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

**FINANCIAL STATEMENTS** 

June 30, 2024 and 2023

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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, 2024 and 2023 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, 2024 and 2023 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.

### **Correction of a Misstatement**

As discussed in Note 3 to the financial statements, the 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **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 dated July 29, 2025, 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 & Ungram, L.L.C.

Atlanta, Georgia July 29, 2025



### **FINANCIAL STATEMENTS**

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

Juna 20		2024		Restated 2023
June 30,		2024		2023
Assets				
Current assets				
Cash and cash equivalents	\$	1,226,459	\$	897,062
Certificate of deposit	Y	1,220,433	Ţ	395,137
Grants receivable		525,397		1,446,687
Promises to give		55,656		1,440,087
Prepaid expenses		33,030		6,426
Frepaid expenses				0,420
Total current assets		1,807,512		2,745,312
Non-current assets				
Restricted cash for endowment		_		5,000
Investments in marketable securities		2,265,098		1,612,790
Finance lease right-of-use assets, net		24,156		36,233
Property and equipment, net		1,446,370		1,499,191
Troperty and equipment, net		2) 110)370		1,133,131
Total non-current assets		3,735,624		3,153,214
Total assets	\$	5,543,136	\$	5,898,526
Lightliting and Not Accets				
Liabilities and Net Assets				
Current liabilities	4	40.750	۲	46.000
Accounts payable	\$	18,758	\$	46,899
Accrued expenses		59,391		39,937
Current portion of finance lease liabilities		12,768		12,768
Performance obligation liabilities		169,172		151,500
Total current liabilities		260,089		251,104
		•		•
Long-term liabilities				
Finance lease liabilities, less current portion		12,020		23,891
· · ·		•		· · · · · ·
Total liabilities		272,109		274,995
Net assets				
Without donor restrictions		4,136,997		4,476,596
With donor restrictions		1,134,030		1,146,935
		·		·
Total net assets		5,271,027		5,623,531
				·
Total liabilities and net assets	\$	5,543,136	\$	5,898,526

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

For the year ended June 30, 2024	Without Dono Restriction		Total
Revenue and Other Support Grants and contracts Contributions	\$ 2,442,9		\$ 2,442,917
Special events revenue Investment income (loss), net Rental income	842,2 287,7 218,3 43,5	21 - 13 -	1,029,715 287,721 218,313 43,544
Interest income Foundation 3 program fees Contributions of non-financial assets	45,5 28,7 12,5 1,6	67 1,464 14 -	30,231 12,514 1,646
Other income  Net assets released from restrictions	•	- 30	130
Total revenue and other support	4,079,6	36 (12,905)	4,066,731
Expenses Program services			
Emergency assistance	2,439,4		2,439,480
Budget for Life Foundation 3	732,5 505,4		732,504 505,422
Total program services	3,677,4	06 -	3,677,406
Supporting services General and administrative Fundraising	237,4 504,3		237,444 504,385
Total supporting services	741,8	29 -	741,829
Total expenses	4,419,2	35 -	4,419,235
Change in net assets	(339,5	99) (12,905)	(352,504)
Net assets at beginning of year, as restated	4,476,5	96 1,146,935	5,623,531
Net assets at end of year	\$ 4,136,9	97 \$ 1,134,030	\$ 5,271,027

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

For the year ended June 30, 2023		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	304,911	-	304,911
Investment income (loss), net	171,239	-	171,239
Program service fees	49,983	-	49,983
Contributions of non-financial assets	25,200	-	25,200
Other income	8,558	25	8,583
Foundation 3 program fees	9,944	-	9,944
Interest income	3,314	-	3,314
Rental income	1,879	-	1,879
Net assets released from restrictions	759,803	(759,803)	
Total revenue and other support	5,451,798	(12,070)	5,439,728
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
	303,203		303,203
Total supporting services	861,307	-	861,307
Total expenses	3,735,529	-	3,735,529
Change in net assets	1,716,269	(12,070)	1,704,199
Net assets at beginning of year,			
as previously reported	3,760,327	159,005	3,919,332
Correction of a misstatement	(1,000,000)	1,000,000	
Net assets at beginning of year, as restated	2,760,327	1,159,005	3,919,332
Net assets at end of year, as restated	\$ 4,476,596 \$	1,146,935 \$	5,623,531

