

ASBURY CHURCH, INC.

Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024



ASBURY CHURCH, INC.

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INDEPENDENT AUDITOR'S REPORT

Administrative Board
Asbury Church, Inc.
Madison, Alabama

Opinion

We have audited the accompanying financial statements of Asbury Church, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Asbury Church, Inc. as of June 30, 2025 and 2024, and the changes in its net assets 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 audits 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 Asbury Church, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Asbury Church, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Administrative Board
Asbury Church, Inc.
Madison, Alabama

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 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 Asbury Church, Inc.'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 Asbury Church, Inc.'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.

Capin Crouse LLC

Lawrenceville, Georgia
December 3, 2025

ASBURY CHURCH, INC.

Statements of Financial Position

	June 30,	
	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash and cash equivalents	\$ 2,349,653	\$ 1,968,542
Other assets	42,828	-
Finance lease right-of-use asset	109,449	-
Property and equipment–net	<u>14,875,298</u>	<u>15,597,877</u>
Total Assets	<u><u>\$ 17,377,228</u></u>	<u><u>\$ 17,566,419</u></u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 302,749	\$ 241,862
Finance lease right-of-use obligation	110,419	-
Notes payable	<u>6,843,390</u>	<u>7,219,224</u>
Total liabilities	<u><u>7,256,558</u></u>	<u><u>7,461,086</u></u>
Net assets:		
Without donor restrictions	9,853,300	9,922,768
With donor restrictions	<u>267,370</u>	<u>182,565</u>
Total net assets	<u><u>10,120,670</u></u>	<u><u>10,105,333</u></u>
Total Liabilities and Net Assets	<u><u>\$ 17,377,228</u></u>	<u><u>\$ 17,566,419</u></u>

See notes to financial statements

ASBURY CHURCH, INC.

Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	\$ 5,864,959	\$ 166,671	\$ 6,031,630
Preschool tuition and fees—net of discounts of \$12,487	783,028	-	783,028
Program revenue	231,006	-	231,006
Other	128,370	-	128,370
	7,007,363	166,671	7,174,034
Satisfaction of purpose restrictions	81,866	(81,866)	-
Total Support, Revenue, and Reclassifications	7,089,229	84,805	7,174,034
EXPENSES:			
Program services:			
Weekday preschool	1,125,229	-	1,125,229
Family discipleship	1,266,144	-	1,266,144
Future Leaders	131,375	-	131,375
Guest relations	210,110	-	210,110
Missions	619,383	-	619,383
Pastoral support	1,299,735	-	1,299,735
Worship	967,431	-	967,431
	5,619,407	-	5,619,407
Supporting activities:			
General and administrative	1,539,290	-	1,539,290
Total Expenses	7,158,697	-	7,158,697
Change in Net Assets	(69,468)	84,805	15,337
Net Assets, Beginning of Year	9,922,768	182,565	10,105,333
Net Assets, End of Year	\$ 9,853,300	\$ 267,370	\$ 10,120,670

See notes to financial statements

ASBURY CHURCH, INC.

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	\$ 5,402,702	\$ 196,174	\$ 5,598,876
Preschool tuition and fees—net of discounts of \$14,515	779,423	-	779,423
Grant revenue	150,000	-	150,000
Program revenue	137,335	-	137,335
Other	41,822	-	41,822
	6,511,282	196,174	6,707,456
Satisfaction of purpose restrictions	112,519	(112,519)	-
Total Support, Revenue, and Reclassifications	6,623,801	83,655	6,707,456
EXPENSES:			
Program services:			
Weekday preschool	1,156,407	-	1,156,407
Family discipleship	1,521,830	-	1,521,830
Future Leaders	356,457	-	356,457
Guest relations	207,534	-	207,534
Missions	546,618	-	546,618
Pastoral support	1,018,533	-	1,018,533
Worship	933,244	-	933,244
	5,740,623	-	5,740,623
Supporting activities:			
General and administrative	1,035,487	-	1,035,487
Total Expenses	6,776,110	-	6,776,110
Change in Net Assets	(152,309)	83,655	(68,654)
Net Assets, Beginning of Year	10,075,077	98,910	10,173,987
Net Assets, End of Year	\$ 9,922,768	\$ 182,565	\$ 10,105,333

See notes to financial statements

ASBURY CHURCH, INC.

