



Financial Statements

Years ended June 30, 2024 and 2023

**STANWICH CONGREGATIONAL CHURCH
of Greenwich, CT**

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Years ended June 30, 2024 and 2023

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Independent Auditor's Report

To the Board of Elders of
Stanwich Congregational Church

Opinion

We have audited the accompanying financial statements of *Stanwich Congregational Church* (a non-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Stanwich Congregational Church* as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 *Stanwich Congregational 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.

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

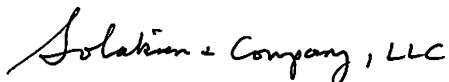
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 *Stanwich Congregational 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 *Stanwich Congregational 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.



November 30, 2024

STANWICH CONGREGATIONAL CHURCH

Statements of Financial Position

June 30, 2024 and 2023

<i>Assets</i>	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 5,454,978	3,319,588
Investments	1,522,614	1,250,306
Pledges and other receivables	3,719,446	976,848
Prepaid expenses and other assets	16,112	1,385
Land, buildings and equipment:		
Land	6,486,000	6,486,000
Buildings and improvements	13,639,606	13,630,396
Computers, furniture and equipment	463,092	463,092
Construction in progress	<u>11,173,134</u>	<u>9,532,009</u>
	31,761,832	30,111,497
Less accumulated depreciation and amortization	<u>4,949,042</u>	<u>4,642,895</u>
Land, buildings and equipment, net	<u>26,812,790</u>	<u>25,468,602</u>
	<u>\$ 37,525,940</u>	<u>31,016,729</u>
 <i>Liabilities and Net Assets</i> 		
Accounts payable and accrued expenses	\$ 588,160	108,647
Deferred revenue	<u>18,075</u>	<u>30,128</u>
Total liabilities	<u>606,235</u>	<u>138,775</u>
Net assets:		
Without restrictions:		
Designated for land, buildings and equipment	26,812,790	25,468,602
Undesignated	849,928	1,008,556
Designated for church purposes	<u>1,158,107</u>	<u>1,182,387</u>
Total net assets without restrictions	28,820,825	27,659,545
With donor restrictions	<u>8,098,880</u>	<u>3,218,409</u>
Total net assets	<u>36,919,705</u>	<u>30,877,954</u>
	<u>\$ 37,525,940</u>	<u>31,016,729</u>

See accompanying notes to financial statements.

STANWICH CONGREGATIONAL CHURCH

Statements of Activities

Years ended June 30, 2024 and 2023

	2024			2023		
	<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>
Support and revenue:						
Offerings, contributions and bequests	\$ 2,432,192	6,827,839	9,260,031	2,617,211	1,282,118	3,899,329
Net investment income, including unrealized gains (losses) and net of fees	<u>194,152</u>	<u>80,764</u>	<u>274,916</u>	<u>65,764</u>	<u>43,415</u>	<u>109,179</u>
	2,626,344	6,908,603	9,534,947	2,682,975	1,325,533	4,008,508
Assets released from restrictions	<u>387,008</u>	<u>(387,008)</u>	<u>-</u>	<u>378,284</u>	<u>(378,284)</u>	<u>-</u>
Total support and revenue	<u>3,013,352</u>	<u>6,521,595</u>	<u>9,534,947</u>	<u>3,061,259</u>	<u>947,249</u>	<u>4,008,508</u>
Expenses:						
Program expenses:						
Ministry	1,185,944	-	1,185,944	1,027,367	-	1,027,367
Worship	610,248	-	610,248	553,757	-	553,757
Missions	400,959	-	400,959	379,820	-	379,820
Fellowship	320,357	-	320,357	282,482	-	282,482
Discipleship	<u>192,091</u>	<u>-</u>	<u>192,091</u>	<u>215,766</u>	<u>-</u>	<u>215,766</u>
Total program expenses	2,709,599	-	2,709,599	2,459,192	-	2,459,192
Supporting services:						
General and administration, including depreciation expense	<u>783,597</u>	<u>-</u>	<u>783,597</u>	<u>787,775</u>	<u>-</u>	<u>787,775</u>
Total expenses	<u>3,493,196</u>	<u>-</u>	<u>3,493,196</u>	<u>3,246,967</u>	<u>-</u>	<u>3,246,967</u>
Change in net assets	(479,844)	6,521,595	6,041,751	(185,708)	947,249	761,541
Net assets – beginning of year	27,659,545	3,218,409	30,877,954	18,378,592	11,737,821	30,116,413
Net fund transfers	<u>1,641,124</u>	<u>(1,641,124)</u>	<u>-</u>	<u>9,466,661</u>	<u>(9,466,661)</u>	<u>-</u>
Net assets – end of year	<u>\$ 28,820,825</u>	<u>8,098,880</u>	<u>36,919,705</u>	<u>27,659,545</u>	<u>3,218,409</u>	<u>30,877,954</u>

See accompanying notes to financial statements.

