

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

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Black Lives Matter Global Network Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Black Lives Matter Global Network Foundation, Inc. (a nonprofit organization) and affiliates, which comprise the consolidated statements of financial position as of June 30, 2023, 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, Inc. and affiliates as of June 30, 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. 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, Inc. 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, Inc.'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, Inc. 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, Inc.'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

April 15, 2024

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 459,211	\$ 4,394,110
Accounts receivable, net	2,626	113,664
Prepaid expenses and other costs	32,634	37,276
	494,471	4,545,050
Non-current assets		
Property and equipment, net	5,834,567	5,920,740
Investments	22,546,351	22,825,096
	28,380,918	28,745,836
Total assets	\$ 28,875,389	\$ 33,290,886
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,063,886	\$ 1,683,165
Grants payable, current portion	909,301	1,033,333
	2,973,187	2,716,498
Non-current liabilities		
Grants payable, non-current portion	-	369,368
	2,973,187	3,085,866
Net assets		
Without donor restrictions	25,902,202	30,205,020
Total liabilities and net assets	\$ 28,875,389	\$ 33,290,886

See notes to consolidated financial statements.

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Revenue			
Online store royalties	\$ 25,010	\$ -	\$ 25,010
Interest and dividend income	835	-	835
Other income	200,000	-	200,000
Other royalties	40,576	-	40,576
	<hr/>	<hr/>	<hr/>
Total revenue	266,421	-	266,421
	<hr/>	<hr/>	<hr/>
Support			
Individual and corporate contributions	4,418,133		4,418,133
In-kind contributions	98,334	-	98,334
Releases from restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total support	4,516,467	-	4,516,467
	<hr/>	<hr/>	<hr/>
Total revenue and support	4,782,888	-	4,782,888
	<hr/>	<hr/>	<hr/>
Expenses			
Program	5,013,945	-	5,013,945
Administration	5,515,445	-	5,515,445
Fundraising	328,038	-	328,038
	<hr/>	<hr/>	<hr/>
Total expenses	10,857,428	-	10,857,428
	<hr/>	<hr/>	<hr/>
Change in net assets from operations	(6,074,540)	-	(6,074,540)
Net gain from investment portfolio	1,771,722	-	1,771,722
	<hr/>	<hr/>	<hr/>
Change in net assets	(4,302,818)	-	(4,302,818)
Net assets, beginning of year	30,205,020	-	30,205,020
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 25,902,202</u>	<u>\$ -</u>	<u>\$ 25,902,202</u>

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</u> <u>Restrictions</u>	<u>With Donor</u> <u>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
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 FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Arts	Healing Justice	Frontline Organizing	Culture	Policy	Research & Education	Total Program	Admin	Fundraising	Total Expenses
Salaries	\$ 23,546	\$ 7,609	\$ 42,366	\$ 23,214	\$ 4,436	\$ 5,700	\$ 106,871	\$ 152,152	\$ 6,992	\$ 266,015
Benefits	4,134	1,336	7,438	4,076	779	1,001	18,764	26,712	1,228	46,704
Total salaries and benefits	27,680	8,945	49,804	27,290	5,215	6,701	125,635	178,864	8,220	312,719
Grants to other organizations	68,333	175,575	213,333	33,333	48,333	101,585	640,492	-	-	640,492
Grants to individuals	-	-	-	2,000	-	500	2,500	-	-	2,500
Consultants	142,648	135,000	384,468	155,925	131,905	129,391	1,079,337	1,110,915	88,350	2,278,602
Communications	66,830	21,598	120,249	65,886	12,590	16,587	303,740	431,854	44,886	780,480
Design and media	415,000	-	-	369,000	-	-	784,000	325,775	-	1,109,775
Professional security expenses	60,023	-	1,131,388	61,238	-	-	1,252,649	-	-	1,252,649
Tech support	44,964	14,531	80,904	44,328	8,471	10,884	204,082	290,553	185,340	679,975
Legal	-	-	-	-	-	-	-	2,242,884	-	2,242,884
Other expense	15,614	-	-	316,241	815	-	332,670	466,954	-	799,624
Depreciation	108,489	-	-	-	-	-	108,489	-	-	108,489
Travel & meals	-	-	-	4,192	-	-	4,192	162,682	-	166,874
Occupancy	138,683	-	-	5,516	-	-	144,199	3,038	-	147,237
Liability insurance	16,138	1,351	7,523	4,122	788	1,012	30,934	27,018	1,242	59,194
Accounting	-	-	-	-	-	-	-	193,134	-	193,134
Payroll service	-	-	-	-	-	-	-	7,087	-	7,087
Membership & affiliations	-	-	-	-	-	752	752	1,875	-	2,627
Bad debts	-	-	-	-	-	-	-	4,402	-	4,402
Banking charges and fees	274	-	-	-	-	-	274	68,410	-	68,684
	<u>\$ 1,104,676</u>	<u>\$ 357,000</u>	<u>\$ 1,987,669</u>	<u>\$ 1,089,071</u>	<u>\$ 208,117</u>	<u>\$ 267,412</u>	<u>\$ 5,013,945</u>	<u>\$ 5,515,445</u>	<u>\$ 328,038</u>	<u>\$ 10,857,428</u>