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services							Supporting Activities	Total	
	Weekday Preschool	Family Discipleship	Future Leaders	Guest Relations	Missions	Pastoral Support	Worship	Total Program		General and Administrative
Salaries and benefits	\$ 714,593	\$ 628,221	\$ 62,288	\$ 114,113	\$ 78,677	\$ 734,972	\$ 571,353	\$ 2,904,217	\$ 846,428	\$ 3,750,645
Depreciation	131,675	139,595	14,364	23,728	58,803	131,803	109,732	609,700	166,846	776,546
Interest	48,185	51,083	5,256	8,683	21,518	48,231	40,155	223,111	61,056	284,167
Maintenance and occupancy	206,597	219,022	22,537	37,228	92,261	206,794	172,168	956,607	261,784	1,218,391
Ministry materials	24,179	89,246	26,930	-	8,138	177,935	67,056	393,484	-	393,484
Food, events, and travel	-	138,977	-	26,358	-	-	6,967	172,302	-	172,302
Global and local outreach	-	-	-	-	359,986	-	-	359,986	-	359,986
Office supplies and other	-	-	-	-	-	-	-	-	203,176	203,176
Total expenses	\$ 1,125,229	\$ 1,266,144	\$ 131,375	\$ 210,110	\$ 619,383	\$ 1,299,735	\$ 967,431	\$ 5,619,407	\$ 1,539,290	\$ 7,158,697

See notes to financial statements

ASBURY CHURCH, INC.

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services							Total	Supporting Activities	Total
	Weekday Preschool	Family Discipleship	Future Leaders	Guest Relations	Missions	Pastoral Support	Worship	Program	General and Administrative	
Salaries and benefits	\$ 659,429	\$ 786,301	\$ 187,200	\$ 105,933	\$ 65,483	\$ 602,380	\$ 482,641	\$ 2,889,367	\$ 643,493	\$ 3,532,860
Depreciation	172,655	205,874	49,014	27,736	17,145	157,718	126,368	756,510	89,479	845,989
Interest	61,610	73,463	17,490	9,897	6,118	56,280	45,093	269,951	31,929	301,880
Maintenance and occupancy	214,518	255,791	60,898	34,461	21,302	195,960	157,008	939,938	112,403	1,052,341
Ministry materials	48,195	80,496	41,855	-	-	6,195	113,168	289,909	5,181	295,090
Food, events, and travel	-	119,905	-	29,507	37,071	-	8,966	195,449	-	195,449
Global and local outreach	-	-	-	-	399,499	-	-	399,499	-	399,499
Office supplies and other	-	-	-	-	-	-	-	-	153,002	153,002
Total expenses	\$ 1,156,407	\$ 1,521,830	\$ 356,457	\$ 207,534	\$ 546,618	\$ 1,018,533	\$ 933,244	\$ 5,740,623	\$ 1,035,487	\$ 6,776,110

See notes to financial statements

ASBURY CHURCH, INC.

Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 15,337	\$ (68,654)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	776,546	845,989
Amortization of finance lease right-of-use asset	13,266	-
Changes in operating assets and liabilities:		
Other assets	(42,828)	-
Accounts payable and accrued expenses	60,887	29,890
Net Cash Provided by Operating Activities	823,208	807,225
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(53,967)	(285,283)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(375,834)	(358,127)
Payments on finance lease right-of-use obligation	(12,296)	-
Net Cash Used by Financing Activities	(388,130)	(358,127)
Net Change in Cash and Cash Equivalents	381,111	163,815
Cash and Cash Equivalents, Beginning of Year	1,968,542	1,804,727
Cash and Cash Equivalents, End of Year	\$ 2,349,653	\$ 1,968,542
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 284,167	\$ 301,880
Right-of-use asset acquired in exchange for lease obligation	\$ 122,715	\$ -

See notes to financial statements

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Asbury Church, Inc. (Church) is an independent non-denominational church organized in 1986 as an Alabama nonprofit corporation. The Church is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (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. The Church's primary source of support and revenue is contributions from the congregation.

