



**Buckhead Christian Ministry, Inc.
(D/B/A BCM Atlanta and BCM Georgia)**

FINANCIAL STATEMENTS

June 30, 2022 and 2021

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REPORT





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INDEPENDENT AUDITORS' 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 statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Buckhead Christian Ministry, Inc. d/b/a BCM Atlanta and BCM Georgia as of June 30, 2021, were audited by other auditors whose report dated October 7, 2021, expressed an unmodified opinion on those financial statements.

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 Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Association'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 Association'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.

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

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia

March 3, 2023



FINANCIAL STATEMENTS



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

<i>June 30,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 529,795	\$ 996,430
Promises to give	6,860	28,577
Accounts receivable	55,000	-
Inventory	-	114,495
Certificate of deposit	395,028	394,307
Prepaid expenses and other assets	5,601	10,973
Total current assets	992,284	1,544,782
Non-current assets		
Restricted cash for endowment	1,000	25,000
Investments in marketable securities	1,441,442	1,645,638
Property and equipment, net	1,541,628	1,721,088
Total non-current assets	2,984,070	3,391,726
Total assets	\$ 3,976,354	\$ 4,936,508
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 32,238	\$ 35,429
Accrued expenses	24,784	84,102
Paycheck Protection Program loan	-	189,800
Total liabilities	57,022	309,331
Net assets		
Without donor restrictions	3,760,327	4,341,944
With donor restrictions	159,005	285,233
Total net assets	3,919,332	4,627,177
Total liabilities and net assets	\$ 3,976,354	\$ 4,936,508

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

<i>For the year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 1,673,775	\$ 397,656	\$ 2,071,431
Special event 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
Interest on certificate of deposit	554	167	721
Loss on disposal of property and equipment	(79,811)	-	(79,811)
Investment income (loss)	(239,916)	-	(239,916)
Other income	24,101	-	24,101
Net assets released from restrictions	701,041	(701,041)	-
Total revenue and other support	2,946,684	(126,228)	2,820,456
Expenses			
<i>Program services</i>			
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
<i>Supporting services</i>			
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

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)

<i>For the year ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 1,866,493	\$ 831,914	\$ 2,698,407
Grants and contracts	-	1,317,933	1,317,933
Investment income (loss)	395,239	-	395,239
Special event revenue	271,367	-	271,367
Program service fees	153,427	-	153,427
Thrift store revenue	137,360	-	137,360
Contributions of non-financial assets	31,104	-	31,104
Interest income on certificate of deposit	2,873	857	3,730
Other income	27,728	-	27,728
Net assets released from restrictions	2,364,608	(2,364,608)	-
Total revenue and other support	5,250,199	(213,904)	5,036,295
Expenses			
<i>Program services</i>			
Emergency assistance	2,954,954	-	2,954,954
Budget for life	483,225	-	483,225
Foundation 3	326,914	-	326,914
Buckhead Thriftique	476,542	-	476,542
Volunteer services	203,300	-	203,300
Total program services	4,444,935	-	4,444,935
<i>Supporting services</i>			
General and administrative	144,063	-	144,063
Fundraising	438,258	-	438,258
Total supporting services	582,321	-	582,321
Total expenses	5,027,256	-	5,027,256
Change in net assets	222,943	(213,904)	9,039
Net assets at beginning of year	4,119,001	499,137	4,618,138
Net assets at end of year	\$ 4,341,944	\$ 285,233	\$ 4,627,177

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

For the year ended June 30, 2022

	Program Services					Supporting Services			Total
	Emergency Assistance	Budget for Life	Foundation 3	Buckhead Thriftique	Volunteer Services	Programs Subtotal	General and Administrative	Fundraising	
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 expense	-	-	-	-	-	-	-	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	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 expense	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 Functional Expenses (Continued)

