



CERTIFIED PUBLIC ACCOUNTANTS

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**FINANCIAL STATEMENTS AND INDEPENDENT**  
**AUDITORS' REPORT**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Black Veterans for Social Justice Inc.  
Brooklyn, New York

### **Opinion**

We have audited the accompanying financial statements of Black Veterans for Social Justice, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Veterans for Social Justice, Inc. as of December 31, 2020 and 2019, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Black Veterans for Social Justice, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 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.



***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

- 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 control related matters that we identified during the audit.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 June 27, 2023, on our consideration of the Organization's internal control 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control 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 control over financial reporting and compliance.



Certified Public Accountants

June 27, 2023

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 4,198,743	\$ 5,579,618
Grants receivable	18,422,769	11,299,411
Other receivables	27,343	25,651
Prepaid expenses	174,308	-
Due from affiliates, net	826,766	1,776,952
Total current assets	23,649,929	18,681,632
Loan receivable	1,750,000	1,750,000
Property and equipment, net	500,206	70,219
Total assets	\$ 25,900,135	\$ 20,501,851
<b>LIABILITIES AND NET ASSETS(DEFICIT)</b>		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 6,563,386	\$ 3,730,343
Refundable advances	18,589,167	12,463,219
Deferred gain from sale of property	-	1,235,674
Loans payable	1,570,051	1,570,051
Other liabilities	59,505	53,595
Total current liabilities	26,782,109	19,052,882
Net Assets (Deficit)		
Without donor restrictions	(881,974)	1,448,969
With donor restrictions	-	-
Total net assets (deficit)	(881,974)	1,448,969
Total liabilities and net assets(deficit)	\$ 25,900,135	\$ 20,501,851

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

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS(DEFICIT)**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
Government grants	\$ 47,624,847	\$ -	\$ 47,624,847
Other contributions	109,692	-	109,692
Rental income	57,582	-	57,582
Management and other service fees	197,818	-	197,818
Extinguishment of debt - Paycheck protection program	1,000,000	-	1,000,000
Other income	1,379,051	-	1,379,051
	<hr/>	<hr/>	<hr/>
Total support and revenue	50,368,990	-	50,368,990
<b>Functional expenses:</b>			
<i>Program services</i>			
Employment services	830,115	-	830,115
Housing services	1,248,432	-	1,248,432
Social services	45,962,077	-	45,962,077
Security services	117,536	-	117,536
	<hr/>	<hr/>	<hr/>
Total functional expenses	48,158,160	-	48,158,160
<b>Supporting services (expenses):</b>			
Management and general	4,500,333	-	4,500,333
Fundraising	41,440	-	41,440
	<hr/>	<hr/>	<hr/>
Total supporting services	4,541,773	-	4,541,773
Total expenses	52,699,933	-	52,699,933
Net change in net assets	(2,330,943)	-	(2,330,943)
Net assets, beginning of year	1,448,969	-	1,448,969
	<hr/>	<hr/>	<hr/>
Net deficit, end of year	<u>\$ (881,974)</u>	<u>\$ -</u>	<u>\$ (881,974)</u>

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><i>Support and revenue</i></b>			
Government grants	\$ 35,349,552	\$ -	\$ 35,349,552
Other contributions	79,595	-	79,595
Rental income	81,675	-	81,675
Management and other service fees	627,895	-	627,895
Other income	91,574	-	91,574
	<hr/>	<hr/>	<hr/>
Total support and revenue	36,230,291	-	36,230,291
<b><i>Functional expenses:</i></b>			
<i>Program services</i>			
Employment services	734,034	-	734,034
Housing services	931,120	-	931,120
Social services	32,843,490	-	32,843,490
Security services	184,333	-	184,333
	<hr/>	<hr/>	<hr/>
Total functional expenses	34,692,977	-	34,692,977
<b><i>Supporting services (expenses):</i></b>			
Management and general	2,640,205	-	2,640,205
Fundraising	69,855	-	69,855
	<hr/>	<hr/>	<hr/>
Total supporting services	2,710,060	-	2,710,060
Total expenses	37,403,037	-	37,403,037
Net change in net assets	(1,172,746)	-	(1,172,746)
Net assets, beginning of year	<hr/> 2,621,715	<hr/> -	<hr/> 2,621,715
Net assets, end of year	<hr/> <u>\$ 1,448,969</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 1,448,969</u>