The Church embraces being a growing family awakening to God and living on mission. The Church believes this can happen best when we pursue three key ways of life:

Real Life with Each Other

Real life is found in a community of healthy relationships. When we encourage each other to grow through honest and transparent interactions, families can flourish. We desire to care for one another well as we seek forgiveness and healing and celebrate how God is at work in our lives.

Full Life with God

Full life is found when we invite Jesus to be Lord of our lives. He promises abundant life that is far greater than anything we could hope for or imagine. No matter where you are at on your spiritual journey, there is always more that we can experience as we awaken to more of God.

Kingdom Life on Earth

Kingdom life isn't just for eternity—we're called to bring God's kingdom to Earth and be part of His plan to save the world. While we live in between the perfection of God's original creation and His ultimate restoration, we're committed to sharing the hope we have in Him with our city and the nations.

The Church is located in Madison, Alabama and accomplishes its objectives through the following activities:

Weekday Preschool

Weekday preschool offers the Madison and surrounding community a great two to five-day program with caring, trained teachers to help develop a solid foundation in a Christ-centered atmosphere.

Church Ministry

Church ministry includes family discipleship, future leaders, guest relations, missions, and pastoral support which all lead to its vision of being a growing family awakening to God and living on mission.

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Church have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of the Church's financial statements, in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking and savings accounts. The Church maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Church has not experienced any losses in such accounts. At June 30, 2025 and 2024, the Church's cash balances exceeded federally insured limits by \$1,969,515 and \$1,755,293, respectively.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Church generally capitalizes and reports property and equipment acquisitions in excess of \$2,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the administrative board for use in operations, designated by the administrative board for other specific projects determined by the administrative board, or invested in property and equipment net of accumulated depreciation and related debt.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until restrictions regarding their use have been fulfilled.

All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUES, RECLASSIFICATIONS, AND EXPENSES

The Church recognizes contributions when cash, securities, or other assets; unconditional promises to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

The Church recognizes revenue from preschool tuition during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Tuition discounts provided to students are recorded as a reduction from the posted preschool tuition at the time revenue is recognized and amounted to \$12,487 and \$14,515 for the years ended June 30, 2025 and 2024, respectively. All amounts received prior to the commencement of the academic year are deferred to the applicable period and recorded as performance obligation liabilities in the accompanying statements of financial position. For both years ended June 30, 2025 and 2024, there were no performance obligation liabilities, nor did any contract assets or liabilities exist under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 606. Program and other revenue is recognized when the performance obligation is met, which is at a point in time.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

The Church reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Church reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of non-financial assets (including property and equipment) are recorded at fair value at the date of donation.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Church. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits were allocated based on estimates of time; depreciation, interest, and maintenance and occupancy expenses were allocated based on square footage usage estimates.

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Church's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Church considers general expenditures to be all expenditures related to fulfilling its mission as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2025	2024
Financial assets, at year-end and available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 2,349,653	\$ 1,968,542

As part of the Church's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At of June 30, 2025, the Church has \$267,370 in net assets with donor restrictions for a church plant and other programs. These funds are considered available to meet needs for general expenditures as funds are used for their donor-restricted purposes.

