Buckhead Christian Ministry, Inc.
(d/b/a BCM Atlanta and BCM Georgia)

FINANCIAL STATEMENTS

June 30, 2023 and 2022

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REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia

Opinion

We have audited the accompanying financial statements of Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, functional expenses, 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 Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia as of June 30, 2023 and 2022 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 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 generally accepted auditing standards 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 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.

- 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on these financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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 September 10, 2024, 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 *Governmental Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
September 10, 2024

FINANCIAL STATEMENTS

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Financial Position

June 30,		**2023**		2022
Assets				
Current assets				
Cash and cash equivalents	**$**	**897,062**	$	529,795
Promises to give		**-**		6,860
Accounts receivable		**1,446,687**		55,000
Certificate of deposit		**395,137**		395,028
Prepaid expenses		**6,426**		5,601
Total current assets		**2,745,312**		992,284
Non-current assets				
Restricted cash for endowment		**5,000**		1,000
Investments in marketable securities		**1,612,790**		1,441,442
Finance lease right-of-use assets, net		**36,233**		-
Property and equipment, net		**1,499,191**		1,541,628
Total non-current assets		**3,153,214**		2,984,070
Total assets	**$**	**5,898,526**	$	3,976,354
Liabilities and Net Assets				
Current liabilities				
Accounts payable	**$**	**46,899**	$	32,238
Accrued expenses		**39,937**		24,784
Current portion of finance lease liabilities		**12,768**		-
Total current liabilities		**99,604**		57,022
Long-term liabilities				
Finance lease liabilities, less current portion		**23,891**		-
Total liabilities		**123,495**		57,022
Net assets				
Without donor restrictions		**5,628,096**		3,760,327
With donor restrictions		**146,935**		159,005
Total net assets		**5,775,031**		3,919,332
Total liabilities and net assets	**$**	**5,898,526**	$	3,976,354

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

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Activities

For the year ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grants and contracts	$ 2,718,658	$ -	**$ 2,718,658**
Contributions	1,398,309	747,708	**2,146,017**
Special events revenue	456,411	-	**456,411**
Investment income (loss), net	173,894	-	**173,894**
Program service fees	49,983	-	**49,983**
Contributions of non-financial assets	25,200	-	**25,200**
Other income	21,040	25	**21,065**
Net assets released from restrictions	759,803	(759,803)	**-**
Total revenue and other support	5,603,298	(12,070)	**5,591,228**
Expenses			
Program services			
Emergency assistance	1,890,238	-	**1,890,238**
Budget for Life	534,380	-	**534,380**
Foundation 3	383,176	-	**383,176**
Volunteer services	66,428	-	**66,428**
Total program services	2,874,222	-	**2,874,222**
Supporting services			
General and administrative	352,102	-	**352,102**
Fundraising	509,205	-	**509,205**
Total supporting services	861,307	-	**861,307**
Total expenses	3,735,529	-	**3,735,529**
Change in net assets	1,867,769	(12,070)	**1,855,699**
Net assets at beginning of year	3,760,327	159,005	**3,919,332**
Net assets at end of year	$ 5,628,096	$ 146,935	**$ 5,775,031**

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

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Activities (Continued)

For the year ended June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 1,673,775	$ 397,656	$ 2,071,431
Special events revenue	341,707	-	341,707
Program service fees	230,730	-	230,730
Forgiveness of Paycheck Protection Program loan	189,800	-	189,800
Grants and contracts	-	176,990	176,990
Thrift store revenue	79,503	-	79,503
Contributions of non-financial assets	25,200	-	25,200
Other income	24,655	167	24,822
Loss on disposal of property and equipment	(79,811)	-	(79,811)
Investment income (loss), net	(239,916)	-	(239,916)
Net assets released from restrictions	701,041	(701,041)	-
Total revenue and other support	2,946,684	(126,228)	2,820,456
Expenses			
Program services			
Emergency assistance	1,462,190	-	1,462,190
Budget for Life	450,723	-	450,723
Foundation 3	333,840	-	333,840
Buckhead Thriftique	437,594	-	437,594
Volunteer services	145,505	-	145,505
Total program services	2,829,852	-	2,829,852
Supporting services			
General and administrative	267,076	-	267,076
Fundraising	431,373	-	431,373
Total supporting services	698,449	-	698,449
Total expenses	3,528,301	-	3,528,301
Change in net assets	(581,617)	(126,228)	(707,845)
Net assets at beginning of year	4,341,944	285,233	4,627,177
Net assets at end of year	$ 3,760,327	$ 159,005	$ 3,919,332