See notes to consolidated financial statements.

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

	<u>Arts</u>	<u>Healing Justice</u>	<u>Frontline Organizing</u>	<u>Culture</u>	<u>Policy</u>	<u>Research & Education</u>	<u>Total Program</u>	<u>Admin</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 39,097	\$ 84,835	\$ 27,330	\$ 18,448	\$ 19,550	\$ 751	\$ 190,011	\$ 126,948	\$ 8,041	\$ 325,000
Benefits	18,232	39,561	12,745	8,603	9,117	350	88,608	59,198	3,749	151,555
Total salaries and benefits	57,329	124,396	40,075	27,051	28,667	1,101	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	199,500	40,732	88,475	1,025,545	34,009	1,487,513	2,257,901	421,800	4,167,214
Communications	137,037	297,353	95,793	64,662	68,523	2,633	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	235,690	75,929	51,253	54,314	2,087	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	10,850	3,495	2,359	2,500	96	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>\$ 5,118,569</u>	<u>\$ 1,648,967</u>	<u>\$ 1,113,083</u>	<u>\$ 1,179,549</u>	<u>\$ 45,326</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 STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (4,302,818)	\$ (11,729,668)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	108,489	102,325
Allowance for uncollectible receivables	4,402	-
Present value discount on grants payable	(31,179)	(70,568)
Accrued interest	(834)	(44,957)
Net investment gains (losses)	(1,771,722)	4,133,947
Changes in operating assets and liabilities		
Accounts receivable, net	106,636	(131)
Prepaid expenses and other assets	4,642	279,314
Accounts payable and accrued expenses	380,721	1,460,072
Grants payable	(462,221)	(58,854)
Net cash (used) provided by operating activities	<u>(5,963,884)</u>	<u>(5,928,520)</u>
Cash flows from investing activities		
Purchase of investments	(1,265,289)	-
Sales of investments	3,316,590	5,086,028
Purchase of property and equipment	<u>(22,316)</u>	<u>(99,254)</u>
Cash provided (used) by investing activities	<u>2,028,985</u>	<u>4,986,774</u>
Net (decrease) increase in cash and cash equivalents	(3,934,899)	(941,746)
Cash and cash equivalents, beginning of year	<u>4,394,110</u>	<u>5,335,856</u>
Cash and cash equivalents, end of year	<u>\$ 459,211</u>	<u>\$ 4,394,110</u>

See notes to consolidated financial statements.

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

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 financial statements of BLMGNF, and a single member LLC owned by BLMGNF to hold real estate. All significant intercompany 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, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022

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, 2023 and 2022, 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, or in the case of leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. 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, 2023 and 2022.

