

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.  
CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS REPORT**

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**Years Ended June 30, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
of Black Lives Matter Global Network Foundation

### **Opinion**

We have audited the accompanying financial statements of Black Lives Matter Global Network Foundation (a nonprofit organization) and affiliates, which comprise the consolidated statements of financial position as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Black Lives Matter Global Network Foundation and affiliates as of June 30, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are required to be independent of Black Lives Matter Global Network Foundation and its affiliates 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 consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Black Lives Matter Global Network Foundation'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 Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Lives Matter Global Network Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Black Lives Matter Global Network Foundation'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.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

May 2, 2023

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,394,110	\$ 5,335,856
Accounts receivable, net	113,664	113,533
Prepaid expenses and other costs	37,276	316,590
	4,545,050	5,765,979
Total current assets		
Non-current assets		
Property and equipment, net	5,920,740	5,923,811
Investments	22,825,096	32,000,114
	28,745,836	37,923,925
Total non-current assets		
Total assets	\$ 33,290,886	\$ 43,689,904
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,683,165	\$ 223,093
Grants payable, current portion	1,033,333	1,045,817
	2,716,498	1,268,910
Total current liabilities		
Non-current liabilities		
Grants payable, non-current portion	369,368	486,306
	3,085,866	1,755,216
Total liabilities		
Net assets		
Without donor restrictions	30,205,020	41,934,688
	\$ 33,290,886	\$ 43,689,904
Total liabilities and net assets		

See notes to consolidated financial statements.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Revenue			
Online store royalties	\$ 135,554	\$ -	\$ 135,554
Interest income	44,957	-	44,957
Rental income	1,558	-	1,558
Total revenue	<u>182,069</u>	<u>-</u>	<u>182,069</u>
Support			
Individual and corporate contributions	9,268,283	-	9,268,283
In-kind contributions	2,737	-	2,737
Releases from restrictions	-	-	-
Total support	<u>9,271,020</u>	<u>-</u>	<u>9,271,020</u>
Total revenue and support	<u>9,453,089</u>	<u>-</u>	<u>9,453,089</u>
Expenses			
Program	11,464,426	-	11,464,426
Administration	5,099,244	-	5,099,244
Fundraising	485,140	-	485,140
Total expenses	<u>17,048,810</u>	<u>-</u>	<u>17,048,810</u>
Change in net assets from operations	(7,595,721)	-	(7,595,721)
Net loss from investment portfolio	<u>(4,133,947)</u>	<u>-</u>	<u>(4,133,947)</u>
Change in net assets	(11,729,668)	-	(11,729,668)
Net assets, beginning of year	<u>41,934,688</u>	<u>-</u>	<u>41,934,688</u>
Net assets, end of year	<u>\$ 30,205,020</u>	<u>\$ -</u>	<u>\$ 30,205,020</u>

See notes to consolidated financial statements.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Revenue			
Online store royalties	\$ 2,728,522	\$ -	\$ 2,728,522
Interest income	114		114
Other royalties	44,185	-	44,185
	<hr/>	<hr/>	<hr/>
Total revenue	2,772,821	-	2,772,821
Support			
Foundation grants	69,289,086	-	69,289,086
Individual and corporate contributions	7,511,916	71,000	7,582,916
Releases from restrictions	71,000	(71,000)	-
	<hr/>	<hr/>	<hr/>
Total support	76,872,002	-	76,872,002
	<hr/>	<hr/>	<hr/>
Total revenue and support	79,644,823	-	79,644,823
	<hr/>	<hr/>	<hr/>
Expenses			
Program	33,152,289	-	33,039,667
Administration	3,647,978	-	3,760,600
Fundraising	909,868	-	909,868
	<hr/>	<hr/>	<hr/>
Total expenses	37,710,135	-	37,710,135
	<hr/>	<hr/>	<hr/>
Change in net assets	41,934,688	-	41,934,688
Net assets, beginning of year	<hr/> -	<hr/> -	<hr/> -
Net assets, end of year	<u>\$ 41,934,688</u>	<u>\$ -</u>	<u>\$ 41,934,688</u>