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Functional Expenses

For the year ended June 30, 2023

	Program Services					Supporting Services		
	Emergency Assistance	Budget for Life	Foundation 3	Volunteer Services	Programs Subtotal	General and Administrative	Fundraising	Total
Salaries and wages	$ 212,786	$ 221,731	$ 118,632	$ 21,137	$ 574,286	$ 191,365	$ 189,315	**$ 954,966**
Employee benefits	48,262	18,068	25,663	25,763	117,756	17,668	28,307	**163,731**
Payroll taxes	16,452	17,379	9,514	2,327	45,672	16,116	13,418	**75,206**
Total payroll expense	277,500	257,178	153,809	49,227	737,714	225,149	231,040	**1,193,903**
Community assistance	1,218,236	221,225	189,735	-	1,629,196	-	-	**1,629,196**
Professional fees	233,451	6,361	11,109	2,488	253,409	85,178	78,114	**416,701**
Special event expenses	-	-	-	-	-	-	136,196	**136,196**
Computer software and maintenance	49,282	12,438	4,585	3,110	69,415	6,906	20,926	**97,247**
Depreciation and amortization	38,438	6,590	11,383	3,595	60,006	4,194	7,789	**71,989**
Building repairs and maintenance	28,681	7,627	2,957	2,005	41,270	3,843	2,507	**47,620**
Other	4,513	11,655	-	1,402	17,570	7,581	18,757	**43,908**
Telephone and data	15,483	3,706	1,576	1,069	21,834	2,499	1,336	**25,669**
Insurance	7,895	1,974	3,409	1,077	14,355	1,256	2,333	**17,944**
Utilities	10,231	2,376	1,010	685	14,302	1,313	857	**16,472**
Bank charges and other fees	-	-	-	-	-	13,119	-	**13,119**
Printing and postage	3,294	1,428	1,614	510	6,846	595	1,694	**9,135**
Supplies	2,698	1,187	1,165	368	5,418	429	1,520	**7,367**
Fundraising and public relations	-	-	-	-	-	-	5,045	**5,045**
Equipment rental and maintenance	536	635	824	892	2,887	40	1,091	**4,018**
Total	$ 1,890,238	$ 534,380	$ 383,176	$ 66,428	$ 2,874,222	$ 352,102	$ 509,205	**$ 3,735,529**

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

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Functional Expenses (Continued)

For the year ended June 30, 2022

	Program Services						Supporting Services		
	Emergency Assistance	Budget for Life	Foundation 3	Buckhead Thriftique	Volunteer Services	Programs Subtotal	General and Administrative	Fundraising	Total
Salaries and wages	$ 164,908	$ 197,467	$ 117,063	$ 101,095	$ 84,747	$ 665,280	$ 135,490	$ 138,741	$ 939,511
Employee benefits	48,444	18,504	26,201	8,842	29,022	131,013	16,229	31,232	178,474
Payroll taxes	12,082	15,460	9,840	8,034	8,108	53,524	9,306	10,766	73,596
Total payroll expense	225,434	231,431	153,104	117,971	121,877	849,817	161,025	180,739	1,191,581
Community assistance	839,690	172,405	132,148	112,152	-	1,256,395	-	-	1,256,395
Professional fees	233,416	5,665	9,770	3,712	2,937	255,500	77,908	70,428	403,836
Retail space rent	-	-	-	143,169	-	143,169	-	-	143,169
Special event expenses	-	-	-	-	-	-	-	96,949	96,949
Computer software and maintenance	47,201	11,800	5,018	-	3,403	67,422	6,522	21,612	95,556
Depreciation and amortization	27,471	6,937	11,906	17,799	3,659	67,772	4,314	8,248	80,334
Building repairs and maintenance	22,076	5,519	2,347	6,844	1,592	38,378	3,050	1,989	43,417
Meals, travel, and entertainment	10,888	2,513	4,321	918	1,650	20,290	1,633	7,368	29,291
Telephone and data	16,787	4,187	1,780	906	1,207	24,867	2,314	1,509	28,690
Equipment rental and maintenance	11,525	2,910	4,995	1,263	1,535	22,228	1,810	3,460	27,498
Utilities	11,355	2,839	1,207	7,262	819	23,482	1,569	1,023	26,074
Fundraising and public relations	-	-	-	-	-	-	-	25,794	25,794
Insurance	7,220	1,824	3,130	3,201	961	16,336	1,133	2,169	19,638
Bank charges and other fees	48	-	-	6,415	-	6,463	2,230	4,220	12,913
Advertising	-	-	-	12,908	-	12,908	-	-	12,908
Training	5,316	1,430	2,297	103	722	9,868	844	2,083	12,795
Other	1,347	310	778	536	162	3,133	2,221	586	5,940
Printing and postage	1,062	611	452	154	221	2,500	290	2,790	5,580
Supplies	1,354	342	587	2,281	181	4,745	213	406	5,364
Volunteer events and recognition	-	-	-	-	4,579	4,579	-	-	4,579
Total	$ 1,462,190	$ 450,723	$ 333,840	$ 437,594	$ 145,505	$ 2,829,852	$ 267,076	$ 431,373	$ 3,528,301

