

Mount Olive Baptist Church
Lake Charles, Louisiana

Financial Statements
December 31, 2024

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

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Broussard & Company
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Mount Olive Baptist Church
Lake Charles, Louisiana

We have reviewed the accompanying financial statements of Mount Olive Baptist Church (a nonprofit organization) ("the Church"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Broussard and Company

Lake Charles, Louisiana
June 4, 2025



Broussard & Company
Certified Public Accountants

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

Mount Olive Baptist Church
3007 Enterprise Blvd.
Lake Charles, Louisiana 70601

We have performed the procedures enumerated below on Mount Olive Baptist Church (the Church) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2024, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Church's management is responsible for its financial records and compliance with applicable laws and regulations.

The Church has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Church's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2024. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Church provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended December 31, 2024.

Federal, State or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (FEMA)	2024	97.036	\$ 395,066
Total Expenditures			\$ 395,066

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.
 - Each of the selected disbursements agreed to the amount and payee in the supporting documentation.
4. Report whether the selected disbursements were coded to the correct fund and general ledger account.
 - All of the disbursements were coded to the correct fund and general ledger account.
5. Report whether the selected disbursements were approved in accordance with the Church's policies and procedures.
 - The Church's policies and procedures state that the Finance Director must approve all disbursements. Documentation supporting each of the selected disbursements included the signature of the Finance Director.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility

We compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

- There were no federal awards closed out in the current fiscal year.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meetings Law" available on the Legislative Auditor's website at [https://app.la.state.la.us/lala.nsf/BAADB2991272084786257AB8006EE827/\\$FILE/Open%20Meetings%20Law%20FAQ.pdf](https://app.la.state.la.us/lala.nsf/BAADB2991272084786257AB8006EE827/$FILE/Open%20Meetings%20Law%20FAQ.pdf), to determine whether a non-profit agency is subject to the open meetings law.

- The Church is not required to comply with the Open Meetings Law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Church provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

- The Church was not required to provide grant budget information to FEMA related to the Disaster Grant (CFDA #97.036).

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

- The Church's report was submitted to the Legislative Auditor on June 4, 2025. This is considered timely in accordance with R.S. 24:513.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

- The Church's management represented that the Church did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

- There was one prior year finding noted in the prior year engagement for the year ended December 31, 2023. The Church failed to submit financial statements to the Federal Audit Clearinghouse Timely. Management resolved this issue in the current year by providing information to the independent auditor to ensure the timely filing of the report for the year ended December 31, 2024.

We were engaged by the Church to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Church's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Church's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Broussard and Company

Lake Charles, Louisiana
June 4, 2025

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

(Date Transmitted)

Broussard and Company, CPAs, LLC (CPA Firm Name)

127 West Broad Street, Suite 800 (CPA Firm Address)

Lake Charles, Louisiana 70601 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 5/21/2025 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [☒] No [] N/A []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [☒] No [] N/A []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [☒] No [] N/A []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [☒] No [] N/A []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes [] No [] N/A [☒]

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [] N/A [☒]

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [☒] No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [☒] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A [☒]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [☒] No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [☒] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [☒] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [☒] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [☒] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [☒] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [☒] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [☒] No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

<u>Dawn Williams</u>	Secretary	<u>5/27/25</u>	Date
<u>Gregory Corbin</u>	Treasurer	<u>5/27/25</u>	Date
<u>Levin Brown</u>	President	<u>5/28/25</u>	Date

Mount Olive Baptist Church
Statement of Financial Position
As of December 31, 2024

Assets	
Current Assets	
Cash and cash equivalents	\$ 358,285
Prepaid insurance	16,702
Total Current Assets	<u>374,987</u>
Property and Equipment	
Land	49,300
Buildings	1,503,415
Building improvements	365,443
Furniture and fixtures	213,342
Construction in progress	49,527
	<u>2,181,027</u>
Less accumulated depreciaiton	(176,854)
Total Property and Equipment	<u>2,004,173</u>
Total Assets	<u><u>\$ 2,379,160</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 28,998
Note payable - current portion	424,227
Less: debt issuance costs	(2,272)
Total Current Liabilities	<u>450,953</u>
Long-Term Liabilities	
Note payable - non-current portion	<u>-</u>
Total Long-term Liabilities	<u>-</u>
Total Liabilities	<u>450,953</u>
Net Assets	
Without donor restrictions	1,928,207
With donor restrictions	-
Total Net Assets	<u>1,928,207</u>
Total Liabilities and Net Assets	<u><u>\$ 2,379,160</u></u>

Mount Olive Baptist Church
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support:			
Tithes, public offerings and contributions	\$ 172,513	\$ -	\$ 172,513
Grant contributions	395,266	-	395,266
Total support	567,779	-	567,779
Revenues:			
Interest income	449	-	449
Lease income	56,273	-	56,273
Other income	3,307	-	3,307
	60,029	-	60,029
Net assets released from restrictions	-	-	-
Total support and revenues	627,808	-	627,808
Functional Expenses			
Ministry	329,942	-	329,942
Management and general	82,486	-	82,486
Total Functional Expenses	412,428	-	412,428
Increase (decrease) in Net Assets	215,380	-	215,380
Net Assets - Beginning of Year	1,712,827	-	1,712,827
Net Assets - End of Year	\$ 1,928,207	\$ -	\$ 1,928,207

See accompanying notes to financial statements.