See notes to consolidated financial statements.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2022**

	<b>Arts</b>	<b>Frontline Organizing</b>	<b>Healing Justice</b>	<b>Culture</b>	<b>Research &amp; Education</b>	<b>Policy</b>	<b>Total Program</b>	<b>Admin</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries	\$ 39,097	\$ 27,330	\$ 84,835	\$ 18,448	\$ 751	\$ 19,550	\$ 190,011	\$ 126,948	\$ 8,041	\$ 325,000
Benefits	18,232	12,745	39,561	8,603	350	9,117	88,608	59,198	3,749	151,555
Total salaries and benefits	57,329	40,075	124,396	27,051	1,101	28,667	278,619	186,146	11,790	476,555
Grants to other organizations	250,000	-	4,250,777	-	-	-	4,500,777	-	-	4,500,777
Consultants	99,252	40,732	199,500	88,475	34,009	1,025,545	1,487,513	2,257,901	421,800	4,167,214
Communications	137,037	95,793	297,353	64,662	2,633	68,523	666,001	444,960	28,183	1,139,144
Design and media	1,235,498	-	-	781,239	5,400	-	2,022,137	175	-	2,022,312
Professional security expenses	96,765	1,392,943	-	96,765	-	-	1,586,473	-	-	1,586,473
Tech support	108,620	75,929	235,690	51,253	2,087	54,314	527,893	352,687	22,339	902,919
Legal	-	-	-	-	-	-	-	1,380,284	-	1,380,284
Other expense	1,769	-	3	1,279	-	-	3,051	83,224	-	86,275
Depreciation	102,325	-	-	-	-	-	102,325	-	-	102,325
Travel & meals	-	-	-	-	-	-	-	76,849	-	76,849
Occupancy	256,207	-	-	-	-	-	256,207	8,483	-	264,690
Liability insurance	13,951	3,495	10,850	2,359	96	2,500	33,251	16,237	1,028	50,516
Accounting	-	-	-	-	-	-	-	196,333	-	196,333
Payroll service	-	-	-	-	-	-	-	7,520	-	7,520
Membership & affiliations	-	-	-	-	-	-	-	320	-	320
Banking charges and fees	179	-	-	-	-	-	179	88,125	-	88,304
	<u>\$ 2,358,932</u>	<u>\$ 1,648,967</u>	<u>\$ 5,118,569</u>	<u>\$ 1,113,083</u>	<u>\$ 45,326</u>	<u>\$ 1,179,549</u>	<u>\$11,464,426</u>	<u>\$ 5,099,244</u>	<u>\$ 485,140</u>	<u>\$ 17,048,810</u>

See notes to consolidated financial statements.



