

ST. FRANCIS OF ASSISI CATHOLIC CHURCH

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

YEAR ENDED JUNE 30, 2014



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Reverend Clifford Pichard
St. Francis of Assisi Catholic Church
Roman Catholic Diocese of Dallas

We have performed the procedures enumerated below, which were agreed to by St. Francis of Assisi Catholic Church (the Church) and the Roman Catholic Diocese