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

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Statements of Cash Flows

For the years ended June 30,		**2023**		2022
Operating Activities				
Change in net assets	**$**	**1,855,699**	$	(707,845)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities				
Depreciation		**59,912**		80,334
Amortization of finance right-of-use assets		**12,077**		-
Loss on disposal of property and equipment		**-**		79,811
Unrealized and realized (gain) loss on investments		**(124,722)**		279,075
Contributions for endowment		**(5,000)**		(11,000)
Forgiveness of Paycheck Protection Program loan		**-**		(189,800)
Changes in operating assets and liabilities				
Promises to give		**6,860**		21,717
Accounts receivable		**(1,391,687)**		(55,000)
Inventory		**-**		114,495
Prepaid expenses		**(825)**		5,372
Accounts payable		**14,661**		(3,191)
Accrued expenses		**15,153**		(59,318)
Net cash provided by (used in) operating activities		**442,128**		(445,350)
Investing Activities				
Purchase of property and equipment		**(17,475)**		(23,980)
Proceeds on sale of property and equipment		**-**		43,295
Purchase of investments		**(46,626)**		(74,879)
Re-investment of certificate of deposit interest		**(109)**		(721)
Net cash provided by (used in) investing activities		**(64,210)**		(56,285)
Financing Activities				
Payments on finance lease liabilities		**(11,651)**		-
Contributions for endowment		**5,000**		11,000
Net cash provided by (used in) financing activities		**(6,651)**		11,000
Net change in cash, cash equivalents and restricted cash		**371,267**		(490,635)
Cash, cash equivalents and restricted cash, at beginning of year		**530,795**		1,021,430
Cash, cash equivalents and restricted cash, at end of year	**$**	**902,062**	$	530,795

(Continued)

For the years ended June 30,		**2023**		2022
Reconciliation to Statement of Financial Position				
Cash and cash equivalents	**$**	**897,062**	$	529,795
Cash restricted for endowment		**5,000**		1,000
Cash, cash equivalents and restricted cash, at end of year	**$**	**902,062**	$	530,795
Schedule of Noncash Transactions				
Lease liabilities arising from obtaining right-of-use assets				
Finance leases	**$**	**48,310**	$	-

Note 1: DESCRIPTION OF THE ORGANIZATION

Buckhead Christian Ministry, Inc. (BCM or the Organization), a nonprofit 501(c)(3) organization , was incorporated in 1987 under the laws of the state of Georgia. The Organization was established by five area churches to provide life-changing services for individuals and families experiencing various stages of hunger or homelessness in Atlanta. Currently, the Organization receives support from over thirty area churches, as well as contributions from the general public.

The Organization's programs are:

The *Emergency Assistance Program* helps people in crisis by providing food, clothing, employment support, and one-time assistance paying rent, mortgage or utility bills.

The *Budget for Life Program* provides intermediate assistance and prevents homelessness for working people who need more than one-time assistance in order to avoid losing their home by providing rent and utility payments, money management education, and support services for six months.

The *Foundation 3 Program* helps families maintain safe and affordable housing, acquire and maintain stable employment, and acquire basic adult education, such as a GED, high school diploma, and/or vocational training.

The *Buckhead Thriftique* provides free clothing to people in crisis and sells affordable clothing to the community. The store was closed on December 3, 2021.

BCM's *Volunteer Services* provides an opportunity for residents of Atlanta to serve their community.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at 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. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of property and equipment (depreciation expense), right-of-use assets and lease liabilities, value of contributed non-financial assets, and allocations used in the statements of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

Cash restricted for endowment represent amounts given for long-term purposes. The restriction will lapse when funds are transferred to the investment account.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members and customers to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization leases equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an endowment.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Program service fees, special event revenue, and thrift store revenue are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. At June 30, 2023 and 2022, there were no performance obligation liabilities within the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and wages, payroll taxes, and employee benefits are allocated based on percentages of time spent in each functional area. Expenses related to utilities, building repairs and maintenance, telephone and data expense, computer software and maintenance, insurance, printing and postage, depreciation, and equipment rental and maintenance are allocated based on square footage.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended June 30, 2022, advertising costs totaled $12,908. There was no advertising costs for the year ended June 30, 2023.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. For the years ended June 30, 2023 and 2022, the Organization did not have any unrelated business income.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740*, Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023 and 2022, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 10, 2024, and determined there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022, and recognized and measured leases existing at, or entered into after, July 1, 2022, using a modified retrospective approach, with certain practical expedients available. The standard did not have a material impact on the Organization's financial statements.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability at the carrying amount of the capital lease obligations on July 1, 2022, of $48,310 and a right-of-use asset at the carrying amount of the capital lease asset of $48,310.

The standard had a material impact on the Organization's statements of financial position but did not have an impact on the statements of activities, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

June 30,	**2023**	2022
Total assets at year end	**$ 5,898,526**	$ 3,976,354
Less non-financial assets		
Prepaid expenses	**(6,426)**	(5,601)
Finance lease right-of-use assets, net	**(36,233)**	-
Property and equipment, net	**(1,499,191)**	(1,541,628)
Financial assets at year-end	**4,356,676**	2,429,125
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	**(146,935)**	(159,005)
Board designations	**(1,576,702)**	(1,406,354)
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,633,039**	$ 863,766

The goal of the Organization is to maintain available financial assets to meet its next three months of operating expenses of approximately $1,250,000. In the event of unanticipated liquidity needs, the Organization has a line of credit with available borrowings of $100,000, as further discussed in Note 9.