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	June 30,	
	2025	2024
Land and land improvements	\$ 2,349,178	\$ 2,349,178
Buildings and building improvements	25,276,951	25,276,950
Furniture and fixtures	3,421,500	3,367,534
	31,047,629	30,993,662
Less accumulated depreciation	(16,172,331)	(15,395,785)
Property and equipment—net	\$ 14,875,298	\$ 15,597,877

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

5. FINANCE LEASE RIGHT-OF-USE ASSET AND OBLIGATION:

Effective during the year ended June 30, 2025, the Church leases certain equipment under a long-term non-cancelable finance lease agreement expiring in March 2028. The lease requires monthly payments of \$3,540. The Church includes in the determination of the right-of-use asset and obligation any renewal options when the options are reasonably certain to be exercised. The discount rate is based on the discount rate implicit in the lease. The Church has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Church has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Church elected the practical expedient to not separate lease and non-lease components for leases.

Total right-of-use asset and obligation at June 30, 2025, is as follows:

Financing lease right-of-use asset	<u>\$ 109,449</u>
Financing lease right-of-use obligation	<u>\$ 110,419</u>

Total lease costs for the year ended June 30, 2025, is as follows:

Finance lease costs:	
Interest expense	\$ 1,580
Amortization of right-of-use asset	<u>13,266</u>
Total finance lease costs	<u>\$ 14,846</u>
Discount rate	4.01%
Remaining lease term in years	2.75 years

The future minimum lease payments under the noncancelable finance lease with terms greater than one year are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2026	\$ 42,474
2027	42,474
2028	<u>31,856</u>
	116,804
Less imputed interest	<u>(6,385)</u>
	<u>\$ 110,419</u>

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

6. NOTES PAYABLE:

Notes payable consists of:

	June 30,	
	2025	2024
Promissory note payable to a certain financial institution with an original principal amount of \$13,128,100; collateralized by certain security and assignment agreements and real property with a net book value of \$8,582,850 and \$8,934,366 as of June 30, 2025 and 2024, respectively; bears interest at a fixed rate of 3.70%; requires monthly payments of principal and interest in the amount of \$45,002 based on a 120 amortization, with a final payment of all unpaid principal and accrued interest due at maturity in June 2031.	\$ 6,337,736	\$ 6,634,867
Promissory note payable to a certain financial institution with an original principal amount of \$700,000; collateralized by certain security and assignment agreements and real property with a net book value of \$8,582,850 and \$8,934,366 as of June 30, 2025 and 2024, respectively; bears interest at a fixed rate of 7.38%; requires monthly payments of principal and interest in the amount of \$8,265 based on a 60 month amortization, with a final payment of all unpaid principal and accrued interest due at maturity in November 2027.	505,654	584,357
	\$ 6,843,390	\$ 7,219,224

Maturity of notes payable are estimated as follows:

Years Ending June 30,	Amounts
2026	\$ 392,794
2027	407,577
2028	672,247
2029	347,331
2030	360,403
Thereafter	4,663,038
	\$ 6,843,390

The Church was in compliance with all covenants for the years ended June 30, 2025 and 2024.

ASBURY CHURCH, INC.

Notes to Financial Statements

June 30, 2025 and 2024

7. EMPLOYEE BENEFIT PLANS:

The Church offers its employees the opportunity to participate in the Section 403(b) Organization plan (the Plan). The Plan allows voluntary employee contributions and includes employer matching contributions equal to the participants contribution but not to exceed 2% of compensation. For the years ended June 30, 2025 and 2024, the Church made contributions of \$39,324 and \$38,296, respectively, to the Plan.

8. NET ASSETS:

Net assets consist of:

	June 30,	
	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Undesignated	\$ 1,821,392	\$ 1,544,115
Equity in property and equipment	<u>8,031,908</u>	<u>8,378,653</u>
	<u>\$ 9,853,300</u>	<u>\$ 9,922,768</u>
With donor restrictions:		
Church plant	\$ 208,470	\$ 133,542
Other purposes/programs	<u>58,900</u>	<u>49,023</u>
	<u>\$ 267,370</u>	<u>\$ 182,565</u>

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 3, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.