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Employment Services	Housing Services	Social Services	Security Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 616,113	\$ 436,153	\$ 12,230,532	\$ 108,213	\$ 13,391,011	\$ 1,903,763	\$ -	\$ 1,903,763	\$ 15,294,774
Fringe benefits and payroll taxes	127,751	111,327	2,288,623	9,323	2,537,024	17,669	-	17,669	2,554,693
Professional fees	-	-	8,363	-	8,363	74,139	-	74,139	82,502
Consultants	-	11,798	-	-	11,798	728,962	-	728,962	740,760
Computer software	-	-	-	-	-	2,595	-	2,595	2,595
Automobile expenses	-	6,356	198,816	-	205,172	2,915	-	2,915	208,087
Travel	259	-	922	-	1,181	383	-	383	1,564
Staff training, seminars and conferences	290	-	9,529	-	9,819	1,875	-	1,875	11,694
Client travel	2,124	2,327	23,615	-	28,066	-	-	-	28,066
Office supplies	10,158	6,149	223,385	-	239,692	56,519	-	56,519	296,211
Office equipment	-	84	104,251	-	104,335	966	-	966	105,301
Office expenses	-	-	281,751	-	281,751	7,455	-	7,455	289,206
Dues and subscription	-	-	-	-	-	2,849	-	2,849	2,849
Rent	62,964	471,427	14,079,440	-	14,613,831	375,645	-	375,645	14,989,476
Telephone	4,377	1,414	121,986	-	127,777	26,642	-	26,642	154,419
Copier and printing	2,861	828	15,282	-	18,971	8,775	-	8,775	27,746
Postage	-	-	408	-	408	5,577	-	5,577	5,985
Utilities	-	-	-	-	-	-	1,565	1,565	1,565
Fundraising	-	-	-	-	-	-	33,335	33,335	33,335
TFA	-	166,702	-	-	166,702	-	-	-	166,702
Bad debts	-	-	-	-	-	790,616	-	790,616	790,616
Insurance	257	1,137	295,629	-	297,023	37,731	-	37,731	334,754
Repairs and maintenance	-	-	1,912,062	-	1,912,062	10,521	-	10,521	1,922,583
Maintenance supplies	-	-	136,324	-	136,324	-	-	-	136,324
Contractual services	-	-	10,491,187	-	10,491,187	194,491	-	194,491	10,685,678
Program supplies	-	-	-	-	-	-	-	-	-
Meal and food costs	-	-	3,389,471	-	3,389,471	69,817	-	69,817	3,459,288
Bank charges	321	36	77	-	434	1,622	-	1,622	2,056
Depreciation	-	-	-	-	-	73,358	-	73,358	73,358
Other expenses	2,640	32,694	150,424	-	185,758	105,448	6,540	111,988	297,746
<b>Total expenses</b>	<b>\$ 830,115</b>	<b>\$ 1,248,432</b>	<b>\$ 45,962,077</b>	<b>\$ 117,536</b>	<b>\$ 48,158,160</b>	<b>\$ 4,500,333</b>	<b>\$ 41,440</b>	<b>\$ 4,541,773</b>	<b>\$ 52,699,933</b>

