

**ASSOCIATED BLACK CHARITIES, INC.**

**Financial Statements and Supplementary Schedules  
Together with Reports of Independent Public Accountants**

**For the Years Ended December 31, 2021 and 2020**



**S B & COMPANY, LLC**  
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**DECEMBER 31, 2021 AND 2020**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Board of Directors  
Associated Black Charities, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the statements of financial position of Associated Black Charities, Inc. (the Organization) as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization 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 controls 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available for issuance.



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### ***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 and *Government 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 controls. 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 and *Government Auditing Standards*, 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 controls 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 the Organization's internal controls. 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 the Organization'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 controls-related matters that we identified during the audit.



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***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022, on our consideration of the Organization’s internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal controls over financial reporting and compliance.

Owings Mills, MD  
September 27, 2022

*S B & Company, LLC*

**ASSOCIATED BLACK CHARITIES, INC.**

**Statements of Financial Position  
As of December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,423,793	\$ 2,999,323
Investments	1,028,090	261,796
Assets whose use is limited	75,464	110,553
Grants receivable	2,215,491	2,583,202
Prepaid and other assets	36,779	33,314
Property and equipment, net	38,179	36,923
<b>Total Assets</b>	<b>\$ 5,817,796</b>	<b>\$ 6,025,111</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 51,850	\$ 28,804
Grants payable to providers for HIV Emergency Relief Grant Program – Ryan White	2,130,181	2,273,676
Accrued expenses and other liabilities	58,470	165,650
Deferred revenue	628,270	848,101
Managed funds payable	75,464	110,553
<b>Total Liabilities</b>	<b>2,944,235</b>	<b>3,426,784</b>
<b>Net Assets</b>		
Without donor restrictions	2,640,183	2,381,212
With donor restrictions	233,378	217,115
<b>Total Net Assets</b>	<b>2,873,561</b>	<b>2,598,327</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,817,796</b>	<b>\$ 6,025,111</b>

The accompanying notes are an integral part of these financial statements.

**ASSOCIATED BLACK CHARITIES, INC.**

**Statements of Activities and Changes in Net Assets  
For the Years Ended December 31, 2021 and 2020**

<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>2021</b>	<b>2020</b>
<b>Revenue and Support</b>		
Federal grants	\$ 13,479,984	\$ 13,726,538
Federal grant - PPP loan forgiveness	-	238,800
State and local grants	-	4,462,808
Contributions	711,680	956,078
Special events, net of direct expenses of \$59,940 and \$68,246, respectively	484,069	227,818
Interest income	22,067	57,496
Management fees and other income	438,598	374,029
Investment income, net	15,299	39,696
<b>Total Revenue</b>	<b>15,151,697</b>	20,083,263
Net assets released from restrictions	175,116	1,257,432
<b>Total Revenue and Support</b>	<b>15,326,813</b>	21,340,695
<b>Expenses</b>		
Program services		
HIV/AIDS Emergency Relief	13,479,984	13,698,871
Community service	19,288	5,450,784
Other program services	279,638	291,455
Total program services	13,778,910	19,441,110
General and administrative	1,177,577	1,081,375
Development and fundraising	111,355	100,606
Total general and administrative	1,288,932	1,181,981
<b>Total Expenses</b>	<b>15,067,842</b>	20,623,091
<b>Change in net assets without donor restrictions</b>	<b>258,971</b>	717,604
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	191,379	186,617
Satisfaction of restrictions	(175,116)	(1,257,432)
<b>Change in net assets with donor restrictions</b>	<b>16,263</b>	(1,070,815)
Changes in net assets	275,234	(353,212)
Net assets, beginning of year	2,598,327	2,951,539
<b>Net Assets, End of Year</b>	<b>\$ 2,873,561</b>	\$ 2,598,327

The accompanying notes are an integral part of these financial statements.