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

### For the year ended June 30, 2024

	Program Services			Supporting	_		
	Emergency	Budget		Programs	General and		
	Assistance	for Life	Foundation 3	Subtotal	Administrative	Fundraising	Total
Salaries and wages	\$ 339,168	\$ 309,720	\$ 176,770	\$ 825,658	\$ 95,104	\$ 219,344	\$ 1,140,106
Employee benefits	78,230	28,395	40,806	147,431	17,621	39,777	204,829
Payroll taxes	29,013	21,525	14,265	64,803	5,529	18,279	88,611
	•	·	·	·	•	·	<u> </u>
Total payroll related	446,411	359,640	231,841	1,037,892	118,254	277,400	1,433,546
Community assistance	1,627,280	281,676	174,770	2,083,726	-	-	2,083,726
Professional fees	192,575	45,447	55,950	293,972	68,566	91,422	453,960
Special event expenses	-	-	-	-	-	92,264	92,264
Computer software							
and maintenance	55,746	14,618	6,738	77,102	8,070	5,409	90,581
Depreciation and							
amortization	31,317	8,170	13,616	53,103	5,446	9,531	68,080
Marketing	17,143	4,472	7,454	29,069	2,981	12,018	44,068
Telephone and data	18,347	4,811	2,218	25,376	2,793	1,731	29,900
Other	11,812	3,254	3 <i>,</i> 796	18,862	7,202	3,520	29,584
Building repairs and							
maintenance	17,086	4,630	2,065	23,781	2,601	1,612	27,994
Insurance	10,990	2,867	4,778	18,635	1,911	3,345	23,891
Printing and postage	1,771	839	725	3,335	6,699	5,430	15,464
Utilities	9,002	2,080	1,471	12,553	1,134	703	14,390
Bank charges and other fees	-	-	-	-	11,787	-	11,787
Total	\$ 2,439,480	\$ 732,504	\$ 505,422	\$3,677,406	\$ 237,444	\$ 504,385	\$ 4,419,235

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

For the year ended June 30, 2023

		Program Services				Supporting	Supporting Services		
	Emergency Assistance	Budget for Life	Foundation 3	Volunteer Services	Programs Subtotal	General and Administrative	Fundraising	Total	
Salaries and wages Employee benefits Payroll taxes	\$ 212,786 48,262 16,452	\$ 221,731 18,068 17,379	\$ 118,632 25,663 9,514	\$ 21,137 25,763 2,327	\$ 574,286 117,756 45,672	\$ 191,365 17,668 16,116	\$ 189,315 28,307 13,418	\$ 954,966 163,731 75,206	
Total payroll related	277,500	257,178	153,809	49,227	737,714	225,149	231,040	1,193,903	
Community assistance Professional fees Special event expenses Computer software	1,218,236 223,871 -	221,225 3,862 -	189,735 6,944 -	- 2,488 -	1,629,196 237,165	- 83,513 -	- 71,398 136,196	1,629,196 392,076 136,196	
and maintenance	49,282	12,438	4,585	3,110	69,415	6,906	20,926	97,247	
Depreciation and amortization Building repairs and	38,438	6,590	11,383	3,595	60,006	4,194	7,789	71,989	
maintenance Other	28,681 4,513	7,627 11,655	2,957	2,005 1,402	41,270 17,570	3,843 7,581	2,507 18,757	47,620 43,908	
Telephone and data	15,483	3,706	1,576	1,069	21,834	2,499	1,336	25,669	
Marketing Insurance	9,580 7,895	2,499 1,974	4,165 3,409	- 1,077	16,244 14,355	1,665 1,256	6,716 2,333	24,625 17,944	
Utilities Bank charges and other fees	10,231	2,376 -	1,010 -	685 -	14,302	1,313 13,119	857 -	16,472 13,119	
Printing and postage Supplies	3,294 2,698	1,428 1,187	1,614 1,165	510 368	6,846 5,418	595 429	1,694 1,520	9,135 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	