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, 2023 and 2022

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 \$98,334 and \$2,737 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of programs 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, 2023 and 2022

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 Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

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, 2022. 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, are comprised of the following as of June 30 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 459,211	\$ 4,394,110
Accounts receivable	2,626	113,664
Investments	22,546,351	22,825,096
	<u>\$ 23,008,188</u>	<u>\$ 27,332,870</u>

Note 4. Accounts Receivable

Accounts receivable are comprised of the following as of June 30 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Contributions receivable	\$ 2,992	\$ 103,704
Royalties receivable	888	6,813
Reimbursements receivable	1,737	3,148
Subtotal	5,617	113,665
Less: Allowance for uncollectible receivables	<u>(2,992)</u>	<u>-</u>
	<u>\$ 2,625</u>	<u>\$ 113,665</u>

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.
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Note 4. Accounts Receivable (Continued)

Contributions receivable are generally expected to be collected within one year. BLMGNF recognized an allowance for uncollectible receivables of \$2,992 and \$0 at June 30, 2023 and 2022, 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
Years Ended June 30, 2023 and 2022

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 6) or by using NAV per share as a practical expedient (See note 5) as identified in the following at June 30, 2023 and 2022.

	<u>2023</u>		<u>2022</u>	
Equity mutual funds	\$ 569,577	\$	1,862,742	Level I
Bond mutual funds	731,004		963,904	Level I
Equity ETP's	1,814,002		2,387,123	Level I
Fixed income ETP's	364,718		514,071	Level I
Commodity ETP's	647,572		681,197	Level I
Asset backed fixed income securities	2,518,993		2,671,687	Level I
Corporate bonds	2,873,978		2,953,516	Level I
Municipal bonds	577,523		598,975	Level I
US Treasury securities	2,588,405		2,669,380	Level I
Common stock`	9,139,827		6,704,725	Level I
Preferred Stock	1,758		1,352	Level I
	<u>21,827,357</u>		<u>22,008,672</u>	
Total	\$ 21,827,357	\$	22,008,672	

Note 6. Investments

BLMGNF's investments are managed by a professional investment management firm. BLMGNF's Investment portfolio is comprised of the following as of June 30 2023 and 2022.

	<u>2023</u>		<u>2022</u>
Cash - valued at cost	\$ 507,296	\$	555,874
Accrued interest - valued at cost	45,746		44,911
Investments - valued at NAV per share	165,952		215,638
Investments - valued at fair value	<u>21,827,357</u>		<u>22,008,672</u>
	<u>\$ 22,546,351</u>	\$	<u>22,825,095</u>

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

Property and equipment is comprised of the following as of June 30 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Building	\$ 2,998,781	\$ 2,998,781
Land	3,000,000	3,000,000
Land improvements	97,838	92,054
Furniture and equipment	23,731	7,200
Accumulated depreciation	<u>(285,783)</u>	<u>(177,295)</u>
Property and equipment, net	<u>\$ 5,834,567</u>	<u>\$ 5,920,740</u>

Depreciation expense totaled \$108,135 and \$102,325 for the years ended June 30, 2023 and 2022, respectively.

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.

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, 2023 and 2022, of \$13,813 and \$19,604, respectively.

Note 10. Related Party Transactions

BLMGNF had the following transactions with related parties during the year ended June 30, 2023:

- A sibling of the former Executive Director owned a security and protection company, which was paid \$1,107,740 for security services.
- A former board member was paid \$360,000 during the year ended June 30, 2023. In addition, BLMGNF has accrued a liability of \$400,000 as of June 30, 2023, as part of a settlement agreement.
- A Board member owned a consulting firm which was paid \$2,142,133 for management and consulting services.
- A board member owned a consulting firm which was paid \$175,000 for consulting services.

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

Note 10. Related Party Transactions (continued)

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.

Note 11. Subsequent Events

BLMGNF has evaluated subsequent events through April 15, 2024, the date the consolidated financial statements were available to be issued. Subsequent to year-end, BLMGNF recognized a liability of \$335,000 in connection with a dispute with a former employee. This liability is included in accounts payable and accrued expenses in these financial statements.