

FIRST UNITED METHODIST CHURCH
OF AUSTIN, TEXAS, INC.

CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2013

FIRST UNITED METHODIST CHURCH
OF AUSTIN, TEXAS, INC.

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Independent Auditors' Report

First United Methodist Church
of Austin, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of First United Methodist Church of Austin, Texas, Inc (the Church) which comprise the consolidated statement of assets, liabilities and net assets - modified cash basis as of December 31, 2013, and the related consolidated statement of revenue, expenses and changes in net assets - modified cash basis for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Church as of December 31, 2013, and its revenues, expenses and changes in net assets for the year then ended in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note A of the consolidated 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Austin, Texas
August 10, 2014

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2013

ASSETS

Current assets		
Cash and cash equivalents		\$ 881,250
Non-current Restricted Assets		
Cash and cash equivalents - endowment fund		316,712
Investments - endowment fund		6,185,333
Royalty interest and other - endowment fund		33,011
		6,535,056
Property and equipment, net		7,319,629
Total assets		\$ 14,735,935

LIABILITIES AND NET ASSETS

Current liabilities		
Other liabilities		\$ -
Current portion of long-term debt		121,503
Total current liabilities		121,503
Long-term debt, net of current portion		2,024,854
Total liabilities		2,146,357
Net assets		
Unrestricted		
Undesignated		5,388,794
Board-designated		671,145
		6,059,939
Temporarily restricted		453,577
Permanently restricted		6,076,062
		12,589,578
Total net assets		12,589,578
Total liabilities and net assets		\$ 14,735,935

The Notes to Financial Statements are an integral part of these financial statements

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
CONSOLIDATED STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Pledges	\$ 1,239,749	\$ 163,498	\$ -	\$ 1,403,247
Designated donations	131,676	132,432	-	264,108
Offerings and gifts	269,766	-	2,365	272,131
Preschool tuition	396,544	-	-	396,544
Investment earnings	144,780	-	-	144,780
Gain/(loss) on investments	656,986	-	-	656,986
Building use fees	47,984	-	-	47,984
Other	50,149	-	-	50,149
Juanita Morris Trust	19,014	-	-	19,014
Net assets released from restrictions	96,703	(96,703)	-	-
Total revenues	3,053,351	199,227	2,365	3,254,943
Expenses				
Personnel	973,120	-	-	973,120
Payroll taxes and benefits	186,773	-	-	186,773
Utilities and maintenance	337,277	-	-	337,277
Apportionments	242,022	-	-	242,022
Depreciation	222,664	-	-	222,664
Administration	190,630	-	-	190,630
Interest	145,276	-	-	145,276
Designated programs	153,284	-	-	153,284
Other	70,595	-	-	70,595
Preschool operations	53,535	-	-	53,535
Music ministry	42,259	-	-	42,259
Total expenses	2,617,435	-	-	2,617,435
Increase (decrease) in net assets	435,916	199,227	2,365	637,508
Beginning net assets	5,624,023	254,350	6,073,697	11,952,070
Ending net assets	\$ 6,059,939	\$ 453,577	\$ 6,076,062	\$ 12,589,578

The Notes to Financial Statements are an integral part of these financial statements

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE A - ORGANIZATION

First United Methodist Church of Austin, Texas, Inc (Church) is a nonprofit organization created under the Nonprofit Corporation Act of the State of Texas for the purpose of organizing, operating and maintaining the Church as a place of worship, and for the mutual and spiritual benefit of its membership, as it may be constituted from time to time.

First United Methodist Church of Austin Endowment Fund, Inc (Endowment Fund) is a separately incorporated nonprofit organization created under the Nonprofit Corporation Act by the State of Texas and under the control of the Church. Endowment Fund resources are managed by a separate board.

The financial statements of the Church and the Endowment Fund have been consolidated. Inter-company transactions have been eliminated in the presentation of the consolidated financial statements. The entities are collectively referred to as the Church.

Description of Programs

The following program and supporting services are included in the accompanying financial statements:

Missions

Missions includes all funds expended in service to the local and global communities to address needs of the body, mind and spirit. Primary components are the preschool, Austin area missions, and mission funds paid through the broader church organization.

Worship

Worship includes all expenses associated with planning and conducting services of worship. The primary components consist of some pastoral salaries and benefits, music ministry expenses, childcare staff, and all related building/utility costs.