STANWICH CONGREGATIONAL CHURCH

Statements of Functional Expenses

Years ended June 30, 2024 and 2023

	2024			2023		
	<u>Program</u>	<u>General and administrative</u>	<u>Total expenses</u>	<u>Program</u>	<u>General and administrative</u>	<u>Total expenses</u>
Salaries and benefits	\$ 1,606,444	390,200	1,996,644	1,440,185	415,596	1,855,781
Support and development	629,787	35,635	665,422	587,867	18,600	606,467
Depreciation	153,074	153,073	306,147	151,820	151,819	303,639
Repairs and maintenance	193,768	-	193,768	163,549	-	163,549
Utilities	51,776	48,698	100,474	64,014	50,598	114,612
Insurance	-	66,153	66,153	-	67,557	67,557
Administrative fees	22,885	37,430	60,315	-	26,267	26,267
Other expenses	31,143	9,015	40,158	22,751	17,918	40,669
Office supplies and expense	4,338	25,855	30,193	11,561	21,927	33,488
Hospitality	16,384	9,038	25,422	17,445	9,493	26,938
Professional fees	-	8,500	8,500	-	8,000	8,000
Total expenses	\$ 2,709,599	783,597	3,493,196	2,459,192	787,775	3,246,967

See accompanying notes to financial statements.

STANWICH CONGREGATIONAL CHURCH

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,041,751	761,541
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	306,147	303,639
Net realized and unrealized losses (gains) on investments	(30,510)	(109,209)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Pledges and other receivables	(2,742,598)	1,393,371
Prepaid expenses	(14,727)	389,953
Increase (decrease) in:		
Accounts payable and accrued expenses	479,513	54,648
Deferred revenue	(12,053)	3,441
	<u>4,027,523</u>	<u>2,797,384</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Acquisition of land, buildings and equipment	(1,650,335)	(9,523,579)
Net redemption (purchase) of investments	(241,798)	(11,240)
	<u>(1,892,133)</u>	<u>(9,534,819)</u>
Net cash used in investing activities		
Increase (decrease) in cash and equivalents	2,135,390	(6,737,435)
Cash and equivalents - beginning of year	<u>3,319,588</u>	<u>10,057,023</u>
Cash and equivalents - end of year	<u>\$ 5,454,978</u>	<u>3,319,588</u>

See accompanying notes to financial statements.

STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

June 30, 2024 and 2023

(1) **Summary of Significant Accounting Policies**

Nature of Operations

Stanwich Congregational Church (Church) was founded in 1731, and on December 19, 1893 became a church corporation under the laws of the State of Connecticut in the Town of Greenwich. Today the Church operates as a not-for-profit religious organization dedicated to providing an environment for Christian worship and Christian education. The Church serves Jesus Christ by spreading the good news of the Gospel and His amazing grace within Greenwich, Connecticut, surrounding communities, and around the world.

Basis of Accounting and Financial Statement Presentation

The financial statements of the Church have been prepared on the accrual basis of accounting.

The Church follows accounting for not-for-profit organizations as outlined in professional standards. Accordingly, the Church is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

Contributions are defined as voluntary, nonreciprocal transfers. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unrestricted contributions, and contributions that are restricted by the donor, for which the restriction expires in the year in which the contributions are recognized, are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, the restricted net assets are reclassified to net assets without donor restrictions.

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STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Cash and Equivalents

The Church considers all accounts with a maturity of three months or less to be cash equivalents for purposes of the statements of financial position and cash flows.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Land, Buildings and Equipment

Land, buildings and equipment is recorded at cost and donations of property and equipment are recorded as support at their estimated fair value. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from 20 to 50 years.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Church reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Church reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Historic Properties

The statements of financial position do not include the cost or appraised value of certain historic properties. These properties may be significant in value and have been acquired by the Church many years ago by purchase or through contributions.

Contributed Services

The Church receives a substantial amount of services donated by its members in carrying out the church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under professional standards.

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STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Income Tax Status

The Church has been recognized as exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Church and recognize a tax liability (or asset) if it has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the applicable taxing authorities. Management has analyzed the tax positions taken, and has concluded that as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Church's tax status is generally subject to examination by taxing authorities, and management believes it is no longer subject to tax examinations for years prior to 2021.

Functional Expense Allocation

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program, and general and administrative as applicable.