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



**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Employment Services	Housing Services	Social Services	Security Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 568,136	\$ 313,854	\$ 8,265,213	\$ 167,224	\$ 9,314,427	\$ 1,477,703	\$ -	\$ 1,477,703	\$ 10,792,130
Fringe benefits and payroll taxes	104,695	72,733	1,554,883	17,109	1,749,420	262,543	-	262,543	2,011,963
Professional fees	-	-	10,000	-	10,000	13,582	-	13,582	23,582
Consultants	-	26,784	2,281	-	29,065	379,665	-	379,665	408,730
Computer software	-	-	-	-	-	8,875	-	8,875	8,875
Automobile expenses	-	12,480	119,894	-	132,374	107,358	-	107,358	239,732
Travel	-	731	2,857	-	3,588	3,118	1,200	4,318	7,906
Staff training, seminars and conferences	-	281	11,167	-	11,448	593	-	593	12,041
Client travel	2,899	528	72,726	-	76,153	1,567	-	1,567	77,720
Office supplies	5,453	14,620	401,004	-	421,077	20,086	-	20,086	441,163
Office equipment	-	499	134,519	-	135,018	10,195	-	10,195	145,213
Office expenses	-	-	622,225	-	622,225	820	-	820	623,045
Dues and subscription	-	-	-	-	-	4,137	-	4,137	4,137
Rent	46,665	426,600	12,471,189	-	12,944,454	11,667	-	11,667	12,956,121
Telephone	926	1,924	100,576	-	103,426	28,622	-	28,622	132,048
Copier and printing	884	-	6,558	-	7,442	15,006	2,165	17,171	24,613
Postage	-	83	3,642	-	3,725	7,651	108	7,759	11,484
Utilities	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	1,737	55,765	57,502	57,502
TFA	-	51,686	-	-	51,686	-	-	-	51,686
Insurance	-	-	186,298	-	186,298	4,518	306	4,824	191,122
Repairs and maintenance	-	-	761,646	-	761,646	44,412	-	44,412	806,058
Maintenance supplies	-	-	139,537	-	139,537	3,386	-	3,386	142,923
Contractual services	-	-	5,211,798	-	5,211,798	-	-	-	5,211,798
Program supplies	-	-	-	-	-	328	-	328	328
Meal and food costs	-	-	2,133,283	-	2,133,283	8,541	-	8,541	2,141,824
Bank charges	886	66	201	-	1,153	11,841	125	11,966	13,119
Depreciation	-	-	-	-	-	15,362	-	15,362	15,362
Other expenses	3,490	8,251	631,993	-	643,734	196,892	10,186	207,078	850,812
<b>Total expenses</b>	<b>\$ 734,034</b>	<b>\$ 931,120</b>	<b>\$ 32,843,490</b>	<b>\$ 184,333</b>	<b>\$ 34,692,977</b>	<b>\$ 2,640,205</b>	<b>\$ 69,855</b>	<b>\$ 2,710,060</b>	<b>\$ 37,403,037</b>

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><i>Cash Flows From Operating Activities</i></b>		
Net change in net assets	\$ (2,330,943)	\$ (1,172,746)
Adjustments to reconcile net change in net assets to net cash provided by (used in) operating activities:		
Depreciation	73,358	20,338
Changes in operating assets and liabilities:		
Grants receivable	(7,123,358)	(4,052,059)
Other receivables	(1,692)	201,775
Prepaid expenses	(174,308)	19,045
Accounts payable and accrued expenses	2,833,043	2,932,355
Refundable advances	6,125,948	4,644,758
Deferred gain on sale of property	(1,235,674)	-
Other liabilities	5,910	49,463
	<u>(1,827,716)</u>	<u>2,642,929</u>
<b><i>Cash Flows From Investing Activities</i></b>		
Advances due from affiliates	950,186	(1,376,272)
Purchases of property and equipment	(503,345)	-
	<u>446,841</u>	<u>(1,376,272)</u>
<b><i>Cash Provided By Financing Activities</i></b>		
Repayment of loans payable	-	1,095,833
Net change in cash	(1,380,875)	2,362,490
Cash, beginning of year	5,579,618	3,217,128
Cash, end of year	<u>\$ 4,198,743</u>	<u>\$ 5,579,618</u>

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 - NATURE OF OPERATIONS**

Black Veterans for Social Justice, Inc., (the "Organization") is a not-for-profit corporation, incorporated on August 28, 1980. It was formed to provide program services to assist military personnel in making a smooth transition to civilian life from active duty. The Organization is dedicated to serving military personnel, veterans, and their families in the areas of social readjustment, housing, employment, compensation, disability, substance abuse, medical treatment, post-traumatic stress syndrome, family intervention, prison counseling, and relocation into the community, legal advocacy, discharge upgrade and redress of grievances within and outside the military. The Organization also provides counseling, benefits information, and "tender loving care and a listening ear".