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

For the years ended June 30,	2024	Restated 2023
· · · · · · · · · · · · · · · · · · ·	-	
Operating Activities		
Change in net assets	\$ <b>(352,504)</b> \$	1,704,199
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Depreciation	56,003	59,912
Amortization of finance right-of-use assets	12,077	12,077
Unrealized and realized (gain) loss on investments	(178,280)	(124,722)
Contributions for endowment	-	(5,000)
Changes in operating assets and liabilities:		
Grants receivable	921,290	(1,391,687)
Promises to give	(55 <i>,</i> 656)	6,860
Prepaid expenses	6,426	(825)
Accounts payable	(28,141)	14,661
Accrued expenses	19,454	15,153
Performance obligation liabilities	17,672	151,500
Net cash provided by (used in) operating activities	418,341	442,128
Investing Activities	(0.100)	(4- 4)
Purchase of property and equipment	(3,182)	(17,475)
Purchase of investments	(1,983,841)	(46,626)
Proceeds from sale of investments	1,509,813	- (4.00)
Re-investment of certificate of deposit interest	-	(109)
Proceeds from sale of certificate of deposit	395,137	
Net cash provided by (used in) investing activities	(82,073)	(64,210)
Financing Activities		
Payments on finance lease liabilities	(11,871)	(11,651)
Contributions for endowment	-	5,000
Draws on line of credit	-	100,000
Repayments on line of credit	-	(100,000)
Net cash provided by (used in) financing activities	(11,871)	(6,651)
Net change in cash, cash equivalents and restricted cash	324,397	371,267
Cash, cash equivalents and restricted cash, at beginning of year	902,062	530,795
Cash, cash equivalents and restricted cash, at end of year	\$ <b>1,226,459</b> \$	902,062

(Continued)

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

For the years ended June 30,	2024	2023
December 11 at the Chatemant of Figure 1   Decition		
Reconciliation to Statement of Financial Position		
Cash and cash equivalents	\$ 1,226,459	\$ 897,062
Cash restricted for endowment	-	5,000
Cash, cash equivalents and restricted cash, at end of year	\$ 1,226,459	\$ 902,062
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 conducts the following programs:

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.

BCM's *Volunteer Services* provides an opportunity for residents of Atlanta to serve their community. This program was discontinued at the end of fiscal year 2023.

#### **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 represents amounts given for long-term purposes. The cash was transferred to the investment account during fiscal 2024.

### **Accounts Receivable**

Accounts receivable represents amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

### **Allowance for Credit Losses**

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The was no allowance for credit losses June 30, 2024 and 2023.

#### **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. 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 has elected to use the practical expedient of using the 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

Foundation 3 program fees and special event 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. These amounts are included in performance obligation liabilities within the statements of financial position.

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue Recognition (continued)

The Organization rents office space and parking spaces to another nonprofit organization. Rental income is recognized during the period that the rental activity takes place. See Note 17 for further discussion of the rental agreement and activity.

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.

#### **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, 2024 and 2023, the Organization did not have any unrelated business income.

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Income Taxes (continued)*

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, 2024 and 2023, 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, July 29, 2025, 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 June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

### **Note 3: RESTATEMENT OF PRIOR YEAR NET ASSETS**

As previously disclosed, the Organization established an endowment fund with a \$1 million investment in the fund in 2011. During fiscal 2024, management clarified its understanding of the original \$1 million investment in the fund. Previously, it was thought that the original funding was designated by management; however, it was determined that a donor gave the \$1 million as a permanently restricted corpus. The accounting for this clarified understanding was corrected during fiscal 2024 audit as shown below.

Additionally, it was discovered that special event income of \$151,500 received in advance was recognized in fiscal 2023 instead of being deferred to fiscal 2024.

### Note 3: RESTATEMENT OF PRIOR YEAR NET ASSETS (Continued)

This misstatement has been corrected as follows:

	W	ithout donor	With donor	
As of June 30, 2022		restrictions	restrictions	Total
Net assets at June 30, 2022, as previously reported Reclassify permanently restricted corpus	\$	3,760,327	\$ 159,005	\$ 3,919,332
of endowment		(1,000,000)	1,000,000	-
Net assets at June 30, 2022, restated	\$	2,760,327	\$ 1,159,005	\$ 3,919,332
	W	ithout donor	With donor	
For the year ended June 30, 2023		restrictions	restrictions	Total
Net assets at June 30, 2023, as previously reported Effect of the restatement for the year	\$	5,628,096	\$ 146,935	\$ 5,775,031
ended June 30, 2022		(1,000,000)	1,000,000	-
Record performance obligation liabilities		(151,500)	-	(151,500)
Net assets at June 30, 2023, restated	\$	4,476,596	\$ 1,146,935	\$ 5,623,531