Note 4: ACCOUNTS RECEIVABLE AND PROMISES TO GIVE

Receivables arise from amounts due from governments and other agencies. Grants and contracts receivable at June 30, 2023, include $55,000 from Fulton County and $12,500 from United Way, and $1,379,187 from the State of Georgia. Grants and contracts receivable at June 30, 2022, include $55,000 from Fulton County. All receivables are due within one year. The Organization has determined that all amounts recorded as receivable are fully collectible; accordingly, no allowance for doubtful accounts has been established.

Unconditional promises to give at June 30, 2022 totaled $6,860. All unconditional promises to give are expected to be collected within one year and are deemed by management to be fully collectible; therefore, no present value discount or allowance for doubtful promises to give has been recorded. There were no unconditional promises to give at June 30, 2023.

Note 5: CERTIFICATE OF DEPOSIT

As of June 30, 2023 and 2022, the Organization has a certificate of deposit (CD) with a total balance of $395,137 and $395,028, respectively. The CD earns interest at .03% and matures in May 2024. The carrying value of this CD is based on cost plus accrued interest, which approximate fair market value.

Note 6: INVESTMENTS

Investments in marketable securities consist of the following:

June 30, 2023		Cost		Fair Value
Money market funds	$	58,677	$	58,677
Fixed income mutual funds		70,047		81,954
Equity mutual funds		1,052,493		1,472,159
Total investments in marketable securities	**$**	**1,181,217**	**$**	**1,612,790**

June 30, 2022		Cost		Fair Value
Money market funds	$	58,681	$	58,681
Fixed income mutual funds		69,119		81,753
Equity mutual funds		1,039,888		1,301,008
Total investments in marketable securities	$	1,167,688	$	1,441,442

Note 7: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2023 and 2022:

	Estimated Useful Lives (in years)		**2023**		2022
Building and related improvements	25-40	**$**	**1,566,767**	$	1,566,769
Furniture, fixtures and equipment	5-10		**161,217**		161,215
Computers and software	4-5		**171,276**		153,802
Total depreciable property and equipment			**1,899,260**		1,881,786
Less accumulated depreciation			**(1,039,581)**		(979,670)
Total depreciable property and equipment, net			**859,679**		902,116
Land			**639,512**		639,512
Total property and equipment, net		**$**	**1,499,191**	$	1,541,628

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to $59,912and $80,334, respectively.

Note 8: LEASES

The Organization has a finance lease for equipment that began on July 1, 2022. The lease has remaining terms of 3 years. As of June 30, 2023, assets recorded under finance leases was $36,233 and accumulated amortization associated with finance leases was $12,077.

Note 8: LEASES (Continued)

The components of lease expense were as follows:

For the year ended June 30,		2023
Finance lease cost		
Amortization of right-of-use asset	$	12,077
Interest on lease liabilities		1,645
Total finance lease cost	$	13,722

Weighted average remaining lease term and discount rates consist of the following:

For the year ended June 30,		2023
Right-of-use assets obtained in exchange for lease obligations		
Finance leases	$	48,310
Weighted average remaining lease term		
Finance leases		3 years
Weighted average discount rate		
Finance leases		2.87%

Future minimum lease payments under non-cancellable leases as of June 30, 2023, are as follows:

For the years ending June 30,		Finance Leases
2024	$	12,768
2025		12,768
2026		12,768
Total future minimum lease payments		38,304
Less imputed interest		(1,645)
Present value of lease liabilities	$	36,659

Note 9: LINE OF CREDIT

The Organization maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are $100,000, with a variable interest rate of the bank prime rate plus one percentage point. The credit line expires on June 15, 2024, and renews annually. There were no draws or outstanding balances during the year ended June 30, 2022. There were $100,000 of draws and $100,000 of repayments on the line of credit during the year ended June 30, 2023.

Note 10: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

June 30,	**2023**	2022
Undesignated	**$ 4,051,394**	$ 2,353,973
Board designated endowment funds	**1,576,702**	1,406,354
Total net assets without donor restrictions	**$ 5,628,096**	$ 3,760,327

A summary of net assets with donor restrictions consists of the following:

June 30,	**2023**	2022
Purpose restricted		
Marketing and communications	**$ 14,369**	$ 31,322
Maintenance reserve	**91,566**	91,683
Perpetual restriction on endowment investments	**41,000**	36,000
Total net assets with donor restrictions	**$ 146,935**	$ 159,005

A summary of the release of donor restrictions consists of the following:

For the years ended June 30,	**2023**	2022
Time restrictions	**$ -**	$ 16,547
Purpose restrictions		
Emergency assistance	**118,308**	320,600
Case manager salary	**-**	16,373
Foundation 3	**154,500**	156,619
Budget for Life	**469,900**	118,969
Increase brand recognition and thrift store sales	**-**	6,376
Marketing and communications	**17,095**	65,557
Total net assets released from donor restrictions	**$ 759,803**	$ 701,041

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated services were utilized by the Organization’s supporting services. There were no donor-imposed restrictions associated with the contributed services. The components of donated services include $25,200 of accounting fees for each of the years ended June 30, 2023 and 2022. Donated services are valued using the most recent Bureau of Labor Statistics’ average hourly wage for counselors in the Organization’s metropolitan area.

Note 12: REVENUE

The Organization is recognizing revenue at a point in time for its program service fees, special events and thrift store revenue. As of June 30, 2023 and 2022, there are no performance obligations to be satisfied.