**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2021**

	<b>Arts</b>	<b>Frontline Organizing</b>	<b>Healing Justice</b>	<b>Culture</b>	<b>Research &amp; Education</b>	<b>Policy</b>	<b>Total Program</b>	<b>Admin</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries	\$ 3,524	\$ 70,505	\$ 68,670	\$ 6,865	\$ 876	\$ 9,878	\$ 160,318	\$ 35,209	\$ 4,400	\$ 199,927
Benefits	\$ 809	\$ 16,191	\$ 15,770	\$ 1,577	\$ 201	\$ 2,269	36,817	\$ 8,085	\$ 1,010	45,912
Total salaries and benefits	4,333	86,696	84,440	8,442	1,077	12,147	197,135	43,294	5,410	245,839
Grants to other organizations	-	13,097,626	12,900,319	-	-	-	25,997,945	-	-	25,997,945
Consultants	78,300	195,100	52,200	60,900	165,300	1,068,000	1,619,800	591,161	829,925	3,040,886
Communications	41,428	828,776	807,206	80,699	10,302	116,120	1,884,531	413,857	51,721	2,350,109
Design and media	501,012	4,000	-	1,227,649	-	745,273	2,477,934	10,000	-	2,487,934
Professional security expenses	-	-	-	-	-	-	-	1,383,048	-	1,383,048
Tech support	17,839	356,876	347,588	34,749	4,436	50,002	811,490	178,211	22,271	1,011,972
Legal	-	-	-	-	-	-	-	546,542	-	546,542
Other expense	-	1,918	-	6,356	-	50,000	58,274	378,447	-	436,721
Depreciation	74,970	-	-	-	-	-	74,970	-	-	74,970
Travel & meals	-	-	-	-	-	-	-	68,442	-	68,442
Occupancy	10,299	-	-	-	-	-	10,299	11,605	-	21,904
Liability insurance	434	8,675	8,450	845	108	1,215	19,727	4,332	541	24,600
Accounting	-	-	-	-	-	-	-	10,294	-	10,294
Payroll service	-	-	-	-	-	-	-	5,926	-	5,926
Membership & affiliations	-	-	-	-	-	-	-	1,520	-	1,520
Banking charges and fees	184	-	-	-	-	-	184	1,299	-	1,483
	<u>\$ 728,799</u>	<u>\$14,579,667</u>	<u>\$14,200,203</u>	<u>\$ 1,419,640</u>	<u>\$ 181,223</u>	<u>\$ 2,042,757</u>	<u>\$33,152,289</u>	<u>\$ 3,647,978</u>	<u>\$ 909,868</u>	<u>\$ 37,710,135</u>

See notes to consolidated financial statements.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (11,729,668)	\$ 41,934,688
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	102,325	74,970
Present value discount on grants payable	(70,568)	(101,210)
Accrued interest	(44,957)	-
Net investment gains and losses	4,133,947	-
Changes in operating assets and liabilities		
Accounts receivable, net	(131)	(113,533)
Prepaid expenses and other assets	279,314	(316,590)
Accounts payable and accrued expenses	1,460,072	223,093
Grants payable	(58,854)	1,633,333
Net cash (used) provided by operating activities	<u>(5,928,520)</u>	<u>43,334,751</u>
Cash flows from investing activities		
Purchase of investments	-	(32,000,114)
Sales of investments	5,086,028	-
Purchase of property and equipment	(99,254)	-
Purchase of building and land	-	(5,998,781)
Cash provided (used) by investing activities	<u>4,986,774</u>	<u>(37,998,895)</u>
Net (decrease) increase in cash and cash equivalents	(941,746)	5,335,856
Cash and cash equivalents, beginning of year	<u>5,335,856</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 4,394,110</u>	<u>\$ 5,335,856</u>

See notes to consolidated financial statements.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

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**Note 1. Organization**

The Black Lives Matter Global Network Foundation (BLMGNF) is a nonprofit organization dedicated to organizing and continuing activist activities in the Black Lives Matter movement.

**Vision** – BLMGNF imagines a world where Black people across the diaspora thrive, experience joy, and are not defined by their struggles. By achieving liberation, BLMGNF envisions a future that is fully divested from police, prisons, and all punishment paradigms to be replaced with investment into justice, joy, and culture.

**Mission** – BLMGNF is working inside and outside of the system to heal the past, re-imagine the present, and invest in the future of Black lives through policy change, investment in our communities, and a commitment to arts and culture.

**Core Values** – Working towards a world where Black people can thrive is embedded in BLMGNF’s following core values:

- **Joy** – Black people aren’t just denouncing systemic violence and oppression. The Black experience is more than death, protest, and pain. Black people resist white supremacy and still find a way to laugh, love, and be a light in the world.
- **Disruption** – Black people aren’t begging for a seat at the table or asking for permission to create change. Through self-determination, we’re building our own tables and investing in leaders to create a future that benefits Black people.
- **Healing Justice** – BLMGNF is healing the past so Black people can thrive in the future. Black people cannot thrive unless they heal from racism and anti-Black racism.
- **Respect** – Black people are treated with respect and move with self-respect in a way that honors those who came before us in the fight for liberation.
- **Dignity** – Black life is valued, and Black people are seen as multidimensional people who aren’t defined by their struggles.
- **Power** – BLMGNF is building Black power in our communities so Black people can control and define their own destinies.