### Note 4: 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.

				Restated
June 30,		2024		2023
Total assets at year end	\$	5,543,136	¢	5,898,526
Less non-financial assets	Ą	3,343,130	ڔ	3,838,320
				(5.425)
Prepaid expenses		-		(6,426)
Finance lease right-of-use assets, net		(24,156)		(36,233)
Property and equipment, net		(1,446,370)		(1,499,191)
Financial assets at year-end		4,072,610		4,356,676
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		(1,134,030)		(1,146,935)
Board designations		(792,908)		(576,702)
Figure 2 de la contra de la la la constanta de				
Financial assets available to meet cash needs for general			_	
expenditures within one year	<u>Ş</u>	2,145,672	Ş	2,633,039

### Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

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 10.

#### Note 5: GRANTS RECEIVABLE AND PROMISES TO GIVE

Receivables arise from amounts due from governments and other agencies. Grants receivable consist of the following:

June 30,	202	4	2023
Fulton County United Way State of Georgia	\$ 50,0 475,3	-	55,000 12,500 1,379,187
Total grants receivable	\$ 525,3	<b>97</b> \$	1,446,687

Unconditional promises to give at June 30, 2024, totaled \$55,656. 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 6: CERTIFICATE OF DEPOSIT**

As of June 30, 2023, the Organization has a certificate of deposit (CD) with a total balance of \$395,137. The carrying value of this CD is based on cost plus accrued interest, which approximates fair market value. The CD earned interest at .03% and matured in May 2024. The CD was not renewed upon its maturity.

### **Note 7: INVESTMENTS**

Investments in marketable securities consist of the following at June 30, 2024 and 2023:

June 30, 2024	Cost	Fair Value
Money market funds	\$ 237,416	\$ 237,416
Treasury bills	392,995	395,190
Equity mutual funds	1,565,512	1,632,492
Total investments in marketable securities	\$ 2,195,923	\$ 2,265,098
June 30, 2023	Cost	Fair Value
Money market funds	\$ 58,677	\$ 58 <i>,</i> 677
Fixed income mutual funds	70,047	81,954
Equity mutual funds	1,052,493	1,472,159

### **Note 8: PROPERTY AND EQUIPMENT**

The components of property and equipment consist of the following at June 30, 2024 and 2023:

	Estimated Useful				
	Lives (in years)	Lives (in years)		2023	
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		174,459		171,276
Total depreciable property and equipment			1,902,443		1,899,260
Less accumulated depreciation			(1,095,585)		(1,039,581)
Total depreciable property and equipment, net			806,858		859,679
Land			639,512		639,512
Total property and equipment, net		\$	1,446,370	\$	1,499,191

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$56,003 and \$59,912, respectively.

### **Note 9: LEASES**

The Organization has a finance lease for equipment. The lease has a remaining term of 2 years. As of June 30, 2024 and 2023, assets recorded under finance leases were \$48,310 and accumulated amortization associated with finance leases was \$24,154 and \$12,077, respectively.

The components of lease expense consist of the following:

For the years ended June 30,		2024	2023
Finance lease cost Amortization of right-of-use asset Interest on lease liabilities	\$	12,077 \$ 897	12,077 1,645
Total finance lease cost	\$	<b>12,974</b> \$	13,722
Weighted average remaining lease term and discount rates consist	of th	ne following:	
For the years ended June 30,		2024	2023
Weighted average remaining lease term Finance leases		2 years	3 years
Weighted average discount rate Finance leases		2.87%	2.87%
Future minimum lease payments under non-cancellable leases as o	f Jur	ne 30, 2024, are a	as follows:
For the years ending June 30,		Finan	ce Leases
2025 2026		\$	12,768 12,768
Total future minimum lease payments Less imputed interest			25,536 (748)
Present value of lease liabilities		\$	24,788
Reported as of June 30, 2024			
Current portion of finance lease liabilities Finance lease liabilities, less current portion		\$	12,768 12,020
Total		\$	24,788

### **Note 10: 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, 2025, and renews annually. There were no draws or outstanding balances during the year ended June 30, 2024. There were \$100,000 of draws and \$100,000 of repayments on the line of credit during the year ended June 30, 2023.