Note 13: ENDOWMENTS

The Organization's endowment consists of one fund established to support the Organization's programs. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the Georgia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

The investment policy generally governs asset allocation parameters, permissible investments, and other matters relevant to the prudent investment of the investments in a long-term manner using a time horizon of ten years. The target asset mix is 5-40% money market funds, 30-70% equities, and 30-60% fixed income.

Spending Policy. The Organization has a policy of appropriating for distribution of no more than 7% of the board-designated endowment as measured by the market value of the investment assets over the last twelve rolling quarters preceding the calculation. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

Note 13: ENDOWMENTS (Continued)

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023 and 2022, the Organization did not have any underwater endowments.

Endowment net asset composition by type of fund consists of the following:

June 30,	**2023**	2022
Endowment funds with donor restrictions	**$ 41,000**	$ 36,000
Board-designated endowment funds without donor restrictions	**1,576,702**	1,406,354
Total endowment funds	**$ 1,617,702**	$ 1,442,354

Changes in endowment net assets follow:

June 30, 2023	Without Donor Restrictions	With Donor Restrictions Perpetual in Nature	Total Endowment Net Assets
Endowment net assets - July 1,	$ 1,406,354	$ 36,000	**$ 1,442,354**
Contributions	-	5,000	**5,000**
Investment income	46,625	-	**46,625**
Net appreciation (depreciation)	123,723	-	**123,723**
Endowment net assets - June 30,	$ 1,576,702	$ 41,000	**$ 1,617,702**

June 30, 2022	Without Donor Restrictions	With Donor Restrictions Perpetual in Nature	Total Endowment Net Assets
Endowment net assets - July 1,	$ 1,645,550	$ 25,000	$ 1,670,550
Contributions	-	11,000	11,000
Investment income	39,753	-	39,753
Net appreciation (depreciation)	(278,949)	-	(278,949)
Endowment net assets - June 30,	$ 1,406,354	$ 36,000	$ 1,442,354

Note 14: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
  - can be corroborated by observable market data.

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 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Money Market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended June 30, 2023 and 2022:

June 30, 2023	Level 1	Level 2	Level 3	Total
Money market funds	$ 58,677	$ -	$ -	**$ 58,677**
Fixed income mutual funds	81,954	-	-	**81,954**
Equity mutual funds	1,472,159	-	-	**1,472,159**
Total investments at fair value	$ 1,612,790	$ -	$ -	**$ 1,612,790**

June 30, 2022	Level 1	Level 2	Level 3	Total
Money market funds	$ 58,681	$ -	$ -	$ 58,681
Fixed income mutual funds	81,753	-	-	81,753
Equity mutual funds	1,301,008	-	-	1,301,008
Total investments at fair value	$ 1,441,442	$ -	$ -	$ 1,441,442

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 15: CONCENTRATIONS

The Organization maintains cash deposits with financial institutions at June 30, 2023 and 2022 in excess of federally insured limits of $642,951 and $477,840, respectively.

Government grants received from one agency accounted for 45% of total revenue for the year ended June 30, 2023. There were no revenue concentrations for the year ended June 30, 2022.

Note 16: DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution 403(b) plan (the Plan) covering all full-time employees. The 403(b) plan is an employee contribution tax deferred annuity plan to be used for retirement benefits. For all participants in the plan, the Organization makes a contribution of 3% of the employee's annual earnings. The Organization also matches employee contributions up to 4% of the employee's annual earnings. Total expense for the years ended June 30, 2023 and 2022 was $41,119 and $47,026, respectively.

Note 17: RELATED PARTIES

A member of the Organization's Board of Directors works for a bank at which the Organization maintains a certificate of deposit. The certificate of deposit had a balance of approximately $395,000 at June 30, 2023 and 2022.

Note 18: PAYCHECK PROTECTION PROGRAM

In April 2020, in response to the global pandemic, the Organization applied for and received a $189,800 loan through the Paycheck Protection Program under the CARES Act. The Organization applied for forgiveness of the full amount of the debt and recorded the amount as contribution revenue during fiscal 2022. On November 24, 2021, the Organization received notice that the $189,800 and related interest had been forgiven.

SINGLE AUDIT SECTION

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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 of
Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia (the Organization) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 Organization'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

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 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*.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result 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 *Governmental Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
September 10, 2024

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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
Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia's (the Organization) 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 the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 June 30, 2023.

