

# **BROOKWOOD CHURCH**

**SIMPSONVILLE, SOUTH CAROLINA**

**Financial Statements  
September 30, 2024 and 2023**

**(With Independent Auditors' Report Thereon)**

**BROOKWOOD CHURCH  
SIMPSONVILLE, SOUTH CAROLINA  
September 30, 2024 and 2023**

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# MARTIN · SMITH

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& COMPANY CPAs

## INDEPENDENT AUDITORS' REPORT

Advisory Committee  
Brookwood Church  
Simpsonville, South Carolina

### **Opinion**

We have audited the accompanying statements of financial position of Brookwood Church ("the Church") (a nonprofit organization) as of September 30, 2024 and 2023 and the related statements of activities, cash flows, and functional expenses, as well as the related notes to the financial statements, for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookwood Church as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in conformity 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 Brookwood Church 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.

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

### **Auditors' 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 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 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 Church'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 Church'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.

*Martin Smith and Company CPAs PA*

Martin Smith & Company CPAs, PA  
Greenville, South Carolina  
December 13, 2024

**BROOKWOOD CHURCH**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2024 and 2023**

**ASSETS**

	<b><u>2024</u></b>	<b><u>2023</u></b>
Assets:		
Cash and cash equivalents	\$ 2,624,923	\$ 2,822,412
Other assets	155,727	67,401
Property and equipment, net	<u>16,938,603</u>	<u>15,833,381</u>
Total assets	<u><u>\$ 19,719,253</u></u>	<u><u>\$ 18,723,194</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable	\$ 8,424	\$ 23,963
Accrued expenses	324,441	311,514
Deferred revenue	59,208	43,239
Capital lease obligations	<u>140,550</u>	<u>61,202</u>
Total liabilities	<u>532,623</u>	<u>439,918</u>
Net assets:		
Without donor restrictions:		
Invested in property and equipment, net	16,798,053	15,772,179
Board-designated capital reserve	608,302	933,906
Undesignated	<u>1,780,275</u>	<u>1,577,191</u>
Total without donor restrictions	19,186,630	18,283,276
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>19,186,630</u>	<u>18,283,276</u>
Total liabilities and net assets	<u><u>\$ 19,719,253</u></u>	<u><u>\$ 18,723,194</u></u>

See accompanying notes to financial statements.

**BROOKWOOD CHURCH**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:						
Contributions	\$ 8,630,933	\$ -	\$ 8,630,933	\$ 7,934,858	\$ 9,333	\$ 7,944,191
Preschool Academy program revenue	1,317,788	-	1,317,788	920,472	-	920,472
Other program revenue	392,724	-	392,724	359,601	-	359,601
Grant revenue	170,000	-	170,000	-	-	-
Other income	60,517	-	60,517	42,933	-	42,933
Net assets released from restrictions	-	-	-	9,626	(9,626)	-
	<u>10,571,962</u>	<u>-0-</u>	<u>10,571,962</u>	<u>9,267,490</u>	<u>(293)</u>	<u>9,267,197</u>
Total revenue and support						
Expenses:						
Program services:						
Communicating with God	1,003,325	-	1,003,325	948,806	-	948,806
Caring for Others at Brookwood	1,230,721	-	1,230,721	1,144,841	-	1,144,841
Caring for Others - Community & World	1,825,955	-	1,825,955	1,801,014	-	1,801,014
Connecting with Christians - Families	3,259,351	-	3,259,351	3,072,719	-	3,072,719
Connecting with Christians - Discipleship	1,041,424	-	1,041,424	1,040,029	-	1,040,029
	<u>8,360,776</u>	<u>-0-</u>	<u>8,360,776</u>	<u>8,007,409</u>	<u>-0-</u>	<u>8,007,409</u>
Supporting services:						
Management and general	1,307,832	-	1,307,832	1,241,600	-	1,241,600
	<u>1,307,832</u>	<u>-0-</u>	<u>1,307,832</u>	<u>1,241,600</u>	<u>-0-</u>	<u>1,241,600</u>
Total expenses	<u>9,668,608</u>	<u>-0-</u>	<u>9,668,608</u>	<u>9,249,009</u>	<u>-0-</u>	<u>9,249,009</u>
Changes in net assets	903,354	-0-	903,354	18,481	(293)	18,188
Net assets at beginning of year	<u>18,283,276</u>	<u>-0-</u>	<u>18,283,276</u>	<u>18,264,795</u>	<u>293</u>	<u>18,265,088</u>
Net assets at end of year	<u>\$ 19,186,630</u>	<u>\$ -0-</u>	<u>\$ 19,186,630</u>	<u>\$ 18,283,276</u>	<u>\$ -0-</u>	<u>\$ 18,283,276</u>