### **Note 11: NET ASSETS**

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

June 30,		2024	Restated 2023
Undesignated Board designated endowment funds	\$	3,344,089 792,908	\$ 3,899,894 576,702
Total net assets without donor restrictions	\$	4,136,997	\$ 4,476,596
A summary of net assets with donor restrictions consists of the follow	wing	:	
June 30,		2024	Restated 2023
Purpose restricted Marketing and communications Maintenance reserve Perpetual restriction on endowment investments	\$	93,030 1,041,000	\$ 14,369 91,566 1,041,000
Total net assets with donor restrictions	\$	1,134,030	\$ 1,146,935
A summary of the release of donor restrictions consists of the follow	ing:		
For the years ended June 30,		2024	2023
Purpose restrictions Emergency assistance Foundation 3 Budget for Life Marketing and communications	\$	56,031 100,400 31,000 14,369	\$ 118,308 154,500 469,900 17,095
Total net assets released from donor restrictions	\$	201,800	\$ 759,803

### **Note 12: 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 \$1,646 and \$25,200 of accounting fees for the years ended June 30, 2024 and 2023, respectively. Donated services are valued using the most recent Bureau of Labor Statistics' average hourly wage for accountants in the Organization's metropolitan area.

#### **Note 13: REVENUE**

The Organization is recognizing revenue at a point in time for its Foundation 3 program fees and special events. As of June 30, 2024, performance obligation liabilities totaled \$169,172, which is expected to be recognized as revenue in 2025. All performance obligation liabilities at June 30, 2023 were recognized in 2024.

Contract liabilities related to revenue from contracts with customers consists of the following:

		Restated
June 30,	2024	2023
Contract liabilities		
Performance obligation liabilities, beginning of year	\$ 151,500	\$ -
Performance obligation liabilities, end of year	\$ 169,172	\$ 151,500

### **Note 14: ENDOWMENTS**

The Organization's endowment consists of one fund established to support the Organization's operations. 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.

### Note 14: ENDOWMENTS (Continued)

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.

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, 2024 and 2023, the Organization did not have any underwater endowments.

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

June 30,	2024	Restated 2023
Endowment funds with donor restrictions Endowment funds without donor restrictions	\$ 1,041,000 792,908	\$ 1,041,000 576,702
Total endowment funds	\$ 1,833,908	\$ 1,617,702

Changes in endowment net assets are as follows for the year ended June 30, 2024:

	With Donor				
	Without	Restrictions	Total		
	Donor	Perpetual in	Endowment		
June 30, 2024	Restrictions	Nature	Net Assets		
Endowment net assets - July 1, as restated Investment income Net appreciation	\$ 576,702 40,033 176,173	\$ 1,041,000 - -	\$ 1,617,702 40,033 176,173		
Endowment net assets - June 30,	\$ 792,908	\$ 1,041,000	\$ 1,833,908		

### Note 14: ENDOWMENTS (Continued)

Changes in endowment net assets are as follows for the year ended June 30, 2023:

			With Donor	
		Without	Restrictions	Total
		Donor	Perpetual in	Endowment
June 30, 2023, restated	Re	strictions	Nature	Net Assets
Endowment net assets - July 1, as restated	\$	406,354	\$ 1,036,000	\$ 1,442,354
Contributions		-	5,000	5,000
Investment income		46,625	-	46,625
Net appreciation		123,723	-	123,723
Endowment net assets - June 30, as restated	\$	576,702	\$ 1,041,000	\$ 1,617,702

### **Note 15: 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, 2024 and 2023.

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

### **Note 15: FAIR VALUE MEASUREMENTS (Continued)**

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.

Treasury bills: Valued based on quoted market prices in active markets.

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.

Assets measured at fair value on a recurring basis consists of the following:

June 30, 2024	Level 1	Level 2	Level 3	Total
Money market funds Treasury bills	\$ 237,416 395,190	\$ - \$ -	-	\$ 237,416 395,190
Equity mutual funds	1,632,492	-	-	1,632,492
Total investments at fair value	\$ 2,265,098	\$ - \$	-	\$ 2,265,098
June 30, 2023	Level 1	Level 2	Level 3	Total
Money market funds Fixed income mutual funds Equity mutual funds	\$ 58,677 81,954 1,472,159	\$ - \$ - -	- - -	\$ 58,677 81,954 1,472,159
Total investments at fair value	1,612,790			1,612,790

### 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, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2 or 3.

#### **Note 16: CONCENTRATIONS**

The Organization maintains cash deposits with financial institutions at June 30, 2024 and 2023 in excess of federally insured limits of \$818,114 and \$642,951, respectively.

