

**NATIONS MINISTRY CENTER
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2023**

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Edmondson, Betzler & Dame
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nations Ministry Center

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nations Ministry Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nations Ministry Center as of June 30, 2023, 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 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 Nations Ministry Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 Nations Ministry Center'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 Nations Ministry Center'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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of Nations Ministry Center'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 Nations Ministry Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nations Ministry Center's internal control over financial reporting and compliance.



Edmondson, Betzler, & Dame, PLLC
Brentwood, Tennessee

September 25, 2023

**NATIONS MINISTRY CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

ASSETS

Current assets:	
Cash	\$ 422,821
Restricted cash	<u>37,237</u>
Total cash and cash equivalents	<u>460,058</u>
State and local grant receivable	83,141
Contributions receivable	40,000
Prepaid insurance	<u>36,866</u>
Total current assets	<u>620,065</u>
Long term assets:	
Property and equipment, net	419,229
Right-of-use asset	<u>39,455</u>
Total long term assets	<u>458,684</u>
Total assets	<u><u>\$ 1,078,749</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 20,317
Current portion of long-term lease obligation	<u>17,164</u>
Total current liabilities	<u>37,481</u>
Long-term lease obligation	<u>22,291</u>
Total liabilities	<u>59,772</u>
Net assets:	
Without donor restrictions	981,740
With donor restrictions	<u>37,237</u>
Total net assets	<u>1,018,977</u>
Total liabilities and net assets	<u><u>\$ 1,078,749</u></u>

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

**NATIONS MINISTRY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Grants	\$ 958,239	\$ -	\$ 958,239
Contributions	512,080	37,237	549,317
Contributions in-kind	26,610	-	26,610
Program revenue	8,384	-	8,384
Interest income	5,584	-	5,584
Miscellaneous	1,934	-	1,934
Net assets released from restrictions	98,620	(98,620)	-
Total revenues and other support	1,611,451	(61,383)	1,550,068
Expenses:			
Program services	1,543,444	-	1,543,444
Support services:			
Management and general	33,753	-	16,392
Fundraising	27,841	-	27,841
Total support services	61,594	-	44,233
Total expenses	1,605,038	-	1,605,038
Change in net assets	6,413	(61,383)	(54,970)
Net assets, beginning of year	975,327	98,620	1,073,947
Net assets, end of year	\$ 981,740	\$ 37,237	\$ 1,018,977

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

**NATIONS MINISTRY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Nations Academy</u>	<u>Immigration and Social Services</u>	<u>Programs Subtotal</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 301,068	\$ 200,712	\$ 501,780	\$ 13,205	\$ 13,204	\$ 528,189
Payroll taxes	23,213	15,475	38,688	1,018	1,018	40,724
Employee benefits	-	16,436	16,436	-	-	16,436
Total salaries and benefits	324,281	232,623	556,904	14,223	14,222	585,349
Rent and mortgage assistance	-	773,839	773,839	-	-	773,839
Office expense and supplies	63,490	15,873	79,363	329	473	80,165
Rent	38,255	-	38,255	4,782	4,782	47,819
Depreciation	-	31,944	31,944	-	-	31,944
Insurance	-	21,659	21,659	2,709	2,704	27,072
Travel and transportation	9,822	4,622	14,444	-	-	14,444
Facilities	-	12,036	12,036	662	662	13,360
Contract services	797	-	797	9,106	-	9,903
Telephone and internet	-	4,017	4,017	503	502	5,022
Postage	-	229	229	-	3,037	3,266
Payroll fees	-	3,059	3,059	-	-	3,059
Community outreach	-	3,017	3,017	-	-	3,017
Miscellaneous	-	1,092	1,092	1,439	-	2,531
Printing	-	645	645	-	1,433	2,078
Professional development	165	1,210	1,375	-	-	1,375
Meals	707	53	760	-	15	775
Fees and memberships	-	9	9	-	11	20
	\$ 437,517	\$ 1,105,927	\$ 1,543,444	\$ 33,753	\$ 27,841	\$ 1,605,038

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

**NATIONS MINISTRY CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

Cash flows from operating activities:	
Decrease in net assets	\$ (54,970)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	31,944
Increase in prepaid expenses	(14,237)
Increase in contributions receivable	(40,000)
Increase in grants receivable	(57,502)
Increase in accounts payable	<u>18,172</u>
Net cash used in operating activities	<u>(116,593)</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(61,930)</u>
Net cash used in investing activities	<u>(61,930)</u>
Net decrease in cash	(178,523)
Cash, beginning of year	<u>638,581</u>
Cash, end of year	<u><u>\$ 460,058</u></u>

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

**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nations Ministry Center's (the "Organization") purpose is to help refugee families become generationally self-sufficient through job coaching and training, education opportunity including summer reading programs and after-school literacy development, and family social services including immigration assistance.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash

Certain cash accounts are classified as restricted assets on the statements of financial position because their use is limited by donor restrictions.