Mount Olive Baptist Church
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Ministry	Management and General	Total
Salaries and related expenses	\$ 64,000	\$ 16,000	\$ 80,000
Total compensation	64,000	16,000	80,000
Insurance	33,441	8,360	41,801
Maintenance and repairs	26,980	6,745	33,725
Interest Expense	34,682	8,671	43,353
Benevolences	11,418 #	2,855	14,273
Postage and shipping	-	-	-
Professional services	12,039	3,010	15,049
Advertising and promotion	600	150	750
Supplies	1,829	457	2,286
Telephone and internet	2,586	647	3,233
Utilities	38,422	9,605	48,027
Training and conferences	576	144	720
Special Programs	8,768	2,192	10,960
Depreciation and amortization	76,064	19,016	95,080
Technology expenses	4,084	1,021	5,105
Youth & Adult Ministry	2,029	507	2,536
Miscellaneous	12,424	3,106	15,530
Total functional expenses	\$ 329,942	\$ 82,486	\$ 412,428

See accompanying notes to financial statements.

Mount Olive Baptist Church
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows From Operating Activities

Change in net assets	\$ 215,380
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	95,080
Increase in prepaid insurance	(2,184)
Decrease in accounts payable	(69,081)
	<hr/>
Net Cash Provided by Operating Activities	<hr/> 239,195

Cash Flows From Investing Activities

Purchase of fixed assets	(98,899)
	<hr/>
Net Cash Used by Investing Activities	<hr/> (98,899)

Cash Flows From Financing Activities

Principal payments on note payable	(1,500)
	<hr/>
Net Cash Provided by Financing Activities	<hr/> (1,500)

Net Increase in Cash and Cash Equivalents	138,796
Cash and Cash Equivalents - Beginning of Period	<hr/> 219,489
Cash and Cash Equivalents - End of Period	<hr/> <hr/> \$ 358,285

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 1 – Description of the Organization

Mount Olive Baptist Church (the Church) is a Bible-based, Christ-centered, family-focused, and community-conscious multi-generational ministry with the vision and mission: By all means...Go. Teach. Love. Opening its doors in 1940, Mount Olive's mission reaches throughout Southwest Louisiana with the teachings of current pastor, Rev. Braylon L. A. Harris.

The Church has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from income tax under Section 501(a) of the U.S. Internal Revenue Code (Code) as an organization described in Section 501(c)(3), and contributions to the Church are tax deductible within the limitations prescribed by the Code. The organization is not a private foundation under Section 509(a) of the Code.

Note 2 – Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Method of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Mount Olive follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the American Institute of Certified Public Accountants.

Property and Equipment:

Fixed assets in excess of \$1,000 are capitalized and are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, which range from seven to thirty-nine years.

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Normal repairs and maintenance are expensed as incurred whereas significant improvements which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Support and Revenue:

Contributions directly from church members are generally available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk free interest rates applicable to years in which the promises are received to discount the amounts. There are no long-term promises to give as of December 31, 2024.

The majority of the unrestricted promises to give are received from a broad base of contributors as a result of various fundraising activities.

Functional Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain indirect costs have been allocated to the functional categories based on the League's analysis of time devoted to each category.

Contributed Services:

No amounts have been reflected in the financial statements for donated services. Mount Olive generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Church, but these services do not meet the criteria for recognition as contributed services.

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 2 – Summary of Significant Accounting Policies (continued)

Uncertain Tax Positions:

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2024, the Church had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Accounting 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 that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Classes of Net Assets

In accordance with FASB *Statement No. 2016-14, Not-for-Profit Entities (Topic 958)*, the Church 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.

Note 4 – Fair Value Measurements

The Church determined the fair value of its assets and liabilities through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Church has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions that market participants would utilize in pricing the asset.

The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items and are considered Level 1.

Note 5 – Concentrations of Credit Risk

The Church maintains cash balances at a financial institution located in Southwest Louisiana. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the Church had uninsured cash balances totaling \$110,626.

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 6 – Subsequent Events

Management evaluated its December 31, 2024 financial statements for subsequent events through May 21, 2025, the date of which the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure.