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting. Accordingly, the financial statements are intended to present the financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Basis of Presentation***

The Organization net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board's Accounting Standards Codification ("FASB ASC") No. 958-205-05, "Presentation of Financial Statements for Not-For-Profit Entities". It requires that the amounts for each of the classes of net assets be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities and changes in net assets.

- 1) Net assets without donor restrictions: include net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
- 2) Net assets with donor restrictions: Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Organization considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

***Grants Receivable***

The Organization recognizes grants receivable when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants compensate the Organization for expenses incurred and are recognized in the month in which the services are provided. Promises to contribute those stipulate conditions to be met before the contribution is made are not accrued until the conditions are met.

***Other Receivables and Allowance for Doubtful Accounts***

Other receivables are based on receivables related to amounts billed to related housing entities and tenants and presented on the statement of financial position net of the allowance for doubtful accounts. The allowance is determined by a variety of factors, including the age of the receivables, current economic conditions, historical losses, and other information management obtains regarding the financial condition of clients. There was no allowance for doubtful accounts as of December 31, 2020 and 2019.

***Property and Equipment***

Property and equipment are stated at cost, less depreciation and amortization. The cost of additions and improvements is capitalized and expenditures for repairs and maintenance are expensed as incurred. Fully depreciated assets are retained in property and depreciation accounts until they are removed from service. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation and amortization are removed from the accounts and resulting gains or losses are included in operations. Depreciation of property and equipment is accounted for using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is calculated using the straight-line method over the shorter of the term of the related lease or the useful lives of the improvements.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Impairment of Long-Lived Assets***

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If such circumstances are determined to exist then the estimated undiscounted future cash flows produced by the long-lived asset is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value. An estimate of the asset's fair value is based on quoted market prices in active markets, if available. If quoted market prices is not available, the estimate of the fair value is based on various valuation techniques, including a discounted value or its estimated net realizable value. The Company reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value. The Company concluded there were no indicators of impairment as of December 31, 2020 and 2019.

***Revenue and Expenses***

Revenue is reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. The Organization reports donor-restricted contributions where restrictions are met in the same reporting period as changes in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and or the stipulated time period had elapsed) are reported as reclassifications between the applicable classes of net assets.

***Revenue Recognition***

The Organization adopted ASC Topic 606 with a date of the initial application of January 1, 2019. The Organization determines revenue recognition by applying the following 5-step model:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue as the performance obligations are satisfied.

The Organization recognizes revenue as performance obligations are satisfied by fulfilling specific performance obligations outlined in the federal, state, and local government grant contracts. Control of a performance obligation may transfer to the customer either at a point in time or over time depending on an evaluation of the specific facts and circumstances for each contract, including the terms and conditions of the contract as agreed with the customer, as well as the nature of products to be provided.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Revenue Recognition*** *(Continued)*

The Organization's primary performance obligation to its constituents is the completion of consulting arrangements, pursuant to contracts. Organization contracts are distinct and accounted for as separate performance obligations. The Organization's performance obligations for services are satisfied when the services are rendered within the arranged service period.

The Organization estimates variable consideration based on historical experience to determine the expected amount to which the Organization will be entitled in exchange for transferring the promised goods or services to a customer. The realization of variable consideration occurs within a short period of time from performance of service; therefore, the time value of money effect is not significant.