Spiritual Growth Ministry

Spiritual Growth Ministry category includes all expenses incurred to help church members grow in faith. The primary components consist of some pastoral/staff salaries and benefits, adult and children's Sunday school, youth ministries, childcare staff and all related building/utility costs.

Congregational Care

Congregational Care includes all expenses associated with visitation or care of sick or elderly members. This includes some pastoral/staff salaries and benefits, direct expenses of care ministries, and senior adult ministries.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Church uses the modified cash basis of accounting which recognizes revenue when cash is received and expenses when cash is paid. In addition, fixed assets are capitalized and a provision for depreciation is provided for in expense.

Basis of Presentation

The Church is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents includes all monies deposited in banks, money market funds in brokerage accounts and demand deposits held at the Texas Methodist Foundation.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of assets, liabilities and net assets. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Acquisition of property and equipment in excess of \$500 is capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation and are depreciated using the straight-line method. Estimated useful lives are as follows.

Buildings	Forty years
Building improvements	Ten to twenty years
Furniture and equipment	Three to twenty years

Repair and maintenance items are charged to expense as incurred.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of 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.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions received are measured at their fair values on the date of donation and are reported as an increase in net assets. The Church reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses and changes in net assets-modified cash basis as net assets released from restrictions.

Contributed Services

The Church receives a substantial amount of services donated by its members in carrying out the Church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605-25-16, "*Not-for-Profit Entities - Revenue Recognition - Contributed Services*."

Income Taxes

The Church and the Endowment Fund are nonprofit organizations under Section 501(c)(3) of the Internal Revenue Code and are exempt from Federal income taxes. Therefore, no provisions have been made for Federal income taxes in the accompanying financial statements.

The Church adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Fair Value Measurements

The Church has implemented FASB ASC 820-10, *Fair Value Measurements*, which establishes a frame work for measuring fair value. That frame work provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Church has the ability to access.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Church believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Subsequent Events

Management of the Church has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of:

Land	\$ 2,357,760
Family Life Center building	2,723,818
Sanctuary and education buildings	4,527,268
Parsonage building	215,563
Furniture and equipment	399,739
Accumulated depreciation	(2,904,519)
	<u>\$ 7,319,629</u>

NOTE D - INVESTMENTS

Investments at December 31, 2013, consist of:

Mutual funds	\$ 5,207,055
Equities	978,278
	<u>\$ 6,185,333</u>

The following table sets forth by level, within the fair value hierarchy, the investments' fair value as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 5,207,055	\$ -	\$ -	\$ 5,207,055
Equities	978,278	-	-	978,278
	<u>\$ 6,185,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,185,333</u>

Components of investment earnings for the year ended December 31, 2013, are:

Interest and dividends	\$ 123,610
Royalty income	21,170
Realized gain (loss)	176,056
Unrealized gain (loss)	480,930
	<u>\$ 801,766</u>

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE E - ENDOWMENT FUND

The Endowment Fund was created for the purpose of investing Endowment Fund assets to generate income for the benefit of the Church. Management has estimated the permanently restricted portion of the Fund using historical data of donor contributions. The Fund is governed by the laws of the State of Texas, by its Articles of Incorporation, and by its By-Laws. The Endowment Fund Board of Directors have interpreted the Texas Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the date of the contribution, absent any explicit donor stipulations to the contrary. Thus, donor contributions to the Endowment Fund are permanently restricted and the related cash, investments and other assets of the Endowment Fund are reported as long-term assets of the Church. The undistributed income of the Endowment Fund is designated as Board-designated unrestricted net assets.

Endowment Fund restricted net asset composition by type as of December 31, 2013, was:

	Board- Designated	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 6,076,062	\$ 6,076,062
Board-designated funds	458,994	-	458,994
	<u>\$ 458,994</u>	<u>\$ 6,076,062</u>	<u>\$ 6,535,056</u>

The Changes in Endowment Fund net assets for the year ended December 31, 2013, was:

	Board- Designated	Permanently Restricted	Total
Beginning net assets	\$ 8,501	\$ 6,073,697	\$ 6,082,198
Investment return:			
Investment income	140,824	-	140,824
Realized gain (loss)	176,056	-	176,056
Unrealized gain (loss)	480,930	-	480,930
	<u>806,311</u>	<u>6,073,697</u>	<u>6,880,008</u>
Contributions	-	2,365	2,365
Appropriations for expenditures	(347,317)	-	(347,317)
Ending net assets	<u>\$ 458,994</u>	<u>\$ 6,076,062</u>	<u>\$ 6,535,056</u>

Return objective, risk parameters and strategies employed by the Endowment Fund Board for achieving objectives are:

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE E - ENDOWMENT FUND (Continued)

Return objectives include the maximization of return on investments as well as the conservation of principal and investment safety. The overall target is to earn a long-term rate of return that is at least 4% greater than the rate of inflation.