See accompanying notes to financial statements.

**BROOKWOOD CHURCH**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase in net assets	\$ 903,354	\$ 18,188
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	701,614	718,463
Changes in operating assets and liabilities:		
Other assets	(88,326)	306,136
Accounts payable	(15,539)	(74,871)
Accrued expenses	12,927	35,009
Deferred revenue	15,969	(16,885)
Net cash provided by operating activities	<u>1,529,999</u>	<u>986,040</u>
Cash flows from investing activities:		
Purchase of property and equipment, net	<u>(1,806,836)</u>	<u>(481,516)</u>
Net cash used in investing activities	<u>(1,806,836)</u>	<u>(481,516)</u>
Cash flows from financing activities:		
Proceeds from capital lease obligations	139,174	-
Principal payments on capital lease obligations	<u>(59,826)</u>	<u>(30,368)</u>
Net cash provided by (used in) financing activities	<u>79,348</u>	<u>(30,368)</u>
Net increase (decrease) in cash	(197,489)	474,156
Cash and cash equivalents at beginning of year	<u>2,822,412</u>	<u>2,348,256</u>
Cash and cash equivalents at end of year	\$ <u><u>2,624,923</u></u>	\$ <u><u>2,822,412</u></u>
Other cash flow activity:		
Interest paid	\$ <u><u>6,135</u></u>	\$ <u><u>4,216</u></u>

See accompanying notes to financial statements.

**BROOKWOOD CHURCH**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended September 30, 2024 and 2023

2024									
Program Services							Supporting Services		
	Communicating with God	Caring for Others at Brookwood	Caring for Others - Community & World	Connecting with Christians - Families	Connecting with Christians - Discipleship	Total Program Services	Management and General	Total	
Compensation and benefits	\$ 718,177	\$ 884,532	\$ 414,765	\$ 2,062,017	\$ 566,479	\$ 4,645,970	\$ 900,808	\$ 5,546,778	
Contributions to missions	-	-	1,249,948	-	-	1,249,948	-	1,249,948	
Depreciation	60,479	83,282	33,046	365,892	131,763	674,462	27,152	701,614	
Repairs and maintenance	9,586	3,921	1,556	22,575.00	8,803	46,441	1,278	47,719	
Utilities	18,113	24,942	9,897	109,583	39,462	201,997	8,132	210,129	
Facilities	31,829	43,829	17,391	192,559	69,344	354,952	14,290	369,242	
Insurance	4,034	5,555	2,204	24,811	8,788	45,392	1,811	47,203	
Information technology	14,664	20,192	8,012	88,714	31,947	163,529	6,583	170,112	
Supplies	1,524	51,977	39,983	228,020	130,015	451,519	-	451,519	
Cost of bookstore and café	10,427	-	-	-	21,154	31,581	-	31,581	
Other expenses	134,492	112,491	49,153	165,180	33,669	494,985	347,778	842,763	
	<u>\$ 1,003,325</u>	<u>\$ 1,230,721</u>	<u>\$ 1,825,955</u>	<u>\$ 3,259,351</u>	<u>\$ 1,041,424</u>	<u>\$ 8,360,776</u>	<u>\$ 1,307,832</u>	<u>\$ 9,668,608</u>	

See accompanying notes to financial statements.