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 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 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 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 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 the Organization's 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 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 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 the 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.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
September 10, 2024

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

		Federal Assistance Listing Number	Contract Number	Federal Expenditures
U.S. Department of the Treasury				
Passed through the State of Georgia				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		21.027	GA-0010655	$ 2,530,076
Passed through United Way of Greater Atlanta				
COVID-19 Emergency Rental Assistance Program		21.023	EA-S-1200569	49,983
Total U.S. Department of the Treasury				2,580,059
U.S. Department of Housing and Urban Development				
Passed through Gwinnett County				
Emergency Solutions Grant Program		14.231	ESG-HP-0003	15,560
Passed through Fulton County				
Emergency Solutions Grant Program		14.231	N/A	13,513
Total Emergency Solutions Grant Program				29,073
Passed through City of Atlanta				
Community Development Block Grant (CDBG)	*	14.218	220132610	15,800
Total U.S. Department of Housing and Urban Development				44,873
U.S. Department of Health and Human Services				
Passed through Fulton County				
Community Services Program		93.569	23RFP010923C-MH	55,000
Total U.S. Department of Health and Human Services				55,000
U.S. Department of Homeland Security				
Passed through United Way				
COVID-19 Emergency Food and Shelter National Board Program		97.024	G-202206-07605	17,500
Emergency Food and Shelter National Board Program		97.024	G-202206-07605	9,000
Total Emergency Food and Shelter National Board Program				26,500
Total U.S. Department of Homeland Security				26,500
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 2,706,432

There were no subrecipient amounts for the year ended June 30, 2023.

* Part of CDBG - Entitlement Grants-Cluster

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through identifying numbers are presented where available.

Note 3: CONTINGENCIES

Grant monies received and disbursed are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management does not believe that such disallowance, if any, would have a material effect on its financial position. As of June 30, 2023, there were no material questioned or disallowed costs as a result of the grant audits in process or completed.

Note 4: INDIRECT COST

Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia has elected not to use the 10% de minimis indirect cost rate.

Note 5: OTHER INFORMATION

Federal funds were not expended for endowments, insurance in effect, noncash assistance nor loan balances or guarantee programs for the year ended June 30, 2023.

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued — Unmodified

2. Internal control over financial reporting:

   A. Material weakness(es) identified — X Yes / ____ No

   B. Significant deficiency(ies) identified that are not considered to be material weaknesses? — ____ Yes / X None noted

3. Noncompliance material to financial statements noted? — ____ Yes / X No

Federal Awards

4. Internal control over major programs:

   A. Material weakness(es) identified? — X Yes / ____ No

   B. Significant deficiency(ies) identified that are not considered to be material weaknesses? — ____ Yes / X None noted

5. Type of auditor's report issued on compliance for major programs — Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? — X Yes / ____ None noted

7. The programs tested as major programs included:

Assistance Listing Number	Program Name
21.027	Coronavirus State and Local Fiscal Recovery Funds

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. The auditee does not qualify as a low-risk auditee.

SECTION I - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2023-001 – General Ledger Account Reconciliations – Internal Control (Material Weakness)

Criteria: Regulations require that adequate internal controls over financial reporting be maintained in order to prevent, or detect and correct, misstatements on a timely basis.

Condition: Certain key general ledger accounts were not adequately reconciled including cash, accounts receivable and revenue resulting in proposed audit adjustments to correct balances.

Effect: Certain cash, accounts receivable and related revenue balances were misstated at year end. Failure to properly reconcile key general ledger accounts on a timely basis could result in intentional or unintentional material misstatements and an increased risk for inaccurate financial reporting.

Cause: Account reconciliations were not monitored on a timely basis in part due to several changes in personnel within the accounting area and management.

Recommendation: We recommend that internal controls be strengthened and processes implemented to ensure key accounts are reconciled timely on a monthly basis and variances are investigated and resolved. This process should include a close review of journal entries with approval by supervisory personnel. All reconciliations should by reviewed by management or a member of the governing board.

Grantee Response and Corrective Action Plan:

We appreciate the auditor's identification of the material weakness in our internal controls over general ledger account reconciliations. We understand the importance of maintaining adequate internal controls to prevent, detect, and correct misstatements on a timely basis.

1. Reconciliation Process: We will implement a reconciliation process to ensure that key general ledger accounts, including cash, accounts receivable, and revenue, are reconciled on a timely basis. Specifically, we will:
    a. Assign responsibility for reconciling each key general ledger account to a specific staff member.
    b. Establish a monthly reconciliation schedule and ensure that all reconciliations are completed on a timely basis.
    c. Investigate and resolve any variances identified during the reconciliation process.
    d. Review all journal entries related to the reconciled accounts and ensure that they are approved by supervisory personnel.
2. Internal Controls: We will strengthen our internal controls over general ledger account reconciliations to ensure that misstatements are prevented, detected, and corrected on a timely basis. Specifically, we will:
    a. Establish a process for reviewing all reconciliations by management or a member of the governing board.
    b. Ensure that all staff members responsible for reconciling key general ledger accounts are trained on the new process and the importance of maintaining adequate internal controls.
    c. Document the new process and internal controls in a written policy and procedure manual.

SECTION I - FINANCIAL STATEMENT FINDINGS (Continued)

3. Personnel: We will ensure that personnel changes do not impact our internal controls over general ledger account reconciliations. Specifically, we will:
    a. Cross-train staff members to ensure that there is adequate coverage for all key general ledger accounts.
    b. Establish a process for documenting and communicating changes in personnel responsibilities related to general ledger account reconciliations.

We believe that these corrective actions will effectively address the material weakness identified by the auditor and strengthen our internal controls over general ledger account reconciliations. We are committed to ensuring the accuracy and integrity of our financial reporting and maintaining the trust of our stakeholders.