Note 7 – Debt

The Church took out a note payable with First Federal Bank of Louisiana in November 2023 in the amount of \$500,000 at 9.00% interest for a term of two years. The Church will repay the outstanding principal on the note payable plus all accrued unpaid interest on the maturity date of November 21, 2025. The Church will make regular monthly payments of all accrued unpaid interest beginning in December 2023. The debt is collateralized by land located in Calcasieu Parish, Louisiana. As of December 31, 2024, the Church had drawn \$430,000 on the note payable to pay off existing debt and to pay for building renovations. The outstanding balance on the note payable at December 31, 2024 was \$424,227.

In accordance with ASC 835-30-45-1A, debt issuance costs of \$5,119 related to the issuance of the note payable are shown as a direct reduction from the face amount of the note, less any accumulated amortization. As of December 31, 2024, the unamortized portion of the debt issuance costs was \$2,272.

Note 8 – Liquidity and Availability of Financial Assets

The following reflects the Church's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Church has \$358,285 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$358,285. The total of the financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year the balance sheet date was \$-0-. The Church has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Church also invests its cash in excess of its daily needs in short-term investments.

Financial assets, at year end	\$ 358,285
Less those unavailable for general expenditures within one year due to contractual or donor imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 358,285</u></u>

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 9 – Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Church adopted the new standard effective January 1, 2022, the first day of the Church’s fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Church elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Church used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Church expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Church has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

The majority of the Church’s revenue is recognized over time based on tithing and public contributions. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Church’s revenue streams do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have a significant impact on the Church’s financial statements. Based on the Church’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Note 10 – Disaggregation of Revenue from Contracts with Customers

The Church reports revenues based on the following categories: Tithes, public offerings and contributions, grant contributions, and other. The Church has determined that these categories can be used to meet the objective of the disaggregation disclosure requirements, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The following table disaggregates the Church’s revenue based on type and on the timing of satisfaction of performance obligations for the year ended December 31, 2024:

	Tithes & Public Offerings	Grant Contributions	Other	Total
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ -	\$ -
Performance obligations satisfied over time	172,513	395,266	60,029	627,808
	<u>\$ 172,513</u>	<u>\$ 395,266</u>	<u>\$ 60,029</u>	<u>\$ 627,808</u>

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 11 – Contract Balances

Contract assets include unbilled amounts resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include billings in excess of revenue recognized. Contract assets and contract liabilities were as follows for the year ended December 31, 2024:

	2024
Contract assets	\$ -
Contract liabilities	-

Note 12 – Changes in Capital Assets and Accumulated Depreciation

A summary of changes in capital assets and accumulated depreciation is as follows:

	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Buildings	\$ 1,484,051	\$ 19,364	\$ -	\$ 1,503,415
Building improvements	335,435	30,008	-	365,443
Furniture and fixtures	213,342	-	-	213,342
Construction in progress	-	49,527	-	49,527
Subtotals	2,032,828	98,899	-	2,131,727
Less: accumulated depreciation	(84,333)	(92,521)	-	(176,854)
Land	49,300	-	-	49,300
Net capital assets	\$ 1,997,795	\$ 6,378	\$ -	\$ 2,004,173

Depreciation expense for the year ended December 31, 2024 was \$92,521.

Note 13 – Board Compensation

Members of the Church's Board of Directors receive no compensation and are reimbursed only for any expenses incurred relating to the Church's business. Reimbursements must have appropriate supporting documentation.

MOUNT OLIVE BAPTIST CHURCH

Notes to Financial Statements December 31, 2024

Note 14 – Grant Revenue

The Church's major source of revenue for the year ended December 31, 2024 was federal grant receipts received from the Department of Homeland Security related to a Disaster Grant. The Church sustained significant damage to its buildings during Hurricane Laura and Hurricane Delta in 2020. As a result, the Church applied for and successfully met the requirements to be awarded the federal grant funds. The use of these funds is restricted to the purpose set forth in the grant agreement. Such grants are subject to review and audit by the grantor agencies. The result of such reviews or audits could result in requests for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the grant.

Mount Olive Baptist Church
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head Name: Braylon Harris, Senior Pastor

Purpose	Amount
Salary	\$ 27,500
Benefits - insurance	\$ -
Benefits - retirement	\$ -
Deferred compensation (contributions made by the agency)	\$ -
Benefits - other (pair of shoes)	\$ -
Benefits - other (fuel district vehicle)	\$ -
Car allowance	\$ -
Vehicle provided by government	\$ -
Cell phone	\$ -
Dues	\$ -
Vehicle rental	\$ -
Per diem	\$ -
Reimbursements	\$ 282
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -
Other	\$ 2,140