**Note 2. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The consolidated financial statements include the accounts of BLMGNF, and a single member LLC owned by BLMGNF to hold real estate. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as BLMGNF.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

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**Note 2. Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

The consolidated financial statements of BLMGNF have been prepared in accordance with accounting principles generally accepted in the United States, which require BLMGNF to report information regarding their consolidated financial position and consolidated activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

**Net Assets With Donor Restrictions** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Measure of Operations**

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the BLMGNF's mission. Non-operating activities are limited to returns on invested assets and resources that generate returns considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents**

BLMGNF considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, investments, or other long-term purposes are excluded from this definition. As of June 30, 2022 and 2021, BLMGNF did not hold any cash equivalents.

**Accounts Receivable**

BLMGNF records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. BLMGNF recognizes receivables for royalties when earned.

BLMGNF determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

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**Note 2. Summary of Significant Accounting Policies (continued)**

**Marketplace Inventory**

Inventory consists of program-related merchandise purchased by BLMGNF and held for sale in BLMGNF's online marketplace. Purchased inventory is stated at the lower of cost or market determined by the first-in first-out method. As of June 30, 2022 and 2021, there was no purchased inventory on hand.

BLMGNF's online marketplace also sells program-related merchandise that is not purchased by BLMGNF. BLMGNF receives a percentage of the proceeds of all sales of third-party merchandise sold in the online marketplace.

**Property and Equipment**

BLMGNF records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

BLMGNF reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 or 2021.

**Investments**

BLMGNF records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Revenue and Revenue Recognition**

Marketplace sales are recognized at the time of purchase. Royalties from sales of third-party merchandise are recognized at the time of purchase. All such sales are transferred at a point in time.

BLMGNF recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

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**Note 2. Summary of Significant Accounting Policies (continued)**

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to BLMGNF's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. BLMGNF records donated professional services at the respective fair values of the services received.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense totaled \$2,737 and \$0 for the years ended June 30, 2022 and 2021, respectively.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

BLMGNF is organized as a nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under IRC Sections 509(a)(1). BLMGNF is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. BLMGNF has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires BLMGNF to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

BLMGNF manages deposit concentration risk by placing cash with financial institutions believed by BLMGNF to be creditworthy. Amounts on deposit usually exceed insured limits. To date, BLMGNF has not experienced losses in any of these accounts.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

**Note 2. Summary of Significant Accounting Policies (continued)**

Investments are made by diversified investment managers whose performance is monitored by BLMGNF and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, BLMGNF and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

**Reclassifications**

The prior year financial statements have been reclassified to conform to the current year presentation.

**Recent Accounting Guidance**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. Currently, BLMGNF is not a party to any long-term lease agreements.

**Note 3. Availability and Liquidity**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,394,110	\$ 5,335,856
Accounts receivable	113,664	113,533
Investments	<u>22,825,096</u>	<u>32,000,114</u>
	<u>\$ 27,332,870</u>	<u>\$ 37,449,503</u>

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2022 and 2021**

**Note 4. Accounts Receivable**

Accounts receivable consist of the following at June 30, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
Contributions receivable	\$ 103,703	\$ -
Royalties receivable	6,813	40,010
Reimbursements receivable	<u>3,148</u>	<u>73,523</u>
	<u>\$ 113,664</u>	<u>\$ 113,533</u>

Contributions receivable are expected to be collected within one year. There was no allowance for uncollectible receivables required at June 30, 2022 and 2021, respectively.

**Note 5. Fair Value Measurements and Disclosures**

BLMGNF reports certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that BLMGNF can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, BLMGNF develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to BLMGNF's assessment of the quality, risk, or liquidity profile of the asset or liability.