2023-002 – Review of Payroll Registers – Internal Control (Material Weakness)

Criteria: Under 2 CFR Section 200.303(a), non-federal entities must establish and maintain effective internal controls to provide reasonable assurance that the entity is managing the federal awards in compliance with statues, regulations, and the terms and conditions of the award.

Condition: There is no documentation of payroll registers being reviewed for accuracy by management on a timely basis.

Effect: Failure to review payroll registers for accuracy by management on a timely basis could result in intentional or unintentional material misstatements and an increased risk for inaccurate financial reporting.

Cause: The review of the payroll registers was not properly documented due to several changes in personnel within management.

Recommendation: We recommend that internal controls be strengthened and processes implemented to ensure payroll registers are reviewed for accuracy by management on a timely basis and that the review be documented.

Grantee Response and Corrective Action Plan:

We appreciate the auditor's identification of the material weakness in our internal controls over the review of payroll registers. We understand the importance of maintaining adequate internal controls to prevent, detect, and correct misstatements on a timely basis.

1. Review Process: We will implement a review process to ensure that payroll registers are reviewed for accuracy by management on a timely basis. Specifically, we will:
    a. Assign responsibility for reviewing payroll registers to a specific staff member.
    b. Establish a schedule for reviewing payroll registers and ensure that all reviews are completed on a timely basis.
    c. Investigate and resolve any discrepancies identified during the review process.
    d. Document the review process and ensure that all reviews are properly documented.
2. Internal Controls: We will strengthen our internal controls over the review of payroll registers to ensure that misstatements are prevented, detected, and corrected on a timely basis. Specifically, we will:
    a. Establish a process for reviewing all payroll registers by management.
    b. Ensure that all staff members responsible for reviewing payroll registers are trained on the new process and the importance of maintaining adequate internal controls.
    c. Document the new process and internal controls in a written policy and procedure manual.

SECTION I - FINANCIAL STATEMENT FINDINGS (Continued)

3. Personnel: We will ensure that personnel changes do not impact on our internal controls over the review of payroll registers. Specifically, we will:
    a. Cross-train staff members to ensure that there is adequate coverage for all payroll registers.
    b. Establish a process for documenting and communicating changes in personnel responsibilities related to the review of payroll registers.

We believe that these corrective actions will effectively address the material weakness identified by the auditor and strengthen our internal controls over the review of payroll registers. We are committed to ensuring the accuracy and integrity of our financial reporting and maintaining the trust of our stakeholders.

2023-003 – Documentation of Approved Pay Rates – Internal Control (Material Weakness)

Criteria: Under 2 CFR Section 200.303(a), non-federal entities must establish and maintain effective internal controls to provide reasonable assurance that the entity is managing the federal awards in compliance with statues, regulations, and the terms and conditions of the award.

Condition: There is no documentation of approved pay rates.

Effect: Failure to maintain documentation of approved pay rates could result in intentional or unintentional material misstatements and an increased risk for inaccurate financial reporting.

Cause: The pay rate approvals were not properly documented due to several changes in personnel within management.

Recommendation: We recommend that internal controls be strengthened and processes implemented to ensure all employee pay rates are documented and approved by management.

Grantee Response and Corrective Action Plan:

We appreciate the auditor's identification of the material weakness in our internal controls over the documentation of approved pay rates. We understand the importance of maintaining adequate internal controls to prevent, detect, and correct misstatements on a timely basis.

1. Documentation Process: We will implement a documentation process to ensure that all employee pay rates are documented and approved by management. Specifically, we will:
    a. Assign responsibility for documenting and approving employee pay rates to a specific staff member.
    b. Establish a process for documenting and approving employee pay rates, including the use of a standardized form.
    c. Ensure that all employee pay rates are documented and approved before payroll is processed.
    d. Investigate and resolve any discrepancies identified during the documentation and approval process.
    e. Document the documentation and approval process and ensure that all documentation is properly maintained.

SECTION I - FINANCIAL STATEMENT FINDINGS (Continued)

2. Internal Controls: We will strengthen our internal controls over the documentation of approved pay rates to ensure that misstatements are prevented, detected, and corrected on a timely basis. Specifically, we will:
    a. Establish a process for reviewing all employee pay rates by management.
    b. Ensure that all staff members responsible for documenting and approving employee pay rates are trained on the new process and the importance of maintaining adequate internal controls.
    c. Document the new process and internal controls in a written policy and procedure manual.
3. Personnel: We will ensure that personnel changes do not impact our internal controls over the documentation of approved pay rates. Specifically, we will:
    a. Cross-train staff members to ensure that there is adequate coverage for all employee pay rates.
    b. Establish a process for documenting and communicating changes in personnel responsibilities related to the documentation and approval of employee pay rates.

We believe that these corrective actions will effectively address the material weakness identified by the auditor and strengthen our internal controls over the documentation of approved pay rates. We are committed to ensuring the accuracy and integrity of our financial reporting and maintaining the trust of our stakeholders.

SECTION II - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023-004 – Review of Payroll Registers – Internal Controls over Allowable Costs and Activities and Period of Performance (Material Weakness)

Federal Program Information:
Funding Agency: U.S. Department of Treasury
FALN: 21.027
Federal Award Identification Numbers: GA-0010655
Pass Through Entity: State of Georgia
Award Year: 2021-2023

Criteria: Under 2 CFR Section 200.303(a), non-federal entities must establish and maintain effective internal controls to provide reasonable assurance that the entity is managing the federal awards in compliance with statues, regulations, and the terms and conditions of the award.