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 compensation and benefits, which are allocated based on time and effort, as well as depreciation and occupancy costs, which are allocated on a square footage basis.

Subsequent Events

Subsequent events have been evaluated through November 30, 2024, which is the date the financial statements were available to be issued.

(2) Concentration of Credit Risk

The Church maintains cash deposits with various banks and financial institutions. Cash in banks is insured by the Federal Deposit Insurance Corporation for up to \$250,000 per depositor. The uninsured balance of cash was approximately \$1,030,000 as of June 30, 2024.

Investment accounts are protected by the Securities Investor Protection Corporation up to \$500,000 per account (including cash and securities). The uninsured balance of investment account assets was approximately \$4,500,000 as of June 30, 2024.

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STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

(3) Investments

Long term investments, managed by a financial institution in various accounts, are stated at fair value and consist primarily of equities, U.S. Treasury obligations and corporate bonds. The investments represent past bequests and gifts to the Church and are not restricted.

Investment account balances consist of the following as of June 30:

<u>2024</u>	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Equities and other	\$ 675,801	1,034,100	358,299
Fixed income	<u>520,819</u>	<u>488,513</u>	<u>(32,306)</u>
Total	\$ <u>1,196,620</u>	<u>1,522,613</u>	<u>325,993</u>
<u>2023</u>	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Equities and other	\$ 562,348	789,229	226,881
Fixed income	<u>514,754</u>	<u>461,077</u>	<u>(53,677)</u>
Total	\$ <u>1,077,102</u>	<u>1,250,306</u>	<u>173,204</u>

Investment income, including unrealized gains (losses) and net of fees, for the years ended June 30, 2024 and 2023 was approximately \$172,100 and \$109,200, respectively.

The Church has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 *Fair Value Measurement*, which, among other things, defines fair value, establishes a hierarchal framework for measuring fair value and expands disclosure about fair value measurements. This standard 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. The fair value hierarchy is organized into three levels based upon the assumptions (Inputs), as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies.

Level 3 Inputs are unobservable inputs for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.

The Church values its investments in readily marketable securities using Level 1 Inputs.

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STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

(4) Employee Benefit Plans

The Church sponsors a deferred compensation plan qualified under Sections 403(b) of the Internal Revenue Code (Code) for the benefit of all eligible employees. Employees may elect to contribute to the plan up to the maximum amount allowed by the Code. The Church does not match employee contributions.

For the years ending June 30, 2024 and 2023, the Church paid 100% of the premiums for healthcare insurance for eligible employees participating in the program and 56% of the medical insurance deductible up to a maximum of \$4,200 for individuals and \$8,400 for families.

(5) Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Stamford Building Acquisition Fund	\$ 7,334,135	2,412,027
Missions	332,819	375,986
Cemetery/Sarge's Garden	224,286	221,981
Reynolds Fund	123,428	118,913
Rolf & Neely Towe Fund	56,219	54,162
Reynolds Bible Study	17,358	16,723
Leadership Fund	5,929	5,712
Minister's Discretionary	4,385	12,596
Alpha	<u>321</u>	<u>309</u>
	\$ <u>8,098,880</u>	<u>3,218,409</u>

Unrestricted Church-designated net assets as of June 30 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Stamford Vision Fund	\$ 618,980	607,999
Capital Maintenance	513,363	539,845
Sabbatical	21,069	30,020
Elder Contingency	<u>4,695</u>	<u>4,523</u>
	\$ <u>1,158,107</u>	<u>1,182,387</u>

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STANWICH CONGREGATIONAL CHURCH

Notes to Financial Statements

(6) **Liquidity and Availability of Resources**

The Church has approximately \$2,600,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of pledges receivable and prepaid expenses. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Church has a goal to maintain financial assets, which consist of cash and equivalents and pledges and other receivables, on hand to meet 180 days of annual operating expenses, which are, on average, approximately \$1,747,000. The Church has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Church invests cash in excess of daily requirements in various short-term investments.

(7) **Adoption of Accounting Pronouncements**

In June 2016, the FASB issued ASC 326 “Financial Instruments—Credit Losses” which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. The Church’s assets as of June 30, 2024 that are subject to the guidance in FASB ASC 326 are pledges receivable. The Church adopted the standard, effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

Management has not determined what, if any, impact implementation of the following statements may have on the financial statements in 2024 but does not believe it will be significant if current operations remain the same:

- **Accounting Standards Update (ASU) 2021-08—*Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.*** The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- **ASU 2022-04—*Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.*** The requirements of the amendments to this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- **ASU 2023-01—*Leases (Topic 842): Common Control Arrangements.*** The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.