Property and Equipment

Property and equipment are reported at cost and include improvements that significantly add to utility or extend useful lives and exceed \$1,000. Costs of maintenance and repairs are charged to expense as incurred. Assets are depreciated using a straight-line basis to allocate cost over their estimated useful lives of 5 - 7 years for vehicles, furniture and equipment and over 15 - 27.5 years for buildings and improvements. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in income for the period. A gain on trade-in is applied to reduce the cost of the new acquisition.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are considered to be without donor restriction unless specifically stated by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period the contribution is received, the Organization reports the support as net assets without donor restriction.

Contributions Receivable

Contributions receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period promised, and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts expected to be collected within the next fiscal year are classified as current assets at the face value of the receivable. Amounts which are not collectible within the next fiscal year are recorded as non-current contributions receivable, using the estimated present value of the future cash flows. Donor pledges which are expected to be collected over a period greater than one year are discounted at current interest rates, if material.

Donated Materials and Services

Contributions of donated material that are usable for program services, fundraising, and support of management and general functions are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not donated, are recorded at their fair values in the period received.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. As of June 30, 2023, the Organization has no donated property or equipment which is restricted.

The fair value of donated volunteer services is not reflected in the accompanying financial statements since it is not practical to objectively determine the fair value of services received. However, management estimates that a substantial number of volunteers have donated significant amounts of their time.

**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities 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.

Income Tax

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been made in the accompanying financial statements.

The Organization has adopted ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, including the position that the Organization continues to qualify to be treated as a tax-exempt entity for both federal and state income tax purposes. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2023, the Organization has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Organization has exempt organization tax filings open to Internal Revenue Service audit, generally, for three years after they are filed.

Concentrations of Credit Risk

The Organization maintains bank accounts at one financial institution. Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash equivalents and short-term investments. The Organization utilizes the Insured Cash Sweep ("ICS") product at their financial institution for cash and cash equivalents in excess of their operating funds, which reduces or eliminates the risk related to concentrations of investments above FDIC insurance levels. The Organization has not experienced any losses in the accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, payroll taxes, and payroll expense, which are allocated on the basis of estimates of time and effort, as well as facilities and depreciation, which are allocated on an estimate of usage. All other expenses are directly assigned to their related program.

**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred after June 30, 2023, through the date of the issued financial statements. During the period there were no material recognizable subsequent events that required recognition in the disclosures to the June 30, 2023 financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Property and equipment at June 30, 2023, is as follows:

Building	\$ 254,364
Land	91,218
Vehicles	204,103
Land improvements	6,690
Furniture and fixtures	12,480
	<u>568,855</u>
Less: accumulated depreciation	<u>(149,626)</u>
	<u><u>\$ 419,229</u></u>

NOTE 3 - ACCOUNTS PAYABLE

The Organization maintains a line of credit on a credit card. The line has a credit limit available of \$30,000 and bear interest at 19.24% annual rate for purchases and 22.74% annual rate for cash advances. The outstanding balance on the credit card was \$20,317 as of June 30, 2023.

The Organization has a policy to pay liabilities or other obligations as they become due.

NOTE 4 - LEASE OBLIGATION

The Organization has an operating lease for space in a church building that is used for the Nations Academy program. The Organization's lease has remaining lease terms of twenty-six months.

The components of lease expense are as follows:

Operating lease cost	<u>\$ 13,274</u>
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**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

NOTE 4 - LEASE OBLIGATION (CONTINUED)

Supplemental balance sheet information related to lease is as follows:

Operating lease right-of-use asset	<u>\$ 39,455</u>
Current portion of long-term lease obligation	\$ 17,164
Long-term lease obligation	<u>22,291</u>
Total operating lease obligation	<u>\$ 39,455</u>

The weighted average discount rate for the operating lease agreement is 5%.

Maturity of lease obligation is as follows:

<u>Year ending June 30:</u>	
2024	\$ 18,750
2025	19,690
2026	<u>3,308</u>
Total lease payments	41,748
Less: imputed interest	<u>(2,293)</u>
Total	<u>\$ 39,455</u>

NOTE 5 - NET ASSETS

The Organization's governing board has designated, from net assets without donor restrictions of \$981,740, net assets for an operating reserve of \$300,000.