**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 5. Fair Value Measurements and Disclosures (continued)**

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost (See note 5.) or by using NAV per share as a practical expedient (See note 5.) as identified in the following at June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>	
Equity mutual funds	\$ 1,862,742	\$ -	Level I
Bond mutual funds	963,904	-	Level I
Equity ETP's	2,387,123	-	Level I
Fixed income ETP's	514,071	-	Level I
Commodity ETP's	681,197	-	Level I
Asset backed fixed income securities	2,671,687	-	Level I
Corporate bonds	2,953,516	-	Level I
Municipal bonds	598,975	-	Level I
US Treasury securities	2,669,380	-	Level I
Common stock`	6,704,725	-	Level I
Preferred Stock	1,352	-	Level I
	<hr/>	<hr/>	
Total	\$ 22,008,672	\$ -	

**Note 6. Investments**

BLMGNF's investments are managed by a professional investment management firm. BLMGNF's Investment portfolio consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash - valued at cost	\$ 555,874	\$ 32,000,000
Accrued interest - value at cost	44,911	114
Investments - valued at NAV per share	215,638	-
Investments - valued at fair value	22,008,672	-
	<hr/>	<hr/>
	\$ 22,825,095	\$ 32,000,114

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 7. Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Building	\$ 2,998,781	\$ 2,998,781
Land	3,000,000	3,000,000
Land improvements	92,054	-
Furniture and equipment	7,200	-
Accumulated depreciation	<u>(177,295)</u>	<u>(74,970)</u>
Property and equipment, net	<u>\$ 5,920,740</u>	<u>\$ 5,923,811</u>

Depreciation expense totaled \$102,325 and \$74,970 for the years ended June 30, 2022 and 2021, respectively.

**Note 8. Grants Payable**

Amounts due to grantees will be paid as follows:

Year ended June 30, 2023	\$ 1,033,333	
2024	200,000	
2025	<u>200,000</u>	
Total grants payable	1,433,333	
Less: discount to present value	<u>(30,632)</u>	
Grants payable, net	1,402,701	
Less current portion	<u>1,033,333</u>	
Non-current portion	<u>\$ 369,368</u>	

**Note 8. Functional Expenses**

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, communications, information technology, and insurance, which are allocated on the basis of total costs allocated directly to program and supporting functions.

**BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 9. Employee Benefits**

BLMGNF sponsors the Black Lives Matter Global Network Foundation Plan qualified under IRC Section 401(k) covering substantially all full-time employees. The plan provides that employees eligible to participate on the first day of the month following date of hire. Employees may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions consist of safe harbor matching contributions up to the first 6% of eligible compensation. BLMGNF matched employee voluntary contributions up to 6 percent, resulting in contributions to the plan during the years ended June 30, 2022 and 2021, of \$19,604 and \$7,808, respectively.

**Note 10. Related Party Transactions**

BLMGNF had the following transactions with related parties during the year ended June 30, 2022:

- A sibling of the former Executive Director owned a security and protection company, which was paid \$1,602,185 for security services.
- A former board member was reimbursed for expenses incurred totaling \$13,321.
- A former board member owned a consulting firm, which was paid \$1,063,500 for consulting services.
- A Board member owned a consulting firm which was paid \$1,690,000 for management and consulting services.

BLMGNF had the following transactions with related parties during the year ended June 30, 2021:

- BLMGNF recorded a receivable for travel and other expense reimbursements due from the Executive Director totaling \$73,523.
- A sibling of the Executive Director owned a security and protection company, which was paid \$840,993 for security services.
- A related party to the Executive Director of BLMGNF was a board member of M4BJ operating as Black Lives Matter Canada, which was granted \$8,024,626.
- BLMGNF received unconditional, unrestricted grants totaling \$69,164,086 from Thousand Currents, a 501(c)(3) organization which formerly acted as the fiscal sponsor of BLMGNF.

**Note 11. Subsequent Events**

BLMGNF has evaluated subsequent events through May 2, 2023, the date the consolidated financial statements were available to be issued. Subsequent to year-end, BLMGNF recognized a liability of \$600,000 in connection with a contract dispute with a former board members' consulting firm. This liability is included in accounts payable and accrued expenses in these financial statements.