**BROOKWOOD CHURCH**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended September 30, 2023 and 2022**

2023									
Program Services							Supporting Services		
Communicating with God	Caring for Others at Brookwood	Caring for Others - Community & World	Connecting with Christians - Families	Connecting with Christians - Discipleship	Total Program Services	Management and General	Total		
Compensation and benefits	\$ 646,179	\$ 823,220	\$ 413,605	\$ 1,898,372	\$ 532,966	\$ 4,314,342	\$ 868,364	\$	5,182,706
Contributions to missions	-	-	1,223,399	-	-	1,223,399	-		1,223,399
Depreciation	61,931	85,282	33,839	374,679	134,927	690,658	27,805		718,463
Repairs and maintenance	3,667	2,669	1,059	11,724.00	4,222	23,341	870		24,211
Utilities	16,331	22,430	8,900	98,544	35,487	181,692	7,313		189,005
Facilities	33,448	46,058	18,276	202,355	72,871	373,008	15,017		388,025
Insurance	3,522	4,850	1,925	21,716	7,674	39,687	1,581		41,268
Information technology	12,099	16,660	6,611	73,196	26,359	134,925	5,432		140,357
Supplies	12,293	35,022	28,876	225,125	170,146	471,462	-		471,462
Cost of bookstore and café	7,988	-	-	-	25,624	33,612	-		33,612
Other expenses	151,348	108,650	64,524	167,008	29,753	521,283	315,218		836,501
	<u>\$ 948,806</u>	<u>\$ 1,144,841</u>	<u>\$ 1,801,014</u>	<u>\$ 3,072,719</u>	<u>\$ 1,040,029</u>	<u>\$ 8,007,409</u>	<u>\$ 1,241,600</u>	<u>\$</u>	<u>9,249,009</u>

See accompanying notes to financial statements.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**1) NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**a) Nature of Organization**

Brookwood Church (“the Church”), organized in 1993 in Greenville, South Carolina, is a nonprofit organization operating as a religious organization under the laws of the state of South Carolina. The Church currently ministers from its campus located in Simpsonville, South Carolina. The Church is dedicated to encouraging each other toward a transformative relationship with Jesus, in addition to loving God and loving people by pursuing these tangible priorities: Communicating with God, Connecting with Christians, and Caring for Others.

The Church is supported primarily through contributions from the congregation, as well as tuition from Brookwood Preschool Academy (“the Academy”) that is operated by the Church. The Church is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“the Code”) and comparable state law. Contributions to the Church are deductible from income taxes within the limitations prescribed by the Code. The Church is not a private foundation under Section 509(a)(1) of the Code.

**b) Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and, accordingly, reflect all significant receivables, payables, and other liabilities.

**c) Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) in the *Accounting Standards Codification* (“ASC”). Under FASB ASC, the Church is required to report information regarding its financial position and activities according to two classes of net assets:

**Net assets without donor restrictions** - Net assets not subject to donor-imposed stipulations and currently available for operating purposes under the direction of the Advisory Committee (“the Committee”), designated by the Committee for specific purposes, or invested in property and equipment.

**Net assets with donor restrictions** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Church and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

**d) Contributions and Revenue**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when received or when the donor makes an unconditional promise to give to the Church. Contributions which are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon the satisfaction of the time or purpose restrictions.

Noncash contributions (including securities, property, and equipment) are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Church’s policy is to convert donated securities to cash immediately upon receipt of the gift.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**1) NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued**

**d) Contributions and Revenue, Continued**

The Academy's tuition and fees are recognized in the fiscal year in which the academic programs are provided to students. Fees are considered non-refundable. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the tuition and fees are recognized ratably over the course of the academic year. Payments received for future periods are reported as deferred revenue. Substantially all deferred revenue at September 30, 2024 and 2023, was recognized as revenue during the following year. All other exchange revenue is recognized when earned.

**e) Cash and Cash Equivalents**

The Church considers all liquid investments with an original maturity of three months or less to be cash equivalents.