Net assets with donor restrictions as of June 30, 2023 were restricted for the following purposes:

Contributions received for capital improvements	\$ 3,340
Funds received with use restrictions	<u>33,897</u>
	<u>\$ 37,237</u>

NOTE 6 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$583,199 of financial assets available within one year of the statement financial position date consisting of cash of \$460,058, grants receivable of \$83,141 and contributions receivable of \$40,000. Cash of \$422,821 is not restricted by donors, and \$37,237 is restricted by donors, as of the financial statement date. Contributions receivable are restricted for capital improvements. The Organization has a goal to maintain financial assets, which consist of cash, on hand to meet six months of normal operating expense, which are, on average, approximately \$577,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**NATIONS MINISTRY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

NOTE 7 - DONATED MATERIALS AND SERVICES

Donated facilities and supplies ("in-kind" contributions) included in the statement of activities are as follows:

Contributions in-kind:	
Rent	\$ 22,200
Supplies for Nations Academy	<u>4,410</u>
Total contributions in-kind	<u>26,610</u>
Expenses:	
Functional expenses:	
Program services	22,170
Management and general	2,220
Fundraising	<u>2,220</u>
Total expenses in-kind	<u>26,610</u>
Increase in net assets	<u>\$ -</u>

SUPPLEMENTAL INFORMATION

**NATIONS MINISTRY CENTER
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE YEAR END JUNE 30, 2023**

Assistance Listing #	Program Name	Grant # / Edison ID	Deferred (Receivable) Balance 6/30/22	Cash Receipts	Expenditures	Deferred (Receivable) Balance 6/30/23
<u>U.S. Department of Housing and Urban Development</u>						
14.218	Community Development Block Grants	N/A	\$ -	\$ 20,000	\$ 20,000	\$ -
14.218	Community Development Block Grants	N/A	-	15,000	15,000	-
Total U.S. Department of Housing and Urban Development			-	35,000	35,000	-
<u>U.S. Department of the Treasury</u>						
21.027	Coronavirus State and Local Fiscal Recovery Funds	RS2021-1116	-	732,850	732,850	-
<u>U.S. Department of Education</u>						
84.287	Twenty-First Century Community Learning Centers	S287C220043	-	51,000	51,000	-
Total federal financial assistance			\$ -	\$ 818,850	\$ 818,850	\$ -

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

NATIONS MINISTRY CENTER
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR END JUNE 30, 2023

<u>Federal Financial Assistance Programs</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Community Development Block Grants	14.218	\$ 35,000
<u>U.S. Department of the Treasury</u>		
Coronavirus State and Local Fiscal Recovery Funds	21.027	732,850
<u>U.S. Department of Education</u>		
Twenty-First Century Community Learning Centers	84.287	51,000
Total expenditures of federal awards		<u>\$ 818,850</u>

- 1 The accompanying schedule of expenditures of federal awards includes the federal award activity. 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, and Audit Requirements for Federal Awards.
- 2 This schedule is prepared on the accrual basis of accounting.
- 3 The entity did not elect to use the 10% de minimis cost rate.

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

**NATIONS MINISTRY CENTER
SCHEDULE OF OFFICIALS
FOR THE YEAR END JUNE 30, 2023
(UNAUDITED)**

Kelly Christie	Chair Person
Patsy Powers	Secretary
Dr. Bill Christie	Treasurer
Josh Collins	Board Member
Guy Hicks	Board Member
Keith King	Board Member
Mike Koban	Board Member
Fran Linley	Board Member
Melissa Shirey	Board Member
Karen Weir	Board Member
Chris Lovingood	Executive Director

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

COMPLIANCE AND INTERNAL CONTROL



Edmondson, Betzler & Dame
Certified Public Accountants

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

To the Board of Directors of
Nations Ministry Center
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Nations Ministry Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nations Ministry Center'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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nations Ministry Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Nations Ministry Center'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nations Ministry Center's financial statements are free of 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 the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



September 25, 2023
Brentwood, TN



Edmondson, Betzler & Dame
Certified Public Accountants

**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
Nations Ministry Center
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nations Ministry Center's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Nations Ministry Center's major federal programs for the year ended June 30, 2023. Nations Ministry Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nations Ministry Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Nations Ministry Center 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 Nations Ministry Center's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Nations Ministry Center'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 Nations Ministry Center'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 Nations Ministry Center'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 Nations Ministry Center'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 Nations Ministry Center'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 Nations Ministry Center'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.

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

Report on Internal Control over Compliance

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

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

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

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



Brentwood, Tennessee

September 25, 2023

**NATIONS MINISTRY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR END JUNE 30, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to federal awards?	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance [2 CFR 200.516(a)]?	No
Identification of major programs:	
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

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

NATIONS MINISTRY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR END JUNE 30, 2023

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

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