

**ASBURY UNITED METHODIST CHURCH**

**Financial Statements  
For the Year Ended December 31, 2020**

**ASBURY UNITED METHODIST CHURCH**

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For the Year Ended December 31, 2020**

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## BORLAND | BENEFIELD

## Independent Accountant's Compilation Report

To the Finance Committee  
Asbury United Methodist Church

Management is responsible for the accompanying financial statements of Asbury United Methodist Church (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2020, the related statement of support, revenue, and expenses—modified cash basis, changes in net assets – modified cash basis for the year then ended, the related note to the financial statements in accordance with modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and changes in net assets. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Borland Benefield, P.C.  
Birmingham, Alabama  
September 20, 2021

**ASBURY UNITED METHODIST CHURCH**

**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis  
As of December 31, 2020**

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**Assets**

Current Assets

Cash and cash equivalents	\$ 2,283,287
Total Current Assets	<u>2,283,287</u>

Long-Term Assets

Property and equipment	27,000,342
Total Long-Term Assets	<u>27,000,342</u>

**Total Assets**

**\$ 29,283,629**

**Liabilities and Net Assets**

Current Liabilities

Current portion of long-term debt	\$ 248,416
Total Current Liabilities	<u>248,416</u>

Long-term liabilities

Note payable	<u>7,905,139</u>
Total Long-Term Liabilities	<u>7,905,139</u>

Net Assets

Without donor restrictions	19,204,421
With donor restrictions	<u>1,925,653</u>
Total Net Assets	<u>21,130,074</u>

**Total Liabilities and Net Assets**

**\$ 29,283,629**

See accompanying note and accountant's compilation report

**ASBURY UNITED METHODIST CHURCH**

**Statement of Support, Revenue, and Expenses - Modified Cash Basis  
For the Year Ended December 31, 2020  
(Compiled)**

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**Support, Revenue and Reclassifications Without Donor Restrictions**

Support and revenues	
Ministry contributions	\$ 4,104,881
CASA	430,667
Other income	85,674
Total Support and Revenues Without Donor Restrictions	<u>4,621,222</u>
Net assets released from donor restrictions	<u>560,865</u>
Total Support, Revenues, and Reclassifications Without Donor Restrictions	<u><u>\$ 5,182,087</u></u>

**Expenses**

Administration	\$ 43,940
Apportionments	502,410
Bank service charges	40,205
CASA	492,547
Communications	67,940
Congregational care	2,054
Finance	6,059
Food service	27,242
Interest	354,134
Ministries	
Children	33,887
Family	9,941
Music	7,031
Senior	1,496
Worship	77,440
Women	4
Youth	77,005
Miscellaneous	4,925
Missions	577,118
Nursery	256
Recreation	42,945
Salaries, benefits, and payroll taxes	1,415,379
Sunday school	31,766
Trustees	<u>988,337</u>
<b>Total Expenses</b>	<u><u>\$ 4,804,060</u></u>

See accompanying note and independent accountant's compilation report.

**ASBURY UNITED METHODIST CHURCH**

**Statement of Support, Revenue, and Expenses - Modified Cash Basis (continued)**  
**For the Year Ended December 31, 2020**  
**(Compiled)**

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<b>Increase in Net Assets Without Donor Restrictions</b>	<u>\$ 378,027</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>	
Contributions - Ministry	560,530
Contributions - Reach campaign	281,101
Revenues - CASA	35,775
<b>Net Assets Released from Donor Restrictions</b>	<u>(560,865)</u>
<b>Increase in Net Assets With Donor Restrictions</b>	<u>316,541</u>
<b>Increase in Total Net Assets</b>	<u><u>\$ 694,568</u></u>

See accompanying note and independent accountant's compilation report.

**ASBURY UNITED METHODIST CHURCH**

**Statement of Changes in Net Assets - Modified Cash Basis  
For the Year Ended December 31, 2020  
(Compiled)**

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<b>Net Assets at Beginning of Year</b>	\$ 20,435,506
Increase in Net Assets	<u>694,568</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 21,130,074</u></u>

See accompanying note and independent accountant's compilation report.

**ASBURY UNITED METHODIST CHURCH**

**Note to Financial Statement  
For the Year Ended December 31, 2020**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property and Equipment - Prior to January 1, 2017, Management recorded land and equipment at appraised value, and the old sanctuary building was recorded at insured value. These valuation methods are not considered as generally accepted modifications of the cash basis of accounting. The effects of these departures from the modified cash basis of accounting on the accompanying financial statements have not been determined.

Equipment purchased after December 31, 2016 was recorded at cost. Furthermore, during 2018, the Church moved into the new sanctuary. Capitalized cost associated with the new building total \$14,683,216 which was released from construction in process. In addition, during 2019, the Church built a new columbarium and made improvements to the sanctuary. Capitalized cost associated with the new columbarium totaled \$130,754, and a sanctuary remodel totaling \$54,919. The capitalization of property and equipment is a generally accepted modification of the modified cash basis of accounting. The Church has made no provisions for depreciation of assets. Donations of property and equipment are recorded as support at their estimated fair value.

