</u>
Total minimum lease payments	16,500
Imputed interest	<u>(693)</u>
Total lease liabilities	<u><u>\$ 15,807</u></u>

**NOTE 7 – PROMISSORY NOTE**

BMCF has a \$1,000,000 promissory note with an interest rate of 4.11% payable to a donor in semiannual installments of \$8,166 through August 2054. The note was intended to be secured by the purchase of an employment housing site. As of December 31, 2023, the employment housing site has not been purchased and the proceeds are held in escrow. The note is netted with unamortized debt issuance costs of \$19,333. In 2024, the donor issued another promissory note for \$1,000,000 for the purchase of an employment housing site. BMCF and the donor are in negotiations to have both notes forgiven. The forgiveness may be conditioned upon the purchase of employment housing or may be unconditional depending upon the results of the negotiation.

**NOTE 8 – NET ASSETS**

Net assets with donor restrictions were restricted for the following purposes and periods:

Restricted for purpose:	
2024 Gala	\$ 96,500
Restricted for time:	<u>20,500</u>
Total net assets with donor restrictions	<u><u>\$ 117,000</u></u>

**BLACK MEN COALITION FOUNDATION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

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**NOTE 9 – RELATED PARTY TRANSACTIONS**

BMCF's Chief Executive Officer (CEO) is the sole owner of Black Men Coalition, LLC (LLC). BMCF advanced operating cash to the LLC during the year ended December 31, 2023. BMCF also collected certain grant revenues on behalf of the LLC for the year ended December 31, 2023. At December 31, 2023, BMCF owed the LLC \$20,948.

BMCF made certain advances to its CEO during the years ended December 31, 2023 and 2022. These advances were formalized into a promissory note effective October 23, 2023. The note has a 6% interest rate requiring monthly payments of \$500 with all remaining principle and accrued interest due by October 23, 2025. At December 31, 2023, the CEO owed BMCF \$13,091.

All related party payables and receivables were fully repaid in 2024.

**NOTE 10 – LIQUIDITY AND AVAILABILITY**

The table below reflects BMCF's financial assets as of the date of the statement of financial position reduced by amounts not available to meet general expenditures within one year of the date of the statement of financial position because of contractual or donor-imposed restrictions.

Financial assets, at year end	\$ 1,427,239
Less those unavailable for general expenditures within one year due to	
Contractual or donor-imposed restrictions:	
Cash held in escrow	(1,000,000)
Restricted by donor with time or purpose restrictions	(117,000)
Add back restricted amounts available for use within one year:	106,500
Financial assets available to meet cash needs for general expenditures within one year	\$ 416,739

As part of BMCF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.