

FIRST UNITED METHODIST CHURCH  
OF AUSTIN, TEXAS, INC.

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

DECEMBER 31, 2015

FIRST UNITED METHODIST CHURCH  
OF AUSTIN, TEXAS, INC.

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## **Independent Auditors' Report**

First United Methodist Church  
of Austin, Texas, Inc.

### **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, 2015, 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, 2015, 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

June 6, 2016

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.  
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS  
DECEMBER 31, 2015

ASSETS

Current assets	
Cash and cash equivalents	<u>\$ 1,285,333</u>
Non-current Restricted Assets	
Cash and cash equivalents - endowment fund	516,806
Investments - endowment fund	5,214,086
Royalty interest and other - endowment fund	<u>33,011</u>
	5,763,903
Property and equipment, net	<u>7,563,794</u>
Total assets	<u><u>\$ 14,613,030</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Other liabilities	\$ 21
Current portion of long-term debt	<u>204,385</u>
Total current liabilities	204,406
Long-term debt, net of current portion	<u>1,935,155</u>
Total liabilities	<u>2,139,561</u>
Net assets	
Unrestricted	
Undesignated	5,979,053
Board-designated	<u>168,389</u>
	6,147,442
Temporarily restricted	246,100
Permanently restricted	<u>6,079,927</u>
Total net assets	<u>12,473,469</u>
Total liabilities and net assets	<u><u>\$ 14,613,030</u></u>

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, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>				
Pledges	\$ 1,267,271	\$ 138,200	\$ -	\$ 1,405,471
Designated donations	359,751	39,910	-	399,661
Offerings and gifts	310,168	-	1,990	312,158
Preschool tuition	423,679	-	-	423,679
Investment earnings	164,561	-	-	164,561
Gain/(loss) on investments	(296,845)	-	-	(296,845)
Building use fees	45,359	-	-	45,359
Other	59,682	-	-	59,682
Juanita Morris Trust	16,752	-	-	16,752
Net assets released from restrictions	220,089	(220,089)	-	-
<b>Total revenues</b>	<b>2,570,467</b>	<b>(41,979)</b>	<b>1,990</b>	<b>2,530,478</b>
<b>Expenses</b>				
Personnel	987,018	-	-	987,018
Payroll taxes and benefits	196,972	-	-	196,972
Utilities and maintenance	443,275	-	-	443,275
Apportionments	76,936	-	-	76,936
Depreciation	236,358	-	-	236,358
Administration	253,136	-	-	253,136
Interest	123,343	-	-	123,343
Designated programs	206,529	-	-	206,529
Other	220,684	-	-	220,684
Preschool operations	48,817	-	-	48,817
Music ministry	31,416	-	-	31,416
<b>Total expenses</b>	<b>2,824,484</b>	<b>-</b>	<b>-</b>	<b>2,824,484</b>
<b>Increase (decrease) in net assets</b>	<b>(254,017)</b>	<b>(41,979)</b>	<b>1,990</b>	<b>(294,006)</b>
<b>Beginning net assets</b>	<b>6,401,459</b>	<b>288,079</b>	<b>6,077,937</b>	<b>12,767,475</b>
<b>Ending net assets</b>	<b>\$ 6,147,442</b>	<b>\$ 246,100</b>	<b>\$ 6,079,927</b>	<b>\$ 12,473,469</b>

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, 2015

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 consolidated 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, 2015

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 consolidated 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 consolidated 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, 2015

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, 2015

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, 2015.

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, 2015

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	4,566,458
Parsonage building	215,563
Furniture and equipment	839,019
Construction in progress	227,813
Accumulated depreciation	(3,366,637)
	<u>\$ 7,563,794</u>

NOTE D - INVESTMENTS

Investments at December 31, 2015, consist of:

Mutual funds	\$ 4,197,512
Equities	1,016,574
	<u>\$ 5,214,086</u>

The following table sets forth by level, within the fair value hierarchy, the investments' fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 4,197,512	\$ -	\$ -	\$ 4,197,512
Equities	1,016,574	-	-	1,016,574
	<u>\$ 5,214,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,214,086</u>

Components of investment earnings for the year ended December 31, 2015, are:

Interest and dividends	\$ 138,943
Royalty income	25,618
Realized gain (loss)	68,464
Unrealized gain (loss)	(365,309)
	<u>\$ (132,284)</u>

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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, 2015, was:

	Board- Designated	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 6,079,927	\$ 6,079,927
Board-designated funds	(316,024)	-	(316,024)
	<u>\$ (316,024)</u>	<u>\$ 6,079,927</u>	<u>\$ 5,763,903</u>

The Changes in Endowment Fund net assets for the year ended December 31, 2015, was:

	Board- Designated	Permanently Restricted	Total
Beginning net assets	\$ 405,032	\$ 6,077,937	\$ 6,482,969
Investment return:			
Investment income	158,664	-	158,664
Realized gain (loss)	68,464	-	68,464
Unrealized gain (loss)	(365,309)	-	(365,309)
	266,851	6,077,937	6,344,788
Contributions	-	1,990	1,990
Appropriations for expenditures	(582,875)	-	(582,875)
Ending net assets	<u>\$ (316,024)</u>	<u>\$ 6,079,927</u>	<u>\$ 5,763,903</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, 2015

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 at December 31, 2015, consists of:

Note payable to Texas Methodist Foundation at 4.75% and maturing on October 7, 2025. The note is secured by real property and provides for monthly payments of \$22,020.	\$ 1,915,857
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Note payable to Texas Methodist Foundation at 1.30% and maturing on October 7, 2023. The note is unsecured and provides for monthly payments of \$2,506.	223,683
	<u>\$ 2,139,540</u>

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2015

NOTE F - LONG-TERM DEBT (Continued)

Maturities on the note at year-end are:

2016	\$	204,385
2017		213,337
2018		222,712
2019		232,530
2020		242,812
Thereafter		1,023,764
		\$ 2,139,540

NOTE G - BOARD-DESIGNATED NET ASSETS

Board-designated net assets at December 31, 2015, consisted of:

Endowment Fund	\$	(316,024)
Special projects		439,150
Church organizations and ministries		16,031
Programs		11,469
Missions		17,763
		\$ 168,389

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Special projects	\$	66,657
For use in 2016		138,200
Programs		7,219
Missions		34,024
		\$ 246,100

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2015

NOTE H - TEMPORARILY RESTRICTED NET ASSETS (Continued)

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

Disbursements as specified by donors	
Special projects	\$ 48,422
Programs	6,031
Missions	25,561
Time restriction met	
2016 pledges received in 2015	140,075
	\$ 220,089

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, 2015, the Church had \$471,262 at the bank in excess of FDIC limits.

The Church had \$628,174 in deposit accounts with the Texas Methodist Foundation at December 31, 2015. 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 \$38,877 in 2015. 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 \$9,576 in 2015.

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 \$79,409 in 2015.

FIRST UNITED METHODIST CHURCH OF AUSTIN, TEXAS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015

NOTE K - COMMITMENTS

The Church leases office equipment under non-cancelable operating leases, which expire through July 2020. Future minimum lease payments under the operating leases are as follows:

Year Ending December 31,	
2016	\$ 71,952
2017	71,952
2018	71,952
2019	71,952
2020	47,968
	<u>\$ 335,776</u>

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	\$ 437,082
Apportionment	216,712
Other missions	58,265
	<u>712,059</u>
Worship	667,277
Spiritual growth ministry	723,699
Congregational care	28,409
	<u>2,131,443</u>
Management and general	693,041
	<u>\$ 2,824,484</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	\$ 433,415	\$ 591,857	\$ 232,216	\$ 27,845	\$ -	\$ -	\$ 1,285,333
Non-current restricted assets							
Cash and cash equivalents	-	-	-	-	516,806	-	516,806
Investments	-	-	-	-	5,214,086	-	5,214,086
Royalty interest and other	-	-	-	-	33,011	-	33,011
	-	-	-	-	5,763,903	-	5,763,903
Property and equipment	-	-	7,563,794	-	-	-	7,563,794
	\$ 433,415	\$ 591,857	\$ 7,796,010	\$ 27,845	\$ 5,763,903	\$ -	\$ 14,613,030
<u>LIABILITIES AND NET ASSETS</u>							
Current liabilities							
Other liabilities	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21
Current portion of long-term debt	-	-	204,385	-	-	-	204,385
	21	-	204,385	-	-	-	204,406
Long-term debt, net of current portion	-	-	1,935,155	-	-	-	1,935,155
	21	-	2,139,540	-	-	-	2,139,561
Net assets	433,394	591,857	5,656,470	27,845	5,763,903	-	12,473,469
	\$ 433,415	\$ 591,857	\$ 7,796,010	\$ 27,845	\$ 5,763,903	\$ -	\$ 14,613,030

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	\$ 1,405,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,405,471
Pledges	-	399,661	-	-	-	-	399,661
Designated donations	295,760	-	-	14,408	1,990	-	312,158
Offerings and gifts	-	-	-	423,679	-	-	423,679
Preschool tuition	5,310	-	364	223	158,664	-	164,561
Investment earnings	-	-	-	-	(296,845)	-	(296,845)
Gain/(loss) on investments	45,359	-	-	-	-	-	45,359
Building use fees	49,169	-	2,000	-	-	-	59,682
Other	16,752	-	-	8,513	-	-	16,752
Juanita Morris Trust	1,817,821	399,661	2,364	446,823	(136,191)	-	2,530,478
Expenses	627,400	-	-	359,618	-	-	987,018
Personnel	168,325	-	-	28,647	-	-	196,972
Payroll taxes and benefits	431,031	-	12,244	-	-	-	443,275
Utilities and maintenance	76,936	-	-	-	-	-	76,936
Apportionments	-	-	236,358	-	-	-	236,358
Depreciation	133,004	-	-	-	120,132	-	253,136
Administration	-	-	123,343	-	-	-	123,343
Interest	-	258,651	(52,122)	-	-	-	206,529
Designated programs	216,983	-	-	-	3,701	-	220,684
Other	-	-	-	48,817	-	-	48,817
Preschool operations	31,416	-	-	-	-	-	31,416
Music ministry	1,685,095	258,651	319,823	437,082	123,833	-	2,824,484
Change in net assets	132,726	141,010	(317,459)	9,741	(260,024)	-	(294,006)
Beginning net assets	380,341	363,474	5,514,787	25,904	6,482,969	-	12,767,475
Transfers	(79,673)	87,373	459,142	(7,800)	(459,042)	-	-
Ending net assets	\$ 433,394	\$ 591,857	\$ 5,656,470	\$ 27,845	\$ 5,763,903	\$ -	\$ 12,473,469

See independent auditors' report.