

INDEPENDENT AUDITORS' REPORT

To the Finance Council
St. Gabriel the Archangel Catholic Community
McKinney, Texas

We have audited the accompanying statement of financial position of St. Gabriel the Archangel Catholic Community as of June 30, 2008, and the related statements of activities and cash flows 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Gabriel the Archangel Catholic Community as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Pickens Snodgrass Koch LLP

July 31, 2008

ST. GABRIEL THE ARCHANGEL CATHOLIC COMMUNITY

Statement of Financial Position

June 30, 2008

ASSETS

Current Assets	
Cash	\$ 890,316
Accounts receivable	876
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Total current assets	891,192
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Physical Properties	
Land	626,770
Buildings	8,902,371
Furniture and equipment	642,651
Accumulated depreciation	(1,499,277)
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Total physical properties	8,672,515
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Other Assets	2,330
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Total Assets	\$ 9,566,037
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LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 115,601
Current portion of notes payable	418,977
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Total current liabilities	534,578
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Notes payable, net of current portion	3,102,907
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Total liabilities	3,637,485
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Net Assets	
Unrestricted	
Available for current operations	553,356
Invested in physical properties, net of related debt	5,150,631
Board designated	170,689
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Total unrestricted	5,874,676
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Temporarily restricted	53,876
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Total net assets	5,928,552
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Total Liabilities and Net Assets	\$ 9,566,037
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The accompanying notes are an integral part of these financial statements.

ST. GABRIEL THE ARCHANGEL CATHOLIC COMMUNITY

Statement of Activities
For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Stewardship and contributions	\$ 2,309,586	\$ 284,032	\$ 2,593,618
Youth	28,955	-	28,955
Faith Formation	80,176	-	80,176
Preschool	215,883	-	215,883
Worship	21,381	-	21,381
Outreach	15,457	-	15,457
Fellowship	22,545	-	22,545
Family Life	8,988	-	8,988
Marti Gras Night	35,907	-	35,907
Miscellaneous	26,221	-	26,221
Net assets released from restrictions	<u>271,022</u>	<u>(271,022)</u>	<u>-</u>
Total revenues	<u>3,036,121</u>	<u>13,010</u>	<u>3,049,131</u>
Program expenses			
Youth	107,701	-	107,701
Faith Formation	193,692	-	193,692
Preschool	186,869	-	186,869
Worship	207,236	-	207,236
Outreach	20,021	-	20,021
Fellowship	19,795	-	19,795
Family Life	19,482	-	19,482
Land Trust	483,653	-	483,653
Designated expenses	<u>16,338</u>	<u>-</u>	<u>16,338</u>
Total program expenses	1,254,787	-	1,254,787
Supporting Services			
General and administration	1,187,835	-	1,187,835
Fund raising	<u>74,943</u>	<u>-</u>	<u>74,943</u>
Total expenses	<u>2,517,565</u>	<u>-</u>	<u>2,517,565</u>
Change in net assets	518,556	13,010	531,566
Net assets at beginning of year	<u>5,356,120</u>	<u>40,866</u>	<u>5,396,986</u>
Net assets at end of year	<u>\$ 5,874,676</u>	<u>\$ 53,876</u>	<u>\$ 5,928,552</u>

The accompanying notes are an integral part of these financial statements.

ST. GABRIEL THE ARCHANGEL CATHOLIC COMMUNITY

Statement of Cash Flows
For the Year Ended June 30, 2008

Cash Flows from Operating Activities:	
Change in net assets	\$ 531,566
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	260,891
Contributions restricted for long-term purposes	(275,679)
Increase in accounts receivable	(876)
Increase in accounts payable	64,970
Decrease in accrued expenses	<u>(8,336)</u>
Net cash provided by operating activities	<u>572,536</u>
Cash Flows from Investing Activities:	
Purchases of fixed assets	<u>(32,043)</u>
Cash Flows from Financing Activities:	
Contributions restricted for long-term purposes	275,679
Payments on notes payable	<u>(818,839)</u>
Net cash used in financing activities	<u>(543,160)</u>
Net change in cash	(2,667)
Cash at beginning of year	<u>892,983</u>
Cash at end of year	<u>\$ 890,316</u>
Supplemental Information:	
Cash paid for interest and expensed	<u>\$ 243,690</u>

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