**Asbury United Methodist Church**  
**Agreed-Upon Procedures**  
**Review of Selected Agreed-Upon Procedures**

BORLAND  
BENEFIELD**INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Finance Committee of Asbury United Methodist Church

We have performed the procedures described in the following paragraphs, which were agreed to by the Finance Committee of the Asbury United Methodist Church (the Church). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Overall Review of Financial Reporting and Internal Controls

We were engaged by the Finance Committee to assist Asbury United Methodist Church in examining the appropriateness of the transactions of the Church and the related financial reports from the period January 1, 2020 through December 31, 2020.

We have reviewed established policies and procedures as outlined in the "Asbury United Methodist Church Financial Policy," established by management and the Finance Committee. We also interviewed management and accounting personnel of the Church concerning the overall design and effectiveness of the internal controls currently in place and performed some detail testing summarized below with any findings noted during the examination.

Below, please find a summary of our testing and findings, if applicable, and recommendations for the Church.

- I. *Ensure proper segregation of duties surrounding the counting and depositing of funds, the writing of checks, and the recording of contributions.* – On September 13, 2021, we observed the Monday Morning count procedures to ensure proper segregation of duties, adherence to the Financial Policy manual, and the recording of contributions. We further tested weekly receipts (step III) and cash disbursements throughout the year (step IV). No segregation of duties issues was found.
- II. *Verify insurance coverage for the Employee Dishonesty and Theft is sufficient* – Asbury holds an Employee Dishonest and Theft insurance coverage in the amount of \$25,000. This amount of coverage is in align with the Insurance Schedule published by the General Council on Finance and Administration of The United Methodist Church.
- III. *Ensure collections are deposited in a timely manner* - Parishioners of the Church as well as those outside the Church periodically give donations to the Church for various purposes. Contributions can be received in many ways including Sunday plate collection (see step I), online, in the mail or hand delivered to the church office. All receipts from plate collections, mail or hand delivery are placed in the locked safe in the Financial Administrator's office. They are counted together on the next Monday by the Monday Morning counters.

If a larger check is received, then the Financial Administrator may use her discretion on whether or not to make a special bank deposit on any given day.

- a. Evaluation/Testing – As part of our examination, we selected 16 deposits/receipts coded to the General Ledger. Of these selected, 11 donation receipts were given through the Sunday plate collection, mail or hand delivery. The other 5 deposits/receipts selected were received from online contributions.
  - b. *Results* – All cash receipts/deposits selected for testing were deemed appropriate and deposited in a timely manner. No exceptions to the Financial Policy were noted.
  
- IV. *Review cash disbursements and verify that the disbursements were authorized by the appropriate Ministry Budget Unit Leader and/or Staff Ministry.* – All checks and disbursements are written or withdrawn out of the Church Operating check account. They are prepared at the direction of the Financial Administrator based on a completed and approved “Request for Disbursement Form” or “Purchase Order Form” with attached receipts or invoices to support the request.
  - a. *Evaluation/Testing* – As part of our examination, we selected 40 cash disbursements made throughout the year. Of these selected, 10 were disbursements were coded to various Designated Funds. We tested each disbursement for a Request for Disbursement Form, or Purchase Order Form along with supporting documentation. We also tested for proper approval of funds requested by the Ministry Budget Unit Leader or Staff Ministry and tested the appropriateness of the disbursement. We also reviewed corresponding Church bank statements to verify that the amount of the disbursement matched the coding in the General Ledger.
  - b. *Results* – Of the 40 disbursements tested, we noted one disbursement did not have a “Request for Disbursement Form” attached to supporting documentation. All others had supporting documentation and proper approval/authorization. Of these 10 disbursements from various Designated Funds, all appeared to be recorded in the appropriate designated fund General Ledger account and approved. All checks/disbursements selected for testing were deemed appropriate and properly recorded in the General Ledger. All supporting documentation was maintained and appropriate approval was verified.
  
- V. *Review procedures surrounding check signing authority* - As part of our examination of the 40 cash disbursements noted in Step IV, we reviewed copies of canceled checks to ensure the authorized check signors signed the checks.
  - a. *Results:* We noted two checks were signed by the Communications Director who is not listed as an authorized check signer in the Church’s Financial Policy. All other checks were appropriately signed by authorized check signors. We recommend that you update the Financial Policy by adding the Communications Director if they are authorized to signed checks.
  
- VI. *Review previous year’s agreed-upon procedures report to verify if suggestions were carried out or corrected* – We reviewed the prior year’s agree-upon procedures report and noted all suggested changes have been made and are being executed.
  
- VII. *Trace a random sample of weekly contributions to the general ledger and the bank statement* – As noted in Step III, we tested a random sample of 16 weekly contributions to ensure the amounts recorded on the deposit slip agreed with the amounts deposited per the bank statement and the general ledger. No exceptions were noted. See Step III.
  
- VIII. *Review account balances and closing procedures* – We reviewed year-end financial statements and materially agreed to bank statements and loan statements provided. No material discrepancies were noted.

- IX. *Review of financial reports for accuracy* – We analyzed and reviewed the financial reports provided by the Financial Administrator for the Church and CASA. No exceptions or material discrepancies were noted.
  
- X. *Further testing/observations* – During our review of cash disbursements, we extended our testing beyond the 40 testing samples noted in Step IV and included 4 months of credit card transactions. We tested for proper supporting documentation and proper approval by Ministry Staff on all credit card purchases. No exceptions were noted.

This report is intended solely for the information and use of management and the Finance Committee of Asbury United Methodist Church, and it is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Borland Benefield, P.C.  
September 20, 2021