For the year ended June 30, 2021

	Program Services						Supporting Services		Total
	Emergency Assistance	Budget for Life	Foundation 3	Buckhead Thriftique	Volunteer Services	Programs Subtotal	General and Administrative	Fundraising	
Salaries and wages	\$ 243,082	\$ 199,390	\$ 111,513	\$ 198,263	\$ 125,168	\$ 877,416	\$ 54,862	\$ 196,245	\$ 1,128,523
Employee benefits	58,153	19,189	28,279	24,099	36,103	165,823	11,336	38,433	215,592
Payroll taxes	18,424	15,522	9,238	13,671	10,615	67,470	2,718	14,943	85,131
Total payroll expense	319,659	234,101	149,030	236,033	171,886	1,110,709	68,916	249,621	1,429,246
Community assistance	2,277,282	204,317	134,854	-	-	2,616,453	-	-	2,616,453
Professional fees	200,327	4,381	7,448	4,819	2,192	219,167	51,404	56,508	327,079
Retail space rent	-	-	-	136,925	-	136,925	-	-	136,925
Computer software and maintenance	51,476	12,899	5,472	433	9,218	79,498	7,113	28,489	115,100
Depreciation	24,714	6,337	10,773	40,175	3,168	85,167	3,802	7,604	96,573
Special event expense	-	-	-	-	-	-	-	64,780	64,780
Telephone and data expense	22,846	5,408	2,331	1,104	1,559	33,248	2,989	2,056	38,293
Meals, travel, and entertainment	12,459	3,354	5,397	3,492	4,038	28,740	1,905	5,402	36,047
Utilities	11,078	2,769	1,178	16,135	799	31,959	1,531	999	34,489
Building repairs and maintenance	14,979	3,745	1,592	2,624	1,080	24,020	2,069	1,349	27,438
Equipment rental and maintenance	10,086	2,586	4,397	2,845	1,293	21,207	1,552	3,103	25,862
Insurance	6,682	1,714	2,911	7,732	857	19,896	1,028	2,055	22,979
Bank charges and other fees	-	-	-	8,329	-	8,329	897	7,472	16,698
Printing and postage	1,837	725	801	1,034	562	4,959	408	6,126	11,493
Advertising	-	-	-	9,268	-	9,268	-	-	9,268
Other	1,126	785	554	4,340	144	6,949	173	920	8,042
Volunteer training and recognition	-	-	-	-	6,452	6,452	-	-	6,452
Supplies	403	104	176	1,254	52	1,989	276	124	2,389
Fundraising and public relations	-	-	-	-	-	-	-	1,650	1,650
Total	\$ 2,954,954	\$ 483,225	\$ 326,914	\$ 476,542	\$ 203,300	\$ 4,444,935	\$ 144,063	\$ 438,258	\$ 5,027,256

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

<i>For the years ended June 30,</i>	2022	2021
Operating Activities		
Change in net assets	\$ (707,845)	\$ 9,039
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	80,334	96,573
Loss on disposal of property and equipment	79,811	-
Unrealized and realized loss (gain) on investments	279,075	(367,342)
Contributions for endowment	(11,000)	(25,000)
Forgiveness of Paycheck Protection Program loan	(189,800)	-
Changes in operating assets and liabilities		
Promises to give	21,717	16,594
Accounts receivable	(55,000)	250,000
Inventory	114,495	(44,484)
Prepaid expenses and other assets	5,372	(306)
Refundable advance	-	(10,000)
Accounts payable	(3,191)	11,091
Accrued expenses	(59,318)	22,706
Net cash provided by (used in) operating activities	(445,350)	(41,129)
Investing Activities		
Purchase of property and equipment	(23,980)	(82,400)
Proceeds on sale of property and equipment	43,295	-
Purchase of investments	(74,879)	(31,627)
Re-investment of certificate of deposit interest	(721)	(3,730)
Net cash provided by (used in) investing activities	(56,285)	(117,757)
Financing Activities		
Contributions for endowment	11,000	25,000
Net cash provided by (used in) financing activities	11,000	25,000
Net change in cash, cash equivalents and restricted cash	(490,635)	(133,886)
Cash, cash equivalents and restricted cash at beginning of year	1,021,430	1,155,316
Cash, cash equivalents and restricted cash at end of year	\$ 530,795	\$ 1,021,430
Reconciliation to Statement of Financial Position		
Cash and cash equivalents	\$ 529,795	\$ 996,430
Cash restricted for endowment	1,000	25,000
Cash, cash equivalents and restricted cash at end of year	\$ 530,795	\$ 1,021,430

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

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

Notes to Financial Statements

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) 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.

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

Notes to Financial Statements

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 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.

Inventory

Donated inventory is recorded at net realizable value. Inventory is determined by the first-in, first-out method. Inventory consists primarily of food and clothing items, which are donated to the Organization.

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.

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

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022 and 2021, there were no performance obligation liabilities within the statements of financial position.

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.