**ASSOCIATED BLACK CHARITIES, INC.**

**Statement of Functional Expenses  
For the Year Ended December 31, 2021 with Comparative Totals for 2020**

	2021								2020 Totals
	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Totals	
	HIV/AIDS Emergency Relief	Community Service	Other Programs		General & Administrative	Development & Fundraising			
Salaries/wages	\$ 420,604	\$ 6,529	\$ 203,632	\$ 630,765	\$ 753,919	\$ 97,803	\$ 851,722	\$ 1,482,487	\$ 1,356,248
Fringe benefits, except taxes	27,133	-	22,262	49,395	1,209	8,368	9,577	58,972	73,614
Payroll taxes	32,249	-	6,539	38,788	66,874	5,184	72,058	110,846	99,251
Bad debt expense	-	-	-	-	28,000	-	28,000	28,000	-
Bank service charges	3,064	-	-	3,064	25,225	-	25,225	28,289	25,192
Contractual services	5,484	10,138	27,824	43,446	89,108	-	89,108	132,554	918,651
Data processing	6,403	-	-	6,403	7,590	-	7,590	13,993	11,681
Depreciation/amortization	-	-	-	-	14,532	-	14,532	14,532	11,900
Dues & subscriptions	390	-	1,000	1,390	20,775	-	20,775	22,165	22,653
General insurance	-	-	-	-	9,313	-	9,313	9,313	9,187
Grants: non-programmed	-	1,500	-	1,500	-	-	-	1,500	41,531
Grants: programs	12,905,513	-	-	12,905,513	-	-	-	12,905,513	13,116,108
Legal/accounting	22,523	-	-	22,523	22,468	-	22,468	44,991	55,686
Meetings	-	-	-	-	287	-	287	287	273
Miscellaneous expenses	-	-	-	-	609	-	609	609	-
Office supplies/expenses	1,363	371	1,053	2,787	10,235	-	10,235	13,022	37,553
Postage/courier	-	-	-	-	16	-	16	16	322
Printing	-	-	-	-	1,125	-	1,125	1,125	1,219
Promotions/publicity	-	-	-	-	9,063	-	9,063	9,063	5,459
Rent building	51,725	750	14,263	66,738	33,762	-	33,762	100,500	122,403
Rent: equipment/furniture	-	-	-	-	12,798	-	12,798	12,798	11,222
Repairs/maintenance	-	-	-	-	49,977	-	49,977	49,977	46,515
Staff development	2,738	-	2,525	5,263	6,355	-	6,355	11,618	8,480
Telephone	-	-	-	-	9,827	-	9,827	9,827	9,669
The children and youth fund	-	-	-	-	-	-	-	-	4,632,444
Transportation	54	-	-	54	104	-	104	158	2,746
Travel & lodging	741	-	-	741	653	-	653	1,394	658
Utilities	-	-	540	540	-	-	-	540	403
Workers' compensation	-	-	-	-	3,753	-	3,753	3,753	2,023
<b>Total</b>	<b>\$ 13,479,984</b>	<b>\$ 19,288</b>	<b>\$ 279,638</b>	<b>\$ 13,778,910</b>	<b>\$ 1,177,577</b>	<b>\$ 111,355</b>	<b>\$ 1,288,932</b>	<b>\$ 15,067,842</b>	<b>\$ 20,623,091</b>

The accompanying notes are an integral part of this financial statement.