From time to time, the fair value of investments in the Endowment Fund may fall below the historical value of permanently restricted contributions. Any deficiencies of this nature are reported in unrestricted net assets.

The allocation of assets for investments of Endowment Fund assets varies from time to time, as determined by its Board of Directors. Over time a balance is sought among fixed income securities, equities, and cash equivalents.

The spending policy of the Endowment Fund and how investment objectives relate to spending policy:

The Fund Directors determine annually (as of December 31) the amount of money to be released from the Endowment Fund to the Church for unrestricted use based upon a maximum spending rate of 4% of the three-year rolling average of portfolio market value. Earnings from restricted gifts will be distributed according to the donor's instructions.

NOTE F - LONG-TERM DEBT

Long-term debt consists of a promissory note payable to Comerica Bank. The note is secured by real property and matures in October 2025. The note was refinanced during 2005 with a fixed interest rate of 6.49% and monthly principal and interest payments of \$21,436 until October 12, 2015. Beginning on October 12, 2015, the interest rate will be the bank's prime rate minus .75%. Total interest expense during 2013 amounted to \$145,276.

Maturities on the note at year-end are:

2014	\$	121,503
2015		129,627
2016		138,295
2017		147,542
2018		157,407
Thereafter		1,451,983
		\$ 2,146,357

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE G - BOARD-DESIGNATED NET ASSETS

Board-designated net assets at December 31, 2013, consisted of:

Endowment Fund	\$ 458,994
Special projects	147,980
Church organizations and ministries	29,492
Programs	17,940
Missions	16,739
	<u>\$ 671,145</u>

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Special projects	\$ 244,029
For use in 2014	163,498
Programs	18,013
Missions	28,037
	<u>\$ 453,577</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Disbursements as specified by donors	
Special projects	\$ 300
Programs	7,520
Missions	11,120
Time restriction met	
2013 pledges received in 2012	77,763
	<u>\$ 96,703</u>

NOTE I - CONCENTRATION OF CREDIT RISK

The Church maintains some cash in a national bank which may, at times, exceed the insurable limits of the Federal Deposit Insurance Corporation (FDIC). The Church reviews the financial position of the bank on a regular basis and believes that any credit risk is mitigated because the bank is well capitalized. At December 31, 2013, the Church had no amounts at the bank in excess of FDIC limits.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I - CONCENTRATION OF CREDIT RISK (Continued)

The Church had \$716,906 in deposit accounts with the Texas Methodist Foundation at December 31, 2013. Such funds are not insured by the FDIC.

NOTE J - RETIREMENT PLAN

The Church's clergy are covered by both the Clergy Retirement Security Plan (CRSP) (the General Board of Pensions' clergy retirement plan) and the Church's Tax Sheltered Annuity Plan (the Church's retirement plan for full-time staff that is administered by an outside agency). The CRSP is paid for completely by the Church and is equal to \$2,000 per full-time pastor plus 9% of total compensation, which includes a factor for parsonage and housing allowances. Total expense related to the CRSP was \$43,377 in 2013. For full-time staff desiring to participate in the Tax Sheltered Annuity Plan (TSAP), the Church matches up to 6% of salary beginning with 3% the second year and increasing 1% a year until 6% is reached. Total expense related to the TSAP amounted to \$8,095 in 2013.

All staff are provided health insurance benefits through a health insurance plan administered by the Southwest Texas Conference. The Church pays completely for the staff member; family members can be covered at the staff member's expense. Total expense under this plan was \$67,097 in 2013.