Government grants received from one agency accounted for 42% and 45% of total revenue for the years ended June 30, 2024 and 2023, respectively.

### **Note 17: OPERATING LEASE INCOME**

In April 2023, the Organization entered into an operating lease agreement to lease parking lot spaces and office space. Rental income applicable to this lease for the years ended June 30, 2024 and 2023 was \$43,544 and \$1,879, respectively. Future minimum rentals to be received under this lease agreement subsequent to June 30, 2024, are as follows:

For the years ending June 30,		
2025	\$	46,551
2026		47,816
2027		49,248
2028		50,733
2029		8,707
Total future minimum lease payments	Ś	203,055
Total ratare minimum rease payments	<u> </u>	203,033
Property related to leases for the Organization consists of the following:		
June 30,		2024
Building and related improvements	\$	524,933
Less accumulated depreciation		(264,097)
		252.025
<u>Total</u>	Ş	260,836

The cost of the building and related improvements, and the accumulated depreciation, of the leased assets are included in Note 8.

### **Note 18: 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, 2024 and 2023 was \$50,767 and \$41,119, respectively.

### **Note 19: RELATED PARTIES**

A member of the Organization's Board of Directors works for a financial institution at which the Organization had a certificate of deposit. The certificate of deposit had a balance of approximately \$395,000 at June 30, 2023. The certificate of deposit was closed during fiscal year 2024. Another member of the Board of Directors works for a financial institution at which the Organization holds cash and investments of approximately \$653,000 and \$1,169,000, respectively.



### **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, 2024, 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 July 29, 2025.

### **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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

### **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*.

### **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 the 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.

Jarr, Riggs & Chypan, L.L.C.

Atlanta, Georgia July 29, 2025



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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, 2024. 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, 2024.

### 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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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 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.

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Chypan, L.L.C.

Atlanta, Georgia July 29, 2025

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

For the year ended June 30, 2024

Federal Assistance Listing Contract Federal Number Number Expenditure  U.S. Department of the Treasury	_
Listing Contract Feder Number Number Expenditur	_
Number Number Expenditur	_
•	res
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 \$ 2,209,3	333
Total U.S. Department of the Treasury 2,209,3	333
U.S. Department of Housing and Urban Development	
Passed through Gwinnett County	
•	487
Passed through Fulton County	
Emergency Solutions Grant Program 14.231 E-21-MC-13-0002 85,5	500
Total Emergency Solutions Grant Program 86,9	987
Passed through City of Atlanta	
Community Development Block Grant (CDBG)* 14.218 220132610 34,1	132
Total U.S. Department of Housing and Urban Development 121,1	119
U.S. Department of Homeland Security	
Passed through United Way	
Emergency Food and Shelter National Board Program 97.024 174000-096 6,7	750
Total U.S. Department of Homeland Security 6,7	750
TOTAL EXPENDITURES OF FEDERAL AWARDS \$ 2,337,2	202

There were no subrecipient amounts for the year ended June 30, 2024.

<sup>\*</sup> Part of CDBG - Entitlement Grants-Cluster

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

### **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, 2024. 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, 2024, 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, 2024.

For the year ended June 30, 2024

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		_Yes	X	_No
B. Significant deficiency(ies) identified that are not considered to be material weaknesses?	X	_Yes		_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	Х	None noted
5. Type of auditor's report issued on compliance for major	r program	S		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 21.027 Coronavirus S	Program I tate and L		al Recover	y Funds
8. The dollar threshold used to distinguish between Type	A and Typ	e B progr	ams was \$	5750,000.
9. The auditee does not qualify as a low-risk auditee.				

### **SECTION I - FINANCIAL STATEMENT FINDINGS**

2024-001 – General Ledger Account Reconciliations – Internal Control (Significant Deficiency)

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. 2 CFR 200.510(a-b) requires auditees to prepare financial statements that reflect the results of operations or changes in net assets and cash flows for the fiscal year as well as a schedule of expenditures of federal awards including the total federal awards expended.