**f) Property and Equipment**

The Church records property and equipment at cost if purchased and at fair market value if donated. Major additions greater than \$5,000 are capitalized and major items retired are removed from the accounts. Replacements, maintenance, and repairs which do not improve or extend the life of the respective assets are currently expensed. Straight-line depreciation is taken on the recorded value of the property and equipment over the estimated useful lives of the respective assets. These lives range from three to thirty-ninety years. No depreciation is taken on land or construction in progress. Net gains or losses on sales of property and equipment are reflected in current operations.

**g) Income Tax Exemption**

The Church is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and, accordingly, is also exempt from state income taxes. The Church has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of FASB ASC. This guidance addresses the accounting uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely-than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It also provides related guidance on measurement classification, interest and penalties, and disclosure. As a result of the implementation of this guidance, the Church has determined that it has no uncertain tax positions requiring accrual and disclosure. Therefore, no provision for federal or state income taxes has been made in these financial statements.

**h) Contributed Services**

A substantial number of unpaid volunteers have made significant contributions of their time to the Church. These volunteers have a significant impact on making the ministry effective. However, the value of these services is not recorded in the financial statements because it does not meet the definition of donated services required to be recorded.

**i) Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**j) Statements of Financial Position Presentation**

Assets and liabilities presented in the Statements of Financial Position are recorded in order of liquidity or nearness to conversion to cash.

**k) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**2) CASH AND CASH EQUIVALENTS**

The Church maintains cash accounts with a financial institution in Greenville, South Carolina, and these accounts are protected by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. The Church utilizes an Insured Cash Sweep account, which provides FDIC coverage to designated accounts. As of September 30, 2024, uninsured cash balances placed with this bank totaled \$250,000. The Church has not experienced any losses on these accounts.

**3) PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Buildings and building improvements	\$ 17,423,347	\$ 15,812,859
Land and land improvements	7,672,374	7,661,937
Equipment	5,908,991	5,788,360
Furniture and fixtures	1,248,377	1,248,377
Vehicles	35,328	35,328
	<u>32,288,417</u>	<u>30,546,861</u>
Less accumulated depreciation	<u>(15,349,814)</u>	<u>(14,713,480)</u>
	<u>\$ 16,938,603</u>	<u>\$ 15,833,381</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$701,614 and \$718,463, respectively.

**4) LINE OF CREDIT**

The Church has a \$3,000,000 line of credit that matures in June 2025. The line of credit balance was \$-0- at September 30, 2024 and 2023. Interest is based on the 30-Day LIBOR rate plus 1.50%. Debt is collateralized by buildings and land. Interest expense under this line of credit totaled \$-0- for the years ended September 30, 2024 and 2023. The Church is in compliance with all restrictive covenants as of September 30, 2024.

**5) CAPITAL LEASES**

The Church is obligated under capital leases that expire March 2025 and June 2029, respectively. Interest expense totaled \$6,135 and \$4,216 for the years ended September 30, 2024 and 2023, respectively. The gross amount of equipment and related accumulated amortization recorded under these capital leases was as follows:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 162,882	\$ 126,141
Less accumulated amortization	<u>(14,393)</u>	<u>(67,391)</u>
	<u>\$ 148,489</u>	<u>\$ 58,750</u>

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**5) CAPITAL LEASES, Continued**

Future minimum capital lease payments as of September 30, 2024, are:

2025	\$	34,350
2026		32,940
2027		32,940
2028		32,940
2029		<u>24,705</u>
Less amount representing interest		<u>(17,325)</u>
Present value of net minimum capital lease payments	\$	<u><u>140,550</u></u>

**6) EMPLOYEE BENEFIT PLAN**

The Church has a defined contribution retirement plan for its employees through GuideStone Financial Resources. All pastors and full-time employees are eligible for the program. The Church makes contributions of up to 5% of the employee's salary on behalf of eligible employees. Total retirement expenses for the years ended September 30, 2024 and 2023, were \$133,899 and \$158,142, respectively.