NOTE K - COMMITMENTS

The Church leases office equipment under non-cancelable operating leases, which expire through June 2017. Future minimum lease payments under the operating leases are as follows:

Year Ending December 31,	
2014	\$ 72,324
2015	72,324
2016	61,074
2017	24,912
	<u>\$ 230,634</u>

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE L - FUNCTIONAL EXPENSES

The cost of providing the various programs and other activities have been summarized in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses for the year are classified as follows:

Program services:	
Missions:	
Preschool	\$ 428,909
Apportionment	133,133
Other missions	164,149
	<u>726,191</u>
Worship	585,363
Spiritual growth ministry	686,048
Congregational care	11,036
	<u>2,008,638</u>
Management and general	608,797
	<u><u>\$ 2,617,435</u></u>

SUPPLEMENTARY
INFORMATION

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
CONSOLIDATING STATEMENT OF ASSETS, LIABILITIES
AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2013

	Church	Church Designated	Fixed Assets	Preschool	Endowment	Eliminations	Total
<u>ASSETS</u>							
Current assets							
Cash and cash equivalents	\$ 324,917	\$ 498,290	\$ 28,072	\$ 29,971	\$ -	\$ -	\$ 881,250
Non-current restricted assets							
Cash and cash equivalents	-	-	-	-	316,712	-	316,712
Investments	-	-	-	-	6,185,333	-	6,185,333
Royalty interest and other	-	-	-	-	33,011	-	33,011
	-	-	-	-	6,535,056	-	6,535,056
Property and equipment	-	-	7,319,629	-	-	-	7,319,629
	\$ 324,917	\$ 498,290	\$ 7,347,701	\$ 29,971	\$ 6,535,056	\$ -	\$ 14,735,935
<u>LIABILITIES AND NET ASSETS</u>							
Current liabilities							
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt	-	-	121,503	-	-	-	121,503
	-	-	121,503	-	-	-	121,503
Long-term debt, net of current portion	-	-	2,024,854	-	-	-	2,024,854
	-	-	2,146,357	-	-	-	2,146,357
Net assets	324,917	498,290	5,201,344	29,971	6,535,056	-	12,589,578
	\$ 324,917	\$ 498,290	\$ 7,347,701	\$ 29,971	\$ 6,535,056	\$ -	\$ 14,735,935

See independent auditors' report.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC
CONSOLIDATING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	Church	Church Designated	Fixed Assets	Preschool	Endowment	Eliminations	Total
Revenue							
Pledges	\$ 1,403,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403,247
Designated donations	-	264,108	-	-	-	-	264,108
Offerings and gifts	257,655	-	-	12,111	2,365	-	272,131
Preschool tuition	-	-	-	396,544	-	-	396,544
Investment earnings	3,101	-	618	237	140,824	-	144,780
Gain/(loss) on investments	-	-	-	-	656,986	-	656,986
Building use fees	47,984	-	-	-	-	-	47,984
Other	31,984	-	4,250	13,915	-	-	50,149
Juanita Morris Trust	19,014	-	-	-	-	-	19,014
	<u>1,762,985</u>	<u>264,108</u>	<u>4,868</u>	<u>422,807</u>	<u>800,175</u>	<u>-</u>	<u>3,254,943</u>
Expenses							
Personnel	626,119	-	-	347,001	-	-	973,120
Payroll taxes and benefits	158,400	-	-	28,373	-	-	186,773
Utilities and maintenance	313,936	-	23,341	-	-	-	337,277
Apportionments	242,022	-	-	-	-	-	242,022
Depreciation	-	-	222,664	-	-	-	222,664
Administration	118,934	-	-	-	71,696	-	190,630
Interest	-	-	145,276	-	-	-	145,276
Designated programs	-	153,284	-	-	-	-	153,284
Other	68,285	-	-	-	2,310	-	70,595
Preschool operations	-	-	-	53,535	-	-	53,535
Music ministry	42,259	-	-	-	-	-	42,259
	<u>1,569,955</u>	<u>153,284</u>	<u>391,281</u>	<u>428,909</u>	<u>74,006</u>	<u>-</u>	<u>2,617,435</u>
Change in net assets	193,030	110,824	(386,413)	(6,102)	726,169	-	637,508
Beginning net assets	143,220	386,610	5,296,899	43,143	6,082,198	-	11,952,070
Transfers	(11,333)	856	290,858	(7,070)	(273,311)	-	-
Ending net assets	<u>\$ 324,917</u>	<u>\$ 498,290</u>	<u>\$ 5,201,344</u>	<u>\$ 29,971</u>	<u>\$ 6,535,056</u>	<u>\$ -</u>	<u>\$ 12,589,578</u>

See independent auditors' report.