**ASSOCIATED BLACK CHARITIES, INC.**

**Statement of Functional Expenses  
For the Year Ended December 31, 2020**

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	HIV/AIDS Emergency Relief	Community Service	Other Programs		General & Administrative	Development & Fundraising		
Salaries/wages	\$ 432,233	\$ 16,552	\$ 176,416	\$ 625,201	\$ 652,417	\$ 78,630	\$ 731,047	\$ 1,356,248
Fringe benefits, except taxes	21,258	-	42,610	63,868	35	9,711	9,746	73,614
Payroll taxes	32,585	-	5,956	38,541	54,695	6,015	60,710	99,251
Bank service charges	3,309	476	-	3,785	21,407	-	21,407	25,192
Contractual services	12,955	775,141	8,433	796,529	115,872	6,250	122,122	918,651
Data processing	5,770	-	250	6,020	5,661	-	5,661	11,681
Depreciation/amortization	-	-	-	-	11,900	-	11,900	11,900
Dues & subscriptions	-	-	-	-	22,653	-	22,653	22,653
General insurance	-	-	-	-	9,187	-	9,187	9,187
Grants: non-programmed	-	6,500	35,031	41,531	-	-	-	41,531
Grants: programs	13,116,108	-	-	13,116,108	-	-	-	13,116,108
Legal/accounting	6,358	10,889	-	17,247	38,439	-	38,439	55,686
Meetings	-	-	-	-	273	-	273	273
Office supplies/expenses	4,683	168	1,201	6,052	31,501	-	31,501	37,553
Postage/courier	47	44	-	91	231	-	231	322
Printing	-	-	-	-	1,219	-	1,219	1,219
Promotions/publicity	-	-	-	-	5,459	-	5,459	5,459
Rent building	56,813	8,360	21,112	86,285	36,118	-	36,118	122,403
Rent: equipment/furniture	-	-	-	-	11,222	-	11,222	11,222
Repairs/maintenance	-	-	-	-	46,515	-	46,515	46,515
Staff development	6,013	-	-	6,013	2,467	-	2,467	8,480
Telephone	-	-	-	-	9,669	-	9,669	9,669
The children and youth fund	-	4,632,444	-	4,632,444	-	-	-	4,632,444
Transportation	81	210	43	334	2,412	-	2,412	2,746
Travel & lodging	658	-	-	658	-	-	-	658
Utilities	-	-	403	403	-	-	-	403
Workers' compensation	-	-	-	-	2,023	-	2,023	2,023
<b>Total</b>	<b>\$ 13,698,871</b>	<b>\$5,450,784</b>	<b>\$ 291,455</b>	<b>\$ 19,441,110</b>	<b>\$ 1,081,375</b>	<b>\$ 100,606</b>	<b>\$ 1,181,981</b>	<b>\$ 20,623,091</b>

The accompanying notes are an integral part of this financial statement.

**ASSOCIATED BLACK CHARITIES, INC.**

**Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 275,234	\$ (353,212)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	14,532	11,900
Unrealized loss (gain) on investments	65,795	(32,436)
Reinvested dividend income	(86,460)	(10,757)
PPP loan forgiveness	-	(238,800)
Effects from changes in non-cash operating assets and liabilities:		
Grants receivable, net	367,711	(1,304,482)
Prepaid and other assets	(3,465)	23,774
Accounts payable	23,046	(94,192)
Grants payable to providers for HIV Emergency Relief Grant Program – Ryan White	(143,495)	1,087,589
Accrued expenses and other liabilities	(107,180)	115,343
Deferred revenue	(219,831)	(25,836)
<b>Net Cash Flows from Operating Activities</b>	<u>185,887</u>	<u>(821,109)</u>
<b>Cash Flows from Investing Activities</b>		
Repayment of outstanding loans/notes receivable	-	696,475
Purchase of investments	(745,629)	(50,209)
Sale of investments	-	48,220
Purchase of property and equipment	(15,788)	-
<b>Net Cash Flows from Investing Activities</b>	<u>(761,417)</u>	<u>694,486</u>
<b>Cash Flows from Financing Activities</b>		
PPP loan proceeds	-	238,800
Net change in cash and cash equivalents	(575,530)	112,177
Cash and cash equivalents, beginning of year	2,999,323	2,887,146
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,423,793</u>	<u>\$ 2,999,323</u>

The accompanying notes are an integral part of these financial statements.

