

**INSTITUTE OF THE BLACK WORLD
21ST CENTURY, INC.**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**
(with comparative amounts as of December 31, 2022)

**INSTITUTE OF THE BLACK WORLD
21ST CENTURY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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THOMPSON & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
Institute of the Black World 21st Century, Inc.

Opinion

We have audited the financial statements of **Institute of the Black World 21st Century, Inc.** ("IBW21"), 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. The prior year summarized comparative information have been derived from IBW21's financial statements for the year ended December 31, 2022, and, in our report dated August 28, 2023, we expressed an unqualified opinion on those financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IBW21 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 IBW21 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 IBW21's ability to continue as a going concern for [insert the time period set by the applicable financial reporting framework, which for FASB-reporting entities is one year after the date that the financial statements are issued.

Auditor's Responsibility

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 IBW21'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 IBW21'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.

Brooklyn, New York
July 16, 2024

A handwritten signature in cursive script that reads "Thompson and Company, PLLC". The signature is written in black ink and is positioned to the right of the date.

See financial statements and accompanying notes to this audit report.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 662,211	\$ 1,534,165
Grants receivable	11,000	-
Total current assets	<u>673,211</u>	<u>1,534,165</u>
Non-Current Assets		
Investments	5,000	5,000
Total non-current assets	<u>5,000</u>	<u>5,000</u>
Total Assets	<u>\$ 678,211</u>	<u>\$ 1,539,165</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 29,381	\$ 27,759
Grants payable	-	374,841
Other liabilities	-	405,000
Total Current Liabilities	<u>29,381</u>	<u>807,600</u>
Net Assets - Without Donors Restrictions	<u>648,830</u>	<u>731,565</u>
Total Liabilities and Net Assets	<u>\$ 678,211</u>	<u>\$ 1,539,165</u>

See financial statements and accompanying notes to this audit report.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
REVENUES		
Contributions and grants	\$ 1,030,413	\$ 1,564,679
Other income	<u>29,408</u>	<u>55,513</u>
Total Revenues	<u>1,059,821</u>	<u>1,620,192</u>
EXPENSES		
Program Services	1,079,305	1,316,101
Management and General	<u>63,251</u>	<u>-</u>
Total Expenses	<u>1,142,556</u>	<u>1,316,101</u>
Change in net assets	(82,735)	304,091
Net Assets at beginning of year	<u>731,565</u>	<u>427,474</u>
Net Assets at end of year	<u><u>\$ 648,830</u></u>	<u><u>\$ 731,565</u></u>

See financial statements and accompanying notes to this audit report.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Total 2023	Total 2022
Consulting services	\$ 444,120	-	\$ 444,120	\$ 554,550
Grants & donations (Note 5)	25,500	-	25,500	383,273
Professional services	211,052	-	211,052	150,050
Communications	43,529	-	43,529	30,901
Office supplies and expenses	10,909	10,908	21,817	35,579
Travel	232,167	-	232,167	56,979
Conference & events	105,492	-	105,492	39,235
Telephone	5,951	-	5,951	2,524
Bank charges	-	16,647	16,647	27,395
Advertising & promotion	-	35,696	35,696	13,026
Miscellaneous	585	-	585	22,589
Total Expenses	<u>\$ 1,079,305</u>	<u>\$ 63,251</u>	<u>\$ 1,142,556</u>	<u>\$ 1,316,101</u>

See financial statements and accompanying notes to this audit report.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (82,735)	\$ 304,091
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase)/Decrease in grants receivable	(11,000)	-
Increase/(Decrease) in accounts payable and accrued expenses	1,622	870
Increase/(Decrease) in grants payable	(374,841)	(375,104)
Increase/(Decrease) in other payables	(405,000)	(960,833)
Cash flows provided by (used in) operating activities	<u>(871,954)</u>	<u>(1,030,976)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	<u>-</u>	<u>-</u>
Cash flows provided by (used in) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(871,954)	(1,030,976)
Cash and cash equivalents at beginning of year	<u>1,534,165</u>	<u>2,565,141</u>
Cash and cash equivalents at end of year	<u>\$ 662,211</u>	<u>\$ 1,534,165</u>
SUPPLMENTAL DISCLOSURE		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See financial statements and accompanying notes to this audit report.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. ORGANIZATION

Institute of the Black World 21st Century, Inc. (“the Organization”) was incorporated in 2001 under the Not-for-Profit Corporation Law and is exempt from tax under the Internal Revenue Code Section 501 (c) (3). The primary purpose of the Organization is to work for the social, political, economic, and cultural upliftment and development of the global black community and enhancing quality of life for the marginalized people.

The Organization operates a variety of programs dealing primarily with:

- (A) Drug policy initiatives and education;
- (B) Reparation initiatives to repair damages inflicted on people of African descent everywhere;
- (C) Local and national forums to create public awareness around a range of issues affecting the black community.

These programs are funded by individual contributions as well as grants from various private and public organizations.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Accounting

Assets, liabilities, revenue and expenses are presented on the accrual basis of accounting whereby they are recognized when earned or incurred.

(B) Financial Statement Presentation

For the year ended December 31, 2023, the Organization adopted ASC Update No. 2018-08, (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organization has not restated its 2019 revenue balances or opening net assets for the years presented.

See Independent Auditors’ Report and Accompanying Financial Statements.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For the year ended December 31, 2023, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 2 D).

(C) Grants and Contributions

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes described earlier depending on the existence and/or nature of any donor restriction. See (Note 2 B) above.

(D) Liquidity

The Organization has approximately \$662,211 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

(E) Net Assets

The Company is required by FASB ASU 2016-14 to report information regarding its financial position and activities to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. As of December 31, 2023, the Organization had only net assets without donor restrictions. Net assets without donor restrictions include contributions and other funding sources not subject to donor-imposed stipulations.

(F) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

See Independent Auditors' Report and Accompanying Financial Statements.

INSTITUTE OF THE BLACK WORLD 21ST CENTURY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(G) 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 programs and supporting services benefited.

(H) Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through July 16, 2024, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balance with banks in excess of \$250,000 insured by Federal Deposit Insurance Corporation. As of December 31, 2023 and 2022, the uninsured portion of cash balance held at the banks was \$412,211 and \$1,284,165, respectively.

See Independent Auditors' Report and Accompanying Financial Statements.