The Organization partnered with the United Way of Greater Atlanta and the City of Atlanta to administer federal funding under the Emergency Rental Assistance Program (ERAP), which includes funding and assistance managed by the Organization of approximately \$2,971,000 and \$425,000 for the years ended June 30, 2022 and 2021, respectively. The Organization performed all of the administrative functions for this grant; however, the United Way made the final determination of how the funds were awarded. Therefore, only the administrative fee has been recognized by the Organization in the statements of activities. The total administrative fee for the years ended June 30, 2022 and 2021 was \$230,730 and \$153,427, respectively.

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

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

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 released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor 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 years ended June 30, 2022 and 2021, advertising costs totaled \$12,908 and \$9,268, respectively.

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, 2022 and 2021, 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, 2022 and 2021, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, March 3, 2023 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 September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Organization adopted this ASU for the year ended June 30, 2022.

Accounting Guidance Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the Statement of Financial Position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. For nonpublic entities, the standard is now effective for fiscal years beginning after December 15, 2021, as a delay in adoption was recently approved. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

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

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.

<i>June 30,</i>	2022	2021
Total assets at year end	\$ 3,976,354	\$ 4,936,508
Less non-financial assets		
Prepaid expenses and other assets	(5,601)	(10,973)
Inventory	-	(114,495)
Property and equipment, net	(1,541,628)	(1,721,088)
Financial assets at year-end	2,429,125	3,089,952
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	(159,005)	(285,233)
Board designations	(1,406,354)	(1,645,550)
Financial assets available to meet cash needs for general expenditures within one year	\$ 863,766	\$ 1,159,169

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 contributions from government grants and contracts. There were no grants and contracts receivable at June 30, 2021. Grants and contracts receivable at June 30, 2022 were \$55,000 from Fulton County. All receivables are due within one year.

Unconditional promises to give at June 30, 2022 and 2021 totaled \$6,860 and \$28,577, respectively. 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.

Note 5: INVENTORY

Inventory at June 30, 2021, consists of donated food and clothing of \$114,495. As the Buckhead Thriftique thrift store was closed in fiscal 2022, there is no inventory at June 30, 2022.

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

Note 6: CERTIFICATE OF DEPOSIT

As of June 30, 2022 and 2021, the Organization has a certificate of deposit (CD) with a total balance of \$395,028 and \$394,307, respectively. The CD earns interest at .03% and matures in June 2023.

Note 7: INVESTMENTS

Investments in marketable securities consist of the following:

June 30, 2022	Cost	Market 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

June 30, 2021	Cost	Market Value
Money market funds	\$ 23,635	\$ 23,635
Fixed income mutual funds	324,595	464,852
Equity mutual funds	689,804	1,157,151
Total investments in marketable securities	\$ 1,038,034	\$ 1,645,638

Note 8: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2022 and 2021:

	Estimated Useful Lives (in years)	2022	2021
Building and related improvements	25-40	\$ 1,566,769	\$ 1,553,506
Furniture, fixtures and equipment	5-10	161,215	158,250
Computers and software	4-5	153,802	153,182
Vehicles	5	-	46,902
Leasehold improvements	5	-	157,306
Total depreciable property and equipment		1,881,786	2,069,146
Less accumulated depreciation		(979,670)	(987,570)
Total depreciable property and equipment, net		902,116	1,081,576
Land		639,512	639,512
Total property and equipment, net		\$ 1,541,628	\$ 1,721,088

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$80,334 and \$96,573, respectively.

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

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, 2023 and renews annually. There were no draws or outstanding balances during the years ended June 30, 2022 and 2021.

Note 10: NET ASSETS

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

<i>June 30,</i>	2022	2021
Undesignated	\$ 2,353,973	\$ 2,696,394
Board designated endowment funds	1,406,354	1,645,550
Total net assets without donor restrictions	\$ 3,760,327	\$ 4,341,944

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

<i>June 30,</i>	2022	2021
Time restricted	\$ -	\$ 16,547
Purpose restricted		
Thriftique	-	6,377
Case manager salary	-	16,373
Maintenance of vehicle	-	32,541
Marketing and communications	31,322	96,880
Maintenance reserve	91,683	91,515
Perpetual restriction on endowment investments	36,000	25,000
Total net assets with donor restrictions	\$ 159,005	\$ 285,233

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

<i>For the years ended June 30,</i>	2022	2021
Time restrictions	\$ 16,547	\$ 17,500
Purpose restrictions		
Emergency assistance	320,600	1,804,465
Case manager salary	16,373	8,627
Foundation 3	156,619	100,233
Budget for Life	118,969	233,702
Breaking Barriers Program	-	74,900
Purchase of vehicle	-	72,459
Technology and Infrastructure	-	35,978
Increase brand recognition and thrift store sales	6,376	11,744
Marketing and communications	65,557	5,000
Total net assets with donor restrictions	\$ 701,041	\$ 2,364,608

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

Note 11: CONTRIBUTIONS IN-KIND

All donated space, services, and goods were utilized by the Organization's program and supporting services. There were no donor-imposed restrictions associated with the contributed space, services, or goods.