# **ASSOCIATED BLACK CHARITIES, INC.**

## **Notes to the Financial Statements December 31, 2021 and 2020**

### **1. BACKGROUND OF THE ORGANIZATION**

Associated Black Charities, Inc. (the Organization) is a nonprofit organization incorporated under the laws of the State of Maryland in August 1985, and subsequently commenced operations on January 1, 1986. It is a catalyst for community development and problem solving. The Organization's mission is to represent and respond to those issues and concerns which are of special significance to the African American community. The Organization accepts a major role for raising and allocating funds, acting as a coordinating body for the delivery of health and human services, and fostering the involvement and leadership of African Americans in various aspects of policy-making and resource development.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The accompanying financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Fair Value of Financial Instruments**

Financial instruments consist of cash equivalents, investments, receivables and payables. The carrying value of the Organization's financial instruments in the accompanying statements of financial position approximated their respective estimated fair values as of December 31, 2021 and 2020. Fair values are estimated based on current market rates, prices or liquidation value.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include amounts invested in highly liquid investments with original maturities of three months or less. Cash equivalents consisted of money market funds as of December 31, 2021 and 2020.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Financial Statements December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Grants Receivable

The Organization receives grants from various entities and records amounts due as a receivable when earned. As of December 31, 2021 and 2020, the majority of the receivables relate to amounts owed by the Baltimore City Health Department under the HIV Emergency Relief Grant Program – Ryan White (the Grantor) for invoices submitted and not paid.

Estimated losses are based on historical collection experience and the review of the current status of existing grants receivable. As of December 31, 2021 and 2020, management believes all receivables are fully collectible. As such, there was no reserve recorded as of December 31, 2021 and 2020.

#### Loans and Note Receivable, Net

The Organization has a program which provides resources focused on enhancing human capital through the development of economic opportunities. The outstanding loans were a part of the transfer of assets from Empower Baltimore Management Corporation (EBMC) that occurred during the fiscal year ended December 31, 2013. Loans and notes receivable were fully reserved as of December 31, 2021. The Organization has recorded these outstanding loans as an asset and recognized a related liability. The related liability represents deferred revenue for net outstanding loans plus cash on hand from this program. Loans are stated at the amount of unpaid principal adjusted for any write-offs and reserves for estimated uncollectible loans.

Once the funds are collected, the proceeds will be used by the Organization to promote workforce development programs and cover operating expenses. The amounts spent will be recognized as other income and the deferred revenue will be reduced.

The allowance for loan losses is established through a provision for loan losses when management believes that repayment of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb estimated losses on existing loans that may be uncollectible as of year-end, based on current factors and prior loan loss experience. As of December 31, 2021 and 2020, all loans were non-performing with outstanding balances of \$43,235 and \$176,660 respectively, with interest rates ranging from 4% to 8.5%. Management has not accrued interest on these loans in the accompanying financial statements.

## ASSOCIATED BLACK CHARITIES, INC.

### Notes to the Financial Statements December 31, 2021 and 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Loans and Note Receivable, Net (continued)

While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in the factors considered, such as the economic condition of the borrower or certain related industry concentrations. As of December 31, 2021 and 2020, an allowance for loan losses was recorded in the amount of \$43,236 and \$176,660, respectively.

##### Fair Value Measurements

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Financial Statements December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property and Equipment

Property and equipment in excess of \$500 and an estimated useful life of more than a year, are capitalized and recorded at cost if purchased, or estimated fair market value as of the date of gift, if donated. The carrying value of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line depreciation method. Expenditures for major repairs and maintenance costs are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred.

#### Managed Funds Payable

Managed funds payable represent a liability for funds received for the purpose of providing scholarships and donations on behalf of the donor. These funds are recorded as a liability as the Organization does not determine how the funds are used. The asset related to this liability is included in assets whose use is limited in the accompanying statements of financial position.

