



**Montemayor Hill & Company, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**FIRST UNITED METHODIST CHURCH  
OF AUSTIN, TEXAS, INC.**

INDEPENDENT AUDITORS' REPORT,  
CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2009



## Montemayor Hill & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
First United Methodist Church of Austin, Texas, Inc.

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated statement of assets, liabilities and net assets-modified cash basis of the First United Methodist Church of Austin, Texas, Inc. (Church) as of December 31, 2009 and the related consolidated statement of revenue, expenses and changes in net assets-modified cash basis for the year then ended. These financial statements are the responsibility of the Church's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets-modified cash basis of the Church as of December 31, 2009, and the revenue, expenses and changes in net assets-modified cash basis for the year then ended, on the basis of accounting described in note 2.

Our audit was conducted for the purpose of forming an opinion of the basic financial statements taken as a whole. The supplemental statement of assets, liabilities and net assets-modified cash basis, and supplemental statement of revenue, expenses and changes in net assets-modified cash basis on pages 12 and 13 are presented for additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Montemayor Hill & Company, P.C.*

19 May 2010  
Austin, Texas

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**FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.**

**CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS-  
MODIFIED CASH BASIS**

DECEMBER 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$896,227

NON-CURRENT RESTRICTED ASSETS

Cash and cash equivalents – endowment fund 2,281,871

Investments – endowment fund 3,604,524

Royalty interest and other – endowment fund 33,046

5,919,441

PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$2,475,085 7,411,574

\$14,227,242

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt \$141,113

LONG-TERM DEBT, net of current portion 3,055,830

3,196,943

NET ASSETS

Unrestricted

Undesignated 4,750,237

Board designated for fixed assets 180,766

Board designated for endowment fund 30,115

4,961,118

Temporarily restricted 179,855

Permanently restricted 5,889,326

11,030,299

\$14,227,242

The accompanying notes are an integral part of this financial statement presentation.



**FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.**

CONSOLIDATED STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS-MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE				
Pledges	\$1,152,111	\$0	\$0	\$1,152,111
Designated donations	284,919	143,021	0	427,940
Offerings and gifts	395,216	0	46,534	441,750
Preschool tuition	425,834	0	0	425,834
Investment earnings	132,290	674	0	132,964
Gain/(loss) on investments	226,815	0	0	226,815
Building use fees	49,439	0	0	49,439
Other	39,030	0	0	39,030
Juanita Morris Trust	23,974	0	0	23,974
Net assets released from restrictions	<u>253,394</u>	<u>(253,394)</u>	<u>0</u>	<u>0</u>
	<u>2,983,022</u>	<u>(109,699)</u>	<u>46,534</u>	<u>2,919,857</u>
EXPENSES				
Personnel	1,122,931	0	0	1,122,931
Payroll taxes and benefits	250,632	0	0	250,632
Utilities and maintenance	263,380	0	0	263,380
Apportionments	238,001	0	0	238,001
Interest	216,215	0	0	216,215
Depreciation	195,122	0	0	195,122
Designated programs	151,125	0	0	151,125
Administration	118,563	0	0	118,563
Other	117,150	0	0	117,150
Preschool operations	54,619	0	0	54,619
Music ministry	<u>33,111</u>	<u>0</u>	<u>0</u>	<u>33,111</u>
	<u>2,760,849</u>	<u>0</u>	<u>0</u>	<u>2,760,849</u>
CHANGE IN NET ASSETS	222,173	(109,699)	46,534	159,008
BEGINNING NET ASSETS	<u>4,738,945</u>	<u>289,554</u>	<u>5,842,792</u>	<u>10,871,291</u>
ENDING NET ASSETS	<u>\$4,961,118</u>	<u>\$179,855</u>	<u>\$5,889,326</u>	<u>\$11,030,299</u>

The accompanying notes are an integral part of this financial statement presentation.