



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, 2009, 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, 2009, 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

August 24, 2009

ST. GABRIEL THE ARCHANGEL CATHOLIC COMMUNITY

Statement of Financial Position

June 30, 2009

ASSETS

Current assets	
Cash and cash equivalents	\$ 522,572
Short-term investments	254,018
Accounts receivable	<u>357</u>
Total current assets	<u>776,947</u>
Physical properties	
Land	626,770
Buildings	8,902,371
Furniture and equipment	649,216
Accumulated depreciation	<u>(1,679,316)</u>
Net physical properties	<u>8,499,041</u>
Other assets	<u>2,330</u>
Total assets	<u>\$ 9,278,318</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 77,722
Current portion of notes payable	<u>463,950</u>
Total current liabilities	541,672
Notes payable, net of current portion	<u>2,055,899</u>
Total liabilities	<u>2,597,571</u>
Net assets	
Unrestricted	
Available for current operations	440,275
Invested in physical properties, net of related notes payable	5,979,192
Board designated	<u>153,337</u>
Total unrestricted	6,572,804
Temporarily restricted	<u>107,943</u>
Total net assets	<u>6,680,747</u>
Total liabilities and net assets	<u>\$ 9,278,318</u>

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, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Stewardship and contributions	\$ 2,102,296	\$ 721,728	\$ 2,824,024
Youth	40,200	-	40,200
Faith Formation	106,987	-	106,987
Preschool	231,876	-	231,876
Worship	10,942	-	10,942
Outreach	23,054	-	23,054
Fellowship	25,635	-	25,635
Family Life	11,466	-	11,466
Marti Gras Night	26,458	-	26,458
Miscellaneous	17,492	-	17,492
Reclassification of net assets	(204,911)	204,911	-
Net assets released from restrictions	<u>872,572</u>	<u>(872,572)</u>	<u>-</u>
Total revenues	<u>3,264,067</u>	<u>54,067</u>	<u>3,318,134</u>
Program expenses:			
Youth	135,117	-	135,117
Faith Formation	230,726	-	230,726
Preschool	193,713	-	193,713
Worship	207,610	-	207,610
Outreach	7,368	-	7,368
Fellowship	20,803	-	20,803
Family Life	29,839	-	29,839
Land Trust	329,368	-	329,368
Designated expenses	<u>223,013</u>	<u>-</u>	<u>223,013</u>
Total program expenses	<u>1,377,557</u>	<u>-</u>	<u>1,377,557</u>
Supporting services:			
General and administration	1,184,273	-	1,184,273
Fund raising	<u>4,109</u>	<u>-</u>	<u>4,109</u>
Total supporting services	<u>1,188,382</u>	<u>-</u>	<u>1,188,382</u>
Total expenses	<u>2,565,939</u>	<u>-</u>	<u>2,565,939</u>
Change in net assets	698,128	54,067	752,195
Net assets at beginning of the year	<u>5,874,676</u>	<u>53,876</u>	<u>5,928,552</u>
Net assets at end of the year	<u>\$ 6,572,804</u>	<u>\$ 107,943</u>	<u>\$ 6,680,747</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, 2009

Cash flows from operating activities:	
Change in net assets	\$ 752,195
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation expense	180,039
Net investment income	(4,018)
Contributions restricted for building costs	(544,342)
Change in assets and liabilities:	
Decrease in accounts receivable	519
Decrease in accounts payable	<u>(37,879)</u>
Net cash and cash equivalents provided by operating activities	<u>346,514</u>
Cash flows from investing activities:	
Purchase of physical properties	(6,565)
Purchase of short-term investments	<u>(250,000)</u>
Net cash and cash equivalents used in investing activities	<u>(256,565)</u>
Cash flows from financing activities:	
Contributions restricted for building costs	544,342
Payments on notes payable	<u>(1,002,035)</u>
Net cash and cash equivalents used in financing activities	<u>(457,693)</u>
Decrease in cash and cash equivalents	(367,744)
Cash and cash equivalents at beginning of the year	<u>890,316</u>
Cash and cash equivalents at end of the year	<u>\$ 522,572</u>
Supplemental disclosures of cash flow information:	
Cash paid for interest and expensed	<u>\$ 165,379</u>

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