#### Deferred Revenue

Deferred revenue represents net outstanding loans plus the related cash on hand as these assets are conditional in nature and the conditions were not met as of year-end, and funds received in excess of submitted expenditures from the HIV Emergency Relief Grant Program.

#### Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired. It also represents the portion of expendable funds that are available for support of the Organization's operations.

Net assets with donor restrictions are those whose use by the Organization has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, with donor restriction net assets are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as without donor restriction net assets. As of December 31, 2021 and 2020, net assets with donor restrictions were available for community services programs in the amount of \$233,378 and \$217,115, respectively.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Financial Statements December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Restricted and Unrestricted Revenue and Support

Contributions received are recorded as without donor restrictions, or with donor restrictions support, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in with donor restrictions net assets.

Gifts of cash and other assets are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

The Organization has grants from the grantor to provide pass-through funding to providers for services under the HIV Emergency Relief Grant Program – Ryan White. Revenue is recognized when the Organization receives invoices from the providers for their services plus allowable indirect costs. Revenue recognized on the grants for which funds have not been received from the Grantor are reflected as grants receivable in the accompanying statements of financial position. Funds received in excess of submitted expenditures are recorded as deferred revenue in the accompanying statements of financial position and are recognized as revenue when the actual expenditures are incurred.

During fiscal year 2020, the Organization had a grant from the City of Baltimore to establish the Baltimore City Children and Youth Fund, to be used exclusively for purposes of establishing new and augmenting existing programs for and services to the children and youth of the City of Baltimore. Revenue was treated as unconditional and was recognized and reported as with donor restrictions when the cash was received. When a grant was awarded to a grantee, grant expense was recorded and revenue was reclassified to without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. The Organization is no longer the administrator of the Baltimore City Children and Youth Fund as of December 31, 2020. All unspent funds were returned to the City of Baltimore in November 2020.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Financial Statements December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefit from those costs. General and administrative expenses include those expenses that are not directly identified with any other specific function, but provide for the overall support and direction of the Organization. All direct costs are charged to the specific program or event. Salaries and related expenses are charged based on time and effort. Indirect costs are allocated to program and supporting services based upon the direct salary allocation to each category.

#### Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return.

The Organization performed an evaluation of uncertain tax positions as of December 31, 2021 and 2020, and determined that there were no matters that would require recognition in the financial statements, or which may have any effect on its tax-exempt status.

As of December 31, 2021, the statute of limitations for fiscal years 2018 through 2021 remains open with the U.S. Federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

#### Liquidity and Availability of Resources

The Organization receives contributions from donors which may or may not be restricted for specific purposes. Financial assets of the Organization are primarily comprised of cash, investments, and grants receivable from donors. The Organization structures its financial assets to be available as general expenditure liabilities and other obligations come due.

To achieve this, the Organization forecasts its future cash flows and monitors its liquidity on a monthly basis. Management and the Board have been monitoring the Organization's cash balances to ensure that there is at least 3 months of working capital available throughout the year.



## ASSOCIATED BLACK CHARITIES, INC.

### Notes to the Financial Statements December 31, 2021 and 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Liquidity and Availability of Resources (continued)

The following table summarizes the Organization's financial assets available, that is without donor or other restrictions limiting their use, for grant obligations and general expenditure within one year of the balance sheet date as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,423,793	\$ 2,999,323
Investments	1,028,090	261,796
Grants receivable, net	<u>2,215,491</u>	<u>2,583,202</u>
Available financial assets	5,667,374	5,844,321
Less financial assets unavailable for expenditures:		
Restricted by donor with time or purpose restrictions	<u>233,378</u>	<u>217,115</u>
Net available financial assets	<u>\$ 5,433,996</u>	<u>\$ 5,627,206</u>

##### Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which creates a singular reporting model for leases. This standard will require the Organization to record changes to its statement of financial position to reflect balances for current leases that are not shown in the statement of financial position. This standard will be effective for periods beginning after December 15, 2021.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses*. The objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. This standard is effective for periods beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard will require the presentation of contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets, apart from contributions of cash or other financial assets. This standard will be effective for periods beginning after June 15, 2021.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Financial Statements December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Recent Accounting Pronouncements (continued)

Management is evaluating the effects of these pronouncements on the financial statements and will implement these pronouncements by their effective dates.