The Organization records a contract asset when it has a right to payment from a customer that is conditioned on events other than the passage of time. The Organization also records deferred revenue when customers prepay but the Organization has not yet satisfied its performance obligation. This is represented when the Organization receives advanced payments for future consulting services, which will be earned upon usage.

***Contributed Goods and Services***

The Organization received contributed goods in connection with its programs. The estimated fair values of these items are reported in the statements of activities and changes in net assets as public support revenues and expenses in the year in which they are received. Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services; (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. For the years ended December 31, 2020 and 2019, there were no recorded contributed goods or services revenue and related expenses in support of its programs

***Expenses and Functional Allocation of Expenses***

Expenses are recognized by the Organization during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

The statement of functional expenses reports expenses classified by function. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across nearly all-natural categories are allocated on the basis of estimates of time and effort.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Advertising Costs***

The Organization expenses advertising costs when incurred. Advertising expense was approximately \$1,900 and \$600 as of the years ended December 31, 2020 and 2019, respectively.

***Income Tax Status***

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; the Organization is also exempt from state and local income taxes. Accordingly, no provision for income taxes has been made in the financial statements. The Organization has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Organization's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations, and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Organization's tax returns for three years from the date of filing.

***New Accounting Pronouncement Not Yet Adopted***

In February 2016, the FASB issued ASU 2016-02, Leases (ASC Topic 842). ASC Topic 842 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application.

In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASC Topic 842, making it effective for fiscal years beginning after December 15, 2021, and interim reporting periods within fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact that ASC Topic 842 will have on the Organization's financial statements and related disclosures.

As of January 1, 2022 the Company adopted the new accounting standard.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the date of the financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheets date:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,198,743	\$ 5,579,618
Grants receivable	18,422,769	11,299,411
Other receivables	27,343	25,651
Due from affiliates, net	826,766	1,776,952
Total financial assets at year-end	\$ 23,475,621	\$ 18,681,632
Less: donor-imposed restrictions	-	-
Financials assets available to meet cash needs for general expenditures within one year	<u>\$ 23,475,621</u>	<u>\$ 18,681,632</u>

The Board utilizes contributions without donor restrictions for programs services and supporting services expenses.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**NOTE 4 - GRANTS RECEIVABLE**

The Organization receives federal, state, and local government grants when eligible costs to be reimbursed are incurred and claimed in compliance with grantors' requirements or when performance requirements stipulated in the grants and contracts are achieved and the related amounts are claimed by the Organization.



**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5 - DUE FROM AFFILIATES**

In the normal course of business, the Organization regularly advances and receives funds from related entities. Additionally, the Organization provides back-office support and management services to related entities. As of December 31, 2020 and 2019, the total net amount due from affiliates was approximately \$827,000 and \$1,777,000, respectively.

**NOTE 6 - LOAN RECEIVABLE**

The Organization closed on the sale of a building and received consideration of \$355,000 of cash and a mortgage loan receivable from the buyer of approximately \$1,750,000. The loan bears interest at 5% and provides for the payment of interest-only during the term. The buyer is required to pay all principal to the Organization at the end of the term loan. All principal is due in one balloon payment at the end of the term.

In conjunction with the sale, the Organization has elected to defer the recognition of the gain of the sale in the amount of approximately \$1,236,000 and will commence recognition of the gain when the principal and interest owed exceed the cost basis of the property.

In 2021, the Organization agreed to extend the date of the loan until August 2023, the recognition of the sale of property was deferred until the date thereof.

**NOTE 7 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of the following as of December 31st:

	<b>Estimated Useful Lives (Years)</b>	<b>2020</b>	<b>2019</b>
Office building	27.5	\$ 422,582	\$ 422,582
Office equipment	7	518,965	100,437
Furniture and fixtures	7	97,581	50,206
Vehicle	5	43,742	6,300
Total		1,082,870	579,525
Less: Accumulated depreciation and amortization		582,664	509,306
Property and equipment, net		\$ 500,206	\$ 70,219

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7 - PROPERTY AND EQUIPMENT** *(Continued)*

Depreciation and amortization expense is recorded within general and administrative expense in the amounts of approximately \$73,000 and \$15,000 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 8 - REFUNDABLE ADVANCES**

The Organization is the recipient of grants that require expenditure for specified activities before the Organization is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs. In those cases, the amount received in excess of amounts spent on reimbursable costs is reported as refundable advances. As of December 31, 2020 and 2019, total refundable advances amounted to approximately \$18,589,000 and \$12,463,000, respectively.

