



**CANTERBURY UNITED  
METHODIST CHURCH**

**FINANCIAL STATEMENTS**

DECEMBER 31, 2025  
*(With Independent Auditor's Report Thereon)*

# CANTERBURY UNITED METHODIST CHURCH

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## INDEPENDENT AUDITOR'S REPORT

To the Church Council  
**Canterbury United Methodist Church**

### Opinion

We have audited the accompanying financial statements of Canterbury United Methodist Church (A Nonprofit Organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2025, and the related statements of revenue, expenses, and changes in net assets – modified cash basis for the year 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 assets, liabilities, and net assets of Canterbury United Methodist Church as of December 31, 2025, and its support, revenue, and expenses for the year then ended, in accordance with the modified cash basis of accounting as described in Note 1.

### 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 Canterbury United Methodist 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.

### Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

## 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 Canterbury United Methodist 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 Canterbury United Methodist 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.

### Other Matter

The financial statements of Canterbury United Methodist Church for the year ended December 31, 2024 were audited by another auditor, who expressed an unmodified opinion on those statements in their report dated May 7, 2025.



Birmingham, Alabama  
May 7, 2026

# CANTERBURY UNITED METHODIST CHURCH

## STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS DECEMBER 31, 2025 WITH COMPARATIVE TOTALS FOR 2024 (Presented in Thousands)

<b><u>Assets</u></b>	Operating			<b><u>Designated</u></b>	<b><u>Foundation</u></b>	<b><u>2025 Totals</u></b>	<b><u>2024 Totals</u></b>
	<b><u>General</u></b>	<b><u>CDC</u></b>	<b><u>Day School</u></b>				
Assets without donor restrictions							
Cash	\$ 859	\$ 117	\$ 136	\$ -	\$ 63	\$ 1,175	\$ 1,294
Investments	4	-	-	-	3,634	3,638	3,128
Total assets without donor restrictions	863	117	136	-	3,697	4,813	4,422
Assets with donor restrictions							
Cash	-	5	-	2,823	1,612	4,440	4,293
Investments	-	-	-	-	13,919	13,919	12,282
Total assets with donor restrictions	-	5	-	2,823	15,531	18,359	16,575
Total assets	\$ 863	\$ 122	\$ 136	\$ 2,823	\$ 19,228	\$ 23,172	\$ 20,997
<b><u>Liabilities and Net Assets</u></b>							
Liabilities							
Miscellaneous liabilities	\$ 13	\$ 22	\$ -	\$ -	\$ -	\$ 35	\$ 30
Total liabilities	13	22	-	-	-	35	30
Net assets							
Without donor restrictions	850	95	136	-	3,697	4,778	4,392
With donor restrictions	-	5	-	2,823	15,531	18,359	16,575
Total net assets	850	100	136	2,823	19,228	23,137	20,967
Total liabilities and net assets	\$ 863	\$ 122	\$ 136	\$ 2,823	\$ 19,228	\$ 23,172	\$ 20,997

See accompanying notes to financial statements

## CANTERBURY UNITED METHODIST CHURCH

### STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2025 WITH COMPARATIVE TOTALS FOR 2024 (Presented in Thousands)

	Operating			Designated	Foundation	2025 Totals	2024 Totals
	General	CDC	Day School				
Support and revenue							
Support	\$ 5,007	\$ 1,137	\$ 519	\$ 2,378	\$ 1,207	\$ 10,248	\$ 9,355
Investment return	23	-	-	36	2,381	2,440	1,831
Transfers	54	24	6	(115)	31	-	1
Employee Retention Tax Credit	-	-	-	-	-	-	125
Total support and revenue	5,084	1,161	525	2,299	3,619	12,688	11,312
Expenses							
Program expenses							
Staff parish and personnel	2,545	964	459	-	-	3,968	3,351
Ministries and missions	650	190	45	1,989	1,597	4,471	4,704
Conferences	388	-	-	-	-	388	364
Worship and learning ministries	211	-	-	-	-	211	211
Total program expenses	3,794	1,154	504	1,989	1,597	9,038	8,630
Supporting services							
Building and grounds	648	10	7	-	-	665	740
Kitchen	105	-	-	-	-	105	83
Administration	479	95	29	-	48	651	634
Communications	59	-	-	-	-	59	48
Total supporting services	1,291	105	36	-	48	1,480	1,505
Total expenses	5,085	1,259	540	1,989	1,645	10,518	10,135
Change in net assets	(1)	(98)	(15)	310	1,974	2,170	1,177
Net assets, beginning of year	851	198	151	2,513	17,254	20,967	19,790
Net assets, end of year	<u>\$ 850</u>	<u>\$ 100</u>	<u>\$ 136</u>	<u>\$ 2,823</u>	<u>\$ 19,228</u>	<u>\$ 23,137</u>	<u>\$ 20,967</u>

See accompanying notes to financial statements

# CANTERBURY UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Presented in Thousands)

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### Note 1 – Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of Canterbury United Methodist Church have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Accordingly, these financial statements are not intended to report the financial position, changes in net assets, or results of operations in accordance with generally accepted accounting principles.

The Church's modification from the pure cash basis is the recording of selected miscellaneous liabilities, notes payable, and investments at fair value.