#### Subsequent Events

In February 2022, the Board of Directors voted to discontinue the HIV/AIDS Emergency Relief program effective March 31, 2022. The Organization is in the process of wrapping up operations related to the program.

The Organization evaluated the subsequent events and transactions through September 27, 2022, the date these financial statements were available for issue and have determined that no material subsequent events have occurred, other than disclosed above, that would affect the information presented in the accompanying financial statements or require additional disclosure.

### 3. INVESTMENTS

The following is a description of the valuation methodology used for investments measured at fair value.

Equity funds are investments in mutual funds, which are valued based on the closing price on the primary market. Fixed income funds are investments in mutual funds and commingled funds invested in fixed income instruments. The underlying fixed investments are principally U.S. Treasuries, corporate bonds, commercial paper, and mortgage-backed securities. The mutual funds are valued based on the closing price on the primary market.

The following tables set forth by level, the fair value hierarchy of the Organization's investments at fair value as of December 31, 2021 and 2020:

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Mutual Funds</b>				
Fixed income	\$ 393,660	\$ -	\$ -	\$ 393,660
Equities	634,430	-	-	634,430
<b>Total</b>	<b>\$ 1,028,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,028,090</b>

  

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Mutual Funds</b>				
Fixed income	\$ 83,775	\$ -	\$ -	\$ 83,775
Equities	178,021	-	-	178,021
<b>Total</b>	<b>\$ 261,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261,796</b>

**ASSOCIATED BLACK CHARITIES, INC.**

**Notes to the Financial Statements  
December 31, 2021 and 2020**

**3. INVESTMENTS (continued)**

As of December 31, 2021 and 2020, investments consisted of the following fair values:

	<u>As of December 31, 2021</u>		
	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
Fixed income	\$ 391,615	\$ 2,045	\$ 393,660
Equities	638,951	(4,521)	634,430
<b>Total</b>	<b><u>\$ 1,030,566</u></b>	<b><u>\$ (2,476)</u></b>	<b><u>\$ 1,028,090</u></b>

  

	<u>As of December 31, 2020</u>		
	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Market Value</u>
Fixed income	\$ 64,479	\$ 19,296	\$ 83,775
Equities	133,998	44,023	178,021
<b>Total</b>	<b><u>\$ 198,477</u></b>	<b><u>\$ 63,319</u></b>	<b><u>\$ 261,796</u></b>

For the years ended December 31, 2021 and 2020, investment income consisted of the following:

	<u>2021</u>	<u>2020</u>
Reinvested dividend income	\$ 86,460	\$ 10,757
Unrealized (loss) gain on investments	(65,795)	32,436
Less: investment fees	(5,366)	(3,497)
<b>Total investment income, net</b>	<b><u>\$ 15,299</u></b>	<b><u>\$ 39,696</u></b>

## ASSOCIATED BLACK CHARITIES, INC.

### Notes to the Financial Statements December 31, 2021 and 2020

#### 4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>	<u>Useful Life</u>
Property and equipment	\$ 182,879	\$ 167,091	5-40 years
Software	1,990	1,990	5 years
<b>Total</b>	<b>184,869</b>	169,081	
Less: accumulated depreciation	<b>146,690</b>	132,158	
<b>Property and Equipment, Net</b>	<b>\$ 38,179</b>	<b>\$ 36,923</b>	

Depreciation expense for the years ended December 31, 2021 and 2020, was \$14,532 and \$11,900, respectively.