**7) EMPLOYEE WELFARE PLAN**

The Church has an employee welfare plan that provides health benefits to its employees. The plan is administered by an insurance provider, but partial liability for benefits is retained by the Church. The Church chose a high deductible plan and provides partial payments of the deductible. The Church pays claims falling between \$1,501 - \$3,600 for individuals and \$3,001 - \$7,200 for families. Claims paid by the Church are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. The liability is included with accrued expenses and the liability as of September 30, 2024 and 2023, was \$9,292 and \$11,827, respectively.

**8) NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended September 30, 2024 and 2023, for missions trips in the amounts of \$-0- and \$9,626, respectively.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**9) NET ASSETS**

Net assets are available for the following purposes as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Invested in property and equipment, net	\$ 16,798,053	\$ 15,772,179
Board-designated	608,302	933,906
Undesignated	<u>1,780,275</u>	<u>1,577,191</u>
	19,186,630	18,283,276
With donor restrictions:		
Missions trips	<u>-</u>	<u>-</u>
	<u>\$ 19,186,630</u>	<u>\$ 18,283,276</u>

**10) FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Church follows the provisions of the *Fair Value Measurements and Disclosures* topic of FASB ASC. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value. Level 1 inputs represent fair values obtained using quoted prices in active markets. Level 2 inputs represent fair values obtained from observable market data but not from quoted market prices. Level 3 inputs represent unobservable inputs that are supported by little or no market activity and are generally based on the entity's own assumptions.

The following methods and assumptions are used to estimate the fair value of each financial instrument:

**Cash and cash equivalents, accounts payable, and accrued expenses** – the carrying values approximate fair value due to their short maturities.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**11) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Church's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year because of contractual or donor-imposed restrictions. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Church has the following financial assets that could readily be made available within one year of the Statements of Financial Position date to fund expenses without limitations:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 2,624,923	\$ 2,822,412
Less those unavailable for general expenditures within one year due to:		
Donor imposed restrictions	-	-
Board-designated capital reserve	<u>(608,302)</u>	<u>(933,906)</u>
	<u>(608,302)</u>	<u>(933,906)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,016,621</u>	<u>\$ 1,888,506</u>

As of September 30, 2024 and 2023, respectively, the Church has financial assets available to meet general expenditures equal to approximately 76 and 80 days of normal cash expenditures, which is calculated as total expenses less depreciation. In addition, the Church has a goal to maintain cash in the operating account that is 10% of the annual budget. Funds can be made available for general expenditure from the capital reserve account if the Committee approves the action. As more fully described in Note 4, the Church also has a line of credit in the amount of \$3,000,000, which it could draw on in the event of an unanticipated liquidity need.

**12) RELATED PARTY TRANSACTIONS**

The Church donates to a nonprofit organization that was managed by a relative of a trustee of the Church. The Church donated \$864,000 and \$864,000 to this organization during the years ended September 30, 2024 and 2023, respectively.

**13) REVENUE RECOGNITION**

The Church has adopted the provisions of the *Revenue from Contracts with Customers* topic of FASB ASC. This guidance replaces most existing revenue recognition in U. S. GAAP and requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by applying five steps listed in the guidance. The adoption of this standard did not have a material impact on the financial statements.

**BROOKWOOD CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**13) REVENUE RECOGNITION, Continued**

The Church recognizes revenue through both unconditional and conditional contributions. Unconditional contributions are recognized when received, while a conditional contribution is recognized upon satisfaction of the donor's condition or when the funds have been expended in accordance with the provisions of the respective agreements. Management has determined that contributions are non-reciprocal transactions and therefore fall under the scope of the *Contributions Received* topic of ASC.

The Church's other revenue streams include interest income and other income which are not included within the scope of this ASC.

**14) SUBSEQUENT EVENTS**

In preparing these financial statements, the Church has evaluated events and transactions for potential recognition or disclosure through December 13, 2024, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended September 30, 2024.