The components of donated space, services and goods contributed to the Organization consists of the following for the years ended June 30, 2022 and 2021:

<i>For the year ended June 30, 2022</i>	Donated Services	Donated Goods	Total
Supporting services			
General and administrative	\$ 25,200	\$ -	\$ 25,200
Total contributed space, services and goods	\$ 25,200	\$ -	\$ 25,200
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<i>For the year ended June 30, 2021</i>	Donated Services	Donated Goods	Total
Program services			
Buckhead Thriftique	\$ -	\$ 5,904	\$ 5,904
Supporting services			
General and administrative	25,200	-	25,200
Total contributed space, services and goods	\$ 25,200	\$ 5,904	\$ 31,104

Donated services are valued using the most recent Bureau of Labor Statistics' average hourly wage for counselors in the Organization's metropolitan area. Donated goods are valued at the wholesale prices that would be received for selling similar products.

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, 2022 and 2021, 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.

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

Note 13: ENDOWMENTS (Continued)

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.

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, 2022 and 2021 there were no underwater endowments.

Endowment net asset composition by type of fund follows:

<u>June 30,</u>	<u>2022</u>	<u>2021</u>
Endowment funds with donor restrictions	\$ 36,000	\$ 25,000
Board-designated endowment funds without donor restrictions	1,406,354	1,645,550
Total endowment funds	\$ 1,442,354	\$ 1,670,550

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

Note 13: ENDOWMENTS (Continued)

Changes in endowment net assets follow:

<i>June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions Perpetual in Nature	Total Endowment Net Assets
Endowment net assets - July 1, 2021	\$ 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, 2022	\$ 1,406,354	\$ 36,000	\$ 1,442,354

<i>June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions Perpetual in Nature	Total Endowment Net Assets
Endowment net assets - July 1, 2020	\$ 1,246,581	\$ -	\$ 1,246,581
Contributions	-	25,000	25,000
Investment income	31,539	-	31,539
Net appreciation (depreciation)	367,430	-	367,430
Endowment net assets - June 30, 2021	\$ 1,645,550	\$ 25,000	\$ 1,670,550

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.

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

Note 14: FAIR VALUE MEASUREMENTS (Continued)

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, 2022 and 2021.

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.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended June 30, 2022 and 2021:

<i>June 30, 2022</i>	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
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<i>June 30, 2021</i>	Level 1	Level 2	Level 3	Total
Money market funds	\$ 23,635	\$ -	\$ -	\$ 23,635
Fixed income mutual funds	464,852	-	-	464,852
Equity mutual funds	1,157,151	-	-	1,157,151
Total investments at fair value	\$ 1,645,638	\$ -	\$ -	\$ 1,645,638

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.

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

Notes to Financial Statements

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Levels (continued)

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, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 15: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash deposits with financial institutions at June 30, 2022 and 2021 in excess of federally insured limits of \$477,840 and \$502,569, respectively.

Note 16: COMMITMENTS

The Organization leases office equipment and space for the Buckhead Thriftique store accounted for as operating leases. The lease for the Buckhead Thriftique had an original expiration date of April 2024. The lease was cancelled in December 2021 due to closure of the store. The Organization was required to pay rent through August 2022 as a stipulation to early cancellation. The remaining equipment lease expires in 2023. Minimum lease payments under noncancellable operating leases include \$17,087 for the year ended June 30, 2023.

Rent expense for the years ended June 30, 2022 and 2021 was \$157,483 and \$154,319, respectively.

Note 17: 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, 2022 and 2021 was \$47,026 and \$39,457, respectively.

Note 18: RELATED PARTIES

A member of the Organization's Board of Directors works for a bank at which the Organization maintains a money market account and a certificate of deposit. The money market account had a balance of approximately \$1,300 and \$1,400 at June 30, 2022 and 2021, respectively. The certificate of deposit had a balance of approximately \$395,000 and \$394,000 at June 30, 2022 and 2021, respectively.

Note 19: 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.