**NOTE 9 - LOANS PAYABLE**

Loans payable consists of non-interest-bearing bridge loans from New York City that are being recouped by the New York Department of Homeless Services through the Organization's billings under grants and contracts. The loans outstanding at December 31, 2020 and 2019, amounted to approximately \$1,570,000 and \$1,570,000, respectively, and were subsequently recouped in full in fiscal year-end 2020.

**NOTE 10 - EMPLOYEE BENEFIT PLAN**

The Organization sponsors non-contributory employee defined contribution plan (the "Plan") under Section 401 of the Internal Revenue Code, which covers substantially all full-time employees. Under the Plan, eligible employees may make voluntary contributions subject to IRS limits. The Plan was established on October 31, 2011 and is managed by a third party administrator.

**NOTE 11 - LOAN PAYABLE - SBA PAYCHECK PROTECTION PROGRAM**

In July 2020, the Organization received approximately \$1,000,000, in funds from the Paycheck Protection Program ("PPP") provision of the Coronavirus Aid, Relief and Economic Security ("CARES") Act. The PPP loan is designed to assist entities facing economic uncertainties in light of the COVID-19 crisis to help fund near-term expenses and to retain employees. The PPP is 100% backed by the Small Business Administration (SBA), and loans issued may be up to 100% forgivable, based upon specific criteria described in the PPP on how the funds are used.

The Company received full forgiveness for their PPP loan in July 2021 and it will be reclassified to other income on the statement of activities, as extinguishment of debt in 2020.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

***Rental and Lease information***

The Organization leases space for its Brooklyn, Bronx, and Queens facilities on a month-to-month lease as well as executed leases. Office rent and related charges for the years ended December 31, 2020 and 2019 was approximately \$14,989,000 and \$12,956,000, respectively.

Future minimum lease payments are approximately as follows:

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Twelve Months Ending December 31,	Amounts
2021	\$ 7,696,000
2022	7,786,000
2023	6,304,000
2024	6,348,000
Total	\$ 28,134,000

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**NOTE 13 - RISKS AND UNCERTAINTIES**

***Concentrations of Credit Risk***

Cash is maintained at financial institutions located in the United States and is insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. The Organization holds cash in reputable financial institutions and does not believe it is exposed to significant credit risk from this concentration. As of December 31, 2020 and 2019, the organization had three accounts that exceeded the FDIC limit by approximately \$4,124,000 and \$4,998,000, respectively. No losses have been incurred to date.

***Economic Dependencies***

The Organization received 95% and 93% of its revenue from New York City Department of Homeless Services for the years ended December 31, 2020 and 2019, respectively. This grantor consists of 95% and 98% of grants receivable on December 31, 2020 and 2019, respectively. If for any reason this grantor discontinues funding, there is a risk that the Organization will not be able to continue operations and provide its current services.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 13 - RISKS AND UNCERTAINTIES** *(Continued)*

***Legal***

The Company is engaged, from time to time, in routine legal proceedings or litigation which arise in the ordinary course of business. In the opinion of management and after consultation with counsel, the resolution of these proceedings is not expected to have a material adverse effect on the Organization's financial position, results of operations or cash flows.

***COVID-19 Outbreak***

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2021.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events occurring through June 27, 2023, the date the financial statements were available to be issued.

In July 2020, the Organization received approximately \$1,000,000, in funds from the PPP provision of the CARES Act (See Note 11).

In 2021, the Organization agreed to extend the date of the loan receivable until August 2023.