#### Basis of Consolidation

The financial statements include the accounts of Canterbury United Methodist Church and The Canterbury Methodist Foundation (the Foundation). These entities are referred to collectively as "the Church". The Organizations have common control since members of the Church's Council sit on the Foundation's Board of Trustees. There is also an element of economic interest since the Foundation holds significant resources that must be used only for purposes of the Church. All material inter-organizational transactions have been eliminated.

#### Comparative Financial Information

The amounts shown for the year ended December 31, 2024 in the accompanying financial statements are included to provide a basis for comparison with 2025 and present summarized totals only. Such information should be read in conjunction with the Church's financial statements for the year ended December 31, 2024 from which the summarized information was derived.

#### Net Assets

As a 501(c)(3) organization, the majority of the Church's net assets were contributed by donors. With the exception of net assets with donor restrictions described in Note 7, all net assets are available for use by the Church without restriction.

#### Contributions

The Church records contributions when they are received.

# CANTERBURY UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Presented in Thousands)

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### Revenue Recognition

The Church's financial statements have been prepared on the modified cash basis of accounting, which results in revenue being recognized when cash is received. Revenues are derived from tuition and related fees for the Child Development Center and Day School. If U.S. GAAP were used, revenues from the Child Development Center and Day School would be recognized at a point in time as services were completed.

### Income Taxes

The Church is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

### Evaluation of Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

### **Note 2 – Nature of Business**

Canterbury United Methodist Church, a nonprofit organization, is part of the North Alabama Conference of the United Methodist Church. The Church exists to minister to its membership, community, and to promote evangelism within Birmingham, Alabama and abroad. The Church is supported primarily through contributions from the congregation.

### **Note 3 – Property and Equipment**

Property and equipment are not reflected on the financial statements of the Church. Property and equipment are expensed as incurred. The insured value of property and equipment was approximately \$83,369 at December 31, 2025.

### **Note 4 – Other Funds**

Within the Church, there are organizations, such as Sunday school classes, volunteer groups, etc. that maintain bank accounts and financial records. Neither the Church nor the Church Council has any control or authorization for the collection or disbursement of any of these funds. As a result, such funds are not included in these financial statements.

# CANTERBURY UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 (Presented in Thousands)

### Note 5 – Investments

Investments are recorded at fair value based on quoted market prices in active markets (all Level 1 measurements). Investments consisted of the following as of December 31, 2025:

	General	Designated	Foundation	Total
Assets without donor restrictions				
Exchange traded products	\$ -	\$ -	\$ 2,487	\$ 2,487
Unsettled stock contributions	4	-	-	4
Mutual funds	-	-	1,147	1,147
Total without donor restrictions	\$ 4	\$ -	\$ 3,634	\$ 3,638
	General	Designated	Foundation	Total
Assets with donor restrictions				
Exchange traded products	\$ -	\$ -	\$ 9,749	\$ 9,749
Unsettled stock contributions	-	-	-	-
Mutual funds	-	-	4,170	4,170
Total with donor restrictions	\$ -	\$ -	\$ 13,919	\$ 13,919

The components of total return from investments for 2025 are reflected below:

	General	Designated	Foundation	Total
Assets without donor restrictions				
Dividends and interest	\$ 23	\$ -	\$ 98	\$ 121
Net realized and unrealized gains and losses	-	-	407	407
Total without donor restrictions	\$ 23	\$ -	\$ 505	\$ 528
	General	Designated	Foundation	Total
Assets with donor restrictions				
Dividends and interest	\$ -	\$ 36	\$ 400	\$ 436
Net realized and unrealized gains and losses	-	-	1,476	1,476
Total with donor restrictions	\$ -	\$ 36	\$ 1,876	\$ 1,912
Totals	\$ 23	\$ 36	\$ 2,381	\$ 2,440

# CANTERBURY UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Presented in Thousands)

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### Note 6 – Pension Plan

The Church participates in a cumulative pension and benefit fund that is a defined contribution plan. The Church contributes 6% of each active participant's contribution base if the participant contributes 3%. Employees must meet certain age and service requirements to become eligible participants.

The Church contributed \$84 to the plan for the year ended December 31, 2025.

### Note 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2025:

Ministries and missions	\$ 17,838
Prepaid pledges	<u>521</u>
Totals	<u>\$ 18,359</u>

A reconciliation of the changes in net assets with donor restrictions for the year ended December 31, 2025 is as follows:

December 31, 2024	\$ 16,575
Earnings and contributions	5,651
Expenditures	<u>(3,867)</u>
December 31, 2025	<u>\$ 18,359</u>

### Note 8 - Liquidity

The Church's financial assets available within one year of the statement of assets, liabilities, and net assets – modified cash basis date for general expenditures are as follows:

Financial assets, at year end	\$ 23,172
Less: financial assets unavailable for general expenditures within one year due to donor-imposed restrictions	<u>(18,359)</u>
	<u>\$ 4,813</u>

Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Church must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As a 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.

# CANTERBURY UNITED METHODIST CHURCH

## NOTES TO FINANCIAL STATEMENTS

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(Presented in Thousands)

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### Note 9 - Commitments

The Church has various equipment leases that have remaining non-cancelable lease terms in excess of one year. Rent expense under these leases is \$35 for the year ended December 31, 2025.

Future minimum lease payments under the operating lease obligations are as follows:

2026	\$	19
2027		7
2028		3
2029		<u>3</u>
Total	\$	<u><u>32</u></u>