Audit Summary – Fiscal Year Ending January 31, 2025

Prepared for: Board of Directors & Policy Council
Date: October 10, 2025

Independent auditors issued a **clean (unmodified)** opinion on the financial statements and compliance for Sharon Baptist BD, Inc. No material weaknesses or compliance findings were identified.

Key Financial Highlights

Support & Revenue	$7,165,058
Total Expenses	$8,002,091
Change in Net Assets	($837,033)
Cash & Equivalents (Year-End)	$1,020,371
Total Assets	$4,874,322
Total Liabilities	$1,253,201
Net Assets	$3,621,121

Federal Program Activity

- **Total Federal Expenditures:** $5,877,465
- **Head Start (CFDA 93.600):** $5,531,220
- **CACFP (CFDA 10.558):** $346,245

Governance & Compliance Summary

- No reportable findings or material weaknesses.
- Low-risk auditee designation maintained.
- Compliance opinion: Unmodified.
- New lease accounting (Topic 842) implemented; right-of-use asset and liability recognized at $269,906 each.

Key Talking Points for the Meeting

- Clean audit results across all areas.
- Continued strong program delivery under Head Start and CACFP.
- Monitor liquidity due to $837K deficit.
- Maintain strong internal controls and fiscal oversight.
- Low-risk status benefits future audit efficiency.