In January 1, 2022, the Company adopted the new accounting standard ASC Topic 842 as mentioned in Note 2.

**SUPPLEMENTARY INFORMATION**

See Accompanying Independent Auditors' Report.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Pass-Through Number</u>	<u>Federal Expenditures</u>
<b>US Department of Labor - Veterans Employment and Training Service</b>			
Homeless Veterans Reintegration Program	17.805		\$ 704,887
<b>US Department of Housing and Urban Development</b>			
New York City Department of Homeless Services			
Emergency Solutions Grant Program	14.431	20070001138/ 20070001104	<u>76,719</u>
Total Expenditures for Federal Awards			<u>\$ 781,606</u>

**Sub-recipients**  
NONE

**Questioned findings and unallowed costs**  
NONE



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL 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  
Black Veterans for Social Justice, Inc.

We have audited, in accordance with the 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 Black Veterans for Social Justice, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Black Veterans for Social Justice, Inc. internal control over financial reporting (internal control) as a basis for designing 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 Black Veterans for Social Justice, Inc. internal control. Accordingly, we do not express an opinion on the effectiveness of Black Veterans for Social Justice, Inc. internal control.

A deficiency in internal control 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 control, 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 control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

As part of obtaining reasonable assurance about whether Black Veterans for Social Justice, Inc. 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 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*.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

*(Continued)*

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

June 27, 2023





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Black Veterans for Social Justice, Inc.

***Report on Compliance for Each Major Federal Program***

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

We have audited Black Veterans for Social Justice, Inc. 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 each of Black Veterans for Social Justice, Inc. Organization's major federal programs for the year ended December 31, 2020. Black Veterans for Social Justice, Inc. major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Black Veterans for Social Justice, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

***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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Black Veterans for Social Justice, Inc. 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 Black Veterans for Social Justice, Inc. 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 control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Black Veterans for Social Justice, Inc. federal programs.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

*(Continued)*

***Auditors' 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 Black Veterans for Social Justice, Inc. 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 generally accepted auditing standards, 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 control. 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 Black Veterans for Social Justice, Inc. compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Black Veterans for Social Justice, Inc. 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 Black Veterans for Social Justice, Inc. Organization's internal control 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 Black Veterans for Social Justice, Inc. Organization's internal control 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 control over compliance that we identified during the audit.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001. Our opinion on each major federal program is not modified with respect to these matters.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)**

***Other Matters (Continued)***

Government Auditing Standards requires the auditor to perform limited procedures on Black Veterans for Social Justice, Inc. response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Black Veterans for Social Justice, Inc. response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control over Compliance***

A deficiency in internal control 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 control over compliance is a deficiency, or a combination of deficiencies, in internal control 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 control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control 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 control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control 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.



June 27, 2023

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.  
SCHEDULE OF FINDINGS AND QUESTION COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section 1 - Summary of Auditors' Results**

**Financial statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal Control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X       No

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes       X       No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X       No

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes       X       No

Identification of major federal programs:

CFDA #    Name of Federal program or cluster  
 17.805 Homeless Veterans Reintegration Program  
 14.431 Emergency Solutions Grant Program

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes       X       No

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.  
SCHEDULE OF FINDINGS AND QUESTION COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section 1 - Summary of Auditors' Results**

2020-001 – CFDA #17.805, 14.431

**Criteria** - Uniform Guidance 2 CFR 200.512(a) (1) states that the audit report must be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period.

**Condition** – The financial statements were filed June 27, 2023 in lieu of the due date of September 30, 2021.

**Effect** – Late filing of reports can result in the entity being a high risk auditee.

**Cause** – Management engage an auditor late after the year end.

**Recommendation** – Management should engage the services of an auditor in a sufficient time after the year end, or if possible before the year end.

**BLACK VETERANS FOR SOCIAL JUSTICE, INC.  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**2020-001**

Management will monitor and file all reports on a timely basis.

Management will engage the services of an auditor shortly after the issuance of 2020 financial statements

212.967.2300

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