Condition: Certain key general ledger accounts were not adequately reconciled including accounts receivable, right-of-use assets and related lease liability, depreciation, various accruals, federal expenditures, and various revenues and expenditures resulting in proposed audit adjustments to correct balances.

Effect: Certain accounts receivable, right-of-use assets and related lease liability, depreciation, various accruals, and various revenue and expenditure 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:

- 1. Policy Implementation: Develop and formalize a written policy outlining reconciliation procedures for all key accounts, including timelines, responsible personnel, and documentation standards.
- 2. Monthly Reconciliation Schedule: Currently, on the first of each month, all statements for the previous month are downloaded for reconciliation purposes including bank accounts, investment accounts, and credit cards. When the accounts are reconciled, CLA performs the final check and reconciliations by the 15th of the month.
- 3. Review and Approval: The following reports are sent in expanded and collapsed form to the CEO and Finance Manager for review, clarifications and corrections: Balance Sheet, Profit Loss Statement, Cashflow Statement and Actual vs Budget Statement. Before month-end close, reports are sent to the Finance Committee of the Board of Directors for further review and analysis.
- 4. Training and Accountability: Ongoing evaluation of reconciliation procedures and variance analysis. Implement a tracking system to ensure all reconciliations are completed and reviewed in a timely manner.
- 5. Board Oversight: Present a summary of reconciliation status and any material variances to the Finance Committee or Board Treasurer for additional oversight.
- 6. Internal Monitoring: Perform quarterly internal reviews of reconciliations and journal entries to ensure continued compliance with internal control standards and identify opportunities for improvement.

### **SECTION II - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

2024-002 - Suspension and Debarment - Material Weakness and Material Noncompliance

Criteria: Under 2 CFR Section 200.303(a), non-federal entities must establish and maintain effective internal controls to provide reasonable assurance that the Organization is managing the federal awards in compliance with statues, regulations, and the terms and conditions of the award. Additionally, under 2 CFR part 180, the Organization is required to verify suspension or debarment from the excluded parties list system regarding compliance.

Condition: The Organization does not have approved policies and procedures over suspension and debarment that meet the requirements of the Uniform Guidance. Under 2 CFR part 180, the Organization is required to verify suspension or debarment from the excluded parties list system regarding compliance.

Effect: Not following suspension and debarment policies and procedures may result in funds to be returned back to grantor and/or impact future funding.

Cause: Supporting suspension and debarment documentation was not properly maintained in part due to not having adequate policies and procedures in place.

Recommendation: We recommend the Organization strengthen its policies and procedures to ensure suspension and debarment is adequately documented for goods and services purchased in accordance with Uniform Guidance and other federal guidelines. In addition, the Organization should verify that all vendors under covered transactions are not listed on the excluded parties list system by performing a search on sam.gov and maintaining the results of such search in the vendor's file.

Grantee Response and Corrective Action Plan: We updated our fiscal policies and procedures in 2025 to include suspension and debarment procedures and implemented a procedure to search sam.gov to ensure that all vendors are not listed on the excluded parties list. Verification will be required prior to award, and must be rechecked at renewal or amendment of a contract or agreement. The Finance Manager (or designee) will be responsible for conducting and documenting the suspension and debarment checks. If an entity is found to be suspended or debarred, the contract will not be executed, and the issue will be reported to the Federal awarding agency, as required.

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

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

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

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.

Current Status: The condition still existed as of June 30, 2024. The corrective action plan was not fully implemented during the year.

### SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER RECOMMENDATIONS - PRIOR YEAR AUDITS (Continued)

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

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

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.

Current Status: The corrective action plan was implemented for the year ended June 30, 2024.

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

Condition: There is no documentation of approved pay rates.

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

Current Status: The corrective action plan was implemented for the year ended June 30, 2024.

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

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

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.

Current Status: The corrective action plan was implemented for the year ended June 30, 2024.

### SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER RECOMMENDATIONS - PRIOR YEAR AUDITS (Continued)

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

Condition: There is no documentation of approved pay rate.

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

Current Status: The corrective action plan was implemented for the year ended June 30, 2024.