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

With donor restrictions net assets as of December 31, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Annie E Casey Grant	\$ 87,355	\$ 11,875
France-Merrick	-	50,000
United Way of Central Maryland	64,658	50,000
PNC	4,866	13,398
Other	2,500	23,342
Pepsi	20,000	18,000
Capital One	53,999	50,500
<b>Total</b>	<b>\$ 233,378</b>	<b>\$ 217,115</b>

#### 6. PAYROLL PROTECTION PROGRAM LOAN

During the year ended December 31, 2020, the Organization received a Paycheck Protection Program (PPP) note in the amount of \$238,800. The PPP loan was received from the U.S. Federal government under the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress. The terms of the note require the proceeds to be spent on eligible expenses, which are primarily payroll related costs. Part or all of the note may be forgiven based on meeting certain conditions as set forth in the note agreement. Any portion of the PPP note that is not forgiven must be repaid over two years after a six-month deferral period at an interest rate of 1%.

## **ASSOCIATED BLACK CHARITIES, INC.**

### **Notes to the Financial Statements December 31, 2021 and 2020**

#### **6. PAYROLL PROTECTION PROGRAM LOAN (continued)**

The accounting for these funds were in accordance with the treatment of contributions under ASC 958. Under this model, the timing of recognition for a contribution received depends on whether the contribution is conditional or not. If conditional, the contribution is not recognized until the conditions are substantially met or explicitly waived. Specifically, the Organization initially recorded the cash inflow from the PPP loan as an unearned revenue.

During fiscal year 2020, the Organization submitted its application for forgiveness to the financial institution issuing the loan and received full forgiveness. As such, as of December 31, 2020, the Organization recognized the entire PPP funds received of \$238,800 as a Federal grant related to eligible expenses incurred.

#### **7. COMMITMENTS AND CONTINGENCIES**

##### *Concentration of Risk*

The Organization's primary revenue source is a Federal grant. For the years ended December 31, 2021 and 2020, the Organization earned \$13,421,171 and \$13,726,538, respectively, from the Grantor, which was 87% and 68%, respectively, of total revenue. A reduction in funding level could have a significant impact on the Organization. The Organization's grant from the government provides pass-through funding to providers for services under the HIV Emergency Relief Grant Program – Ryan White. Most grants and cost-reimbursable contracts specify the types of expenditures for which the grant or contract funds may be used. As described in Note 2, this program was discontinued in March 2022.

The Organization also earned \$5,653,027 from the City of Baltimore for the year ended December 31, 2020, to administer the Baltimore Children and Youth Fund, of which \$4,632,444 was distributed to grantees and \$150,000 was retained by the Organization as management fee revenue. Revenue from the City of Baltimore was 23% of total revenue for the year ended December 31, 2020.

Certain expenses of these funds are subject to audit by the Grantor, and to the extent an audit determines any expenses were disallowed, the amount is subject to refund to the Grantor. Management does not believe any refund, if required as of December 31, 2021 and 2020, would be material to the financial statements as a whole.

#### **8. RETIREMENT SAVINGS PLANS**

The Thrift Plan is qualified under section 403(b) of the Internal Revenue Code. Employees are eligible to participate after completing one year of service and they must be at least 21 years of age. Total contributions for the years ended December 31, 2021 and 2020, were \$13,002 and \$10,971, respectively.

**ASSOCIATED BLACK CHARITIES, INC.**

**Notes to the Financial Statements  
December 31, 2021 and 2020**

**9. OPERATING LEASES**

On May 11, 2018, the Organization entered into a 6-year and 6-month operating lease for office space for its corporate offices in Baltimore which expires December 31, 2024. The base rent was \$9,210 per month, with a 3% escalation clause each year. In March 2022, the lease agreement was amended effective June 30, 2022, to relocate the corporate offices. The new base rent is \$2,066 per month starting July 1, 2022, with a 3% escalation clause each year. The lease term still expires December 31, 2024.