Additionally, under 2 CFR Section 200.430(i) compensation records must provide reasonable assurance that the charges are accurate, allowable and properly allocated.

Condition: There is no documentation of payroll registers being reviewed for accuracy by management on a timely basis.

Effect: Failure to review payroll registers for accuracy by management on a timely basis could result in intentional or unintentional material misstatements and an increased risk for inaccurate financial reporting.

Cause: The review of the payroll registers was not properly documented due to several changes in personnel within management.

SECTION II - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

Known Questioned Costs: None

Perspective: This finding represents a systemic problem prior to 2023 when a new process was put into place to properly document the review.

Repeat Finding: No

Recommendation: We recommend that internal controls be strengthened and processes implemented to ensure payroll registers are reviewed for accuracy by management on a timely basis and that the review be documented.

Grantee Response and Corrective Action Plan:

We appreciate the auditor's identification of the material weakness in our internal controls over the review of payroll registers for allowable costs and activities and period of performance related to our federal award. We understand the importance of maintaining effective internal controls to provide reasonable assurance that we are managing federal awards in compliance with statutes, regulations, and the terms and conditions of the award.

Documentation Process: We will implement a documentation process to ensure that payroll registers are reviewed for accuracy by management on a timely basis and that the review is properly documented. Specifically, we will:

1. Assign responsibility for reviewing payroll registers for accuracy by management to a specific staff member.
2. Establish a process for reviewing payroll registers for accuracy by management, including the use of a standardized form.
3. Ensure that all payroll registers related to our federal award are reviewed for accuracy by management on a timely basis and that the review is properly documented.
4. Investigate and resolve any discrepancies identified during the review process related to our federal award.
5. Document the review process related to our federal award and ensure that all documentation is properly maintained.

2023-005 – Documentation of Approved Pay Rates – Internal Controls over Allowable Costs and Activities (Material Weakness)

Federal Program Information:
Funding Agency: U.S. Department of Treasury
FALN: 21.027
Federal Award Identification Numbers: GA-0010655
Pass Through Entity: State of Georgia
Award Year: 2021-2023

Criteria: Under 2 CFR Section 200.303(a), non-federal entities must establish and maintain effective internal controls to provide reasonable assurance that the entity is managing the federal awards in compliance with statues, regulations, and the terms and conditions of the award.

Additionally, under 2 CFR Section 200.430(i) compensation records must provide reasonable assurance that the charges are accurate, allowable and properly allocated.

Condition: There is no documentation of approved pay rate.

SECTION II - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

Effect: Failure to maintain documentation of approved pay rates could result in intentional or unintentional material misstatements and an increased risk for inaccurate financial reporting.

Cause: The pay rate approval was not properly documented due to several changes in personnel within management.

Repeat Finding: No

Recommendation: We recommend that internal controls be strengthened and processes implemented to ensure all employee pay rates are documented and approved by management.

Known Questioned Costs: $3,446
Likely Questioned Costs: $24,769

Grantee Response and Corrective Action Plan:

We appreciate the auditor's identification of the material weakness in our internal controls over the documentation of approved pay rates related to our federal award. We understand the importance of maintaining adequate internal controls to prevent, detect, and correct misstatements on a timely basis.

1. Documentation Process: We will implement a documentation process to ensure that all employee pay rates related to our federal award are documented and approved by management. Specifically, we will:
    a. Assign responsibility for documenting and approving employee pay rates related to our federal award to a specific staff member.
    b. Establish a process for documenting and approving employee pay rates related to our federal award, including the use of a standardized form.
    c. Ensure that all employee pay rates related to our federal award are documented and approved before payroll is processed.
    d. Investigate and resolve any discrepancies identified during the documentation and approval process related to our federal award.
    e. Document the documentation and approval process related to our federal award and ensure that all documentation is maintained.
2. Internal Controls: We will strengthen our internal controls over the documentation of approved pay rates to ensure that misstatements are prevented, detected, and corrected on a timely basis. Specifically, we will:
    a. Establish a process for reviewing all employee pay rates by management.
    b. Ensure that all staff members responsible for documenting and approving employee pay rates are trained on the new process and the importance of maintaining adequate internal controls.
    c. Document the new process and internal controls in a written policy and procedure manual.
3. Personnel: We will ensure that personnel changes do not impact our internal controls over the documentation of approved pay rates. Specifically, we will:
    a. Cross-train staff members to ensure that there is adequate coverage for all employee pay rates.
    b. Establish a process for documenting and communicating changes in personnel responsibilities related to the documentation and approval of employee pay rates.

We believe that these corrective actions will effectively address the material weakness identified by the auditor and strengthen our internal controls over the documentation of approved pay rates. We are committed to ensuring the accuracy and integrity of our financial reporting and maintaining the trust of our stakeholders.

SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER RECOMMENDATIONS - PRIOR YEAR AUDITS

None reported for the year ended June 30, 2022.