Future minimum payments under the lease, as of December 31, 2021, were as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 72,780
2023	25,164
2024	25,920
<b>Total</b>	<b><u>\$ 123,864</u></b>

Rent expense for the years ended December 31, 2021 and 2020 were \$100,500 and \$122,403, respectively.

## **SUPPLEMENTARY INFORMATION**



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the  
Associated Black Charities, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Associated Black Charities, Inc. (the Organization) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated September 27, 2022.

**Report on Internal Controls over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal controls over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal controls.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





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***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, MD  
September 27, 2022

*SB & Company, LLC*



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS  
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors of the  
Associated Black Charities, Inc.

***Opinion on Each Major Federal Program***

We have audited Associated Black Charities, Inc. (the Organization's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major Federal program for the year ended December 31, 2021. The Organization's major Federal program is identified in the summary of independent public accountant's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's Federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over compliance. Accordingly, no such opinion is expressed.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.

### **Report on Internal Controls Over Compliance**

A *deficiency in internal controls over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Owings Mills, MD  
September 27, 2022

*SB & Company, LLC*

**ASSOCIATED BLACK CHARITIES, INC.**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

<b>Federal Department / Grant Program</b>	<b>Federal Assistance Listing</b>	<b>Pass-through Entity Identification Number</b>	<b>Federal Expenditures</b>	<b>Amount Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through the Baltimore City Health Department:				
HIV Emergency Relief Project Grants	93.914	H89HA00017	\$ 13,116,772	\$ 12,520,952
HIV Emergency Relief Project Grants (COVID-19)	93.914	H89HA00017	405,996	384,561
<b>Total Federal Expenditures</b>			<b>\$ 13,522,768</b>	<b>\$ 12,905,513</b>

The accompanying notes are an integral part of this schedule.

# ASSOCIATED BLACK CHARITIES, INC.

## Notes to the Schedule of Expenditures of Federal Awards December 31, 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Associated Black Charities, Inc. (the Organization) are included in the scope of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit) for the year ended December 31, 2021. The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the schedule of expenditures of Federal awards represent all Federal award programs for fiscal year 2021 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs to ensure coverage of at least 20% of Federally granted funds. Our actual coverage was 100%.

Expenditures reported on the schedule of expenditures of Federal awards (the Schedule) are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Management has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Program</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>		
Passed through the Baltimore City Health Department:		
HIV Emergency Relief Project Grants	93.914	\$ 13,116,772
HIV Emergency Relief Project Grants (COVID-19)	93.914	<u>405,996</u>
		<u>\$ 13,522,768</u>

### 2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the Organization under programs of the Federal government for the year ended December 31, 2021 and is recorded on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance.

**ASSOCIATED BLACK CHARITIES, INC.**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021**

**Section I – Summary of Independent Public Accountants’ Results**

**Financial Statements**

Type of independent public accountants' report issued on whether the financial statements were prepared in accordance with GAAP Unmodified

Internal controls over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Noted

Noncompliance material to the financial statements noted? No

**Federal Awards**

Type of independent public accountants report issued on compliance for major Federal program Unmodified

Internal controls over major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Noted

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

<u>Major Federal Program</u>	<u>Assistance Listing</u>	<u>Expenditures</u>
<b>U.S. Department of Health and Human Services</b>		
Passed through the Baltimore City Health Department:		
HIV Emergency Relief Project Grants	93.914	\$ 13,116,772
HIV Emergency Relief Project Grants (COVID-19)	93.914	<u>405,996</u>
		<u><u>\$ 13,522,768</u></u>

Threshold for distinguishing between Type A and B programs \$ 750,000

Did the Organization qualify as a low risk auditee? Yes

**ASSOCIATED BLACK CHARITIES, INC.**

**Schedule of Current Year Findings and Questioned Costs  
For the Year Ended December 31, 2021**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings**

None noted.



**ASSOCIATED BLACK CHARITIES, INC.**

**Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended December 31, 2021**

There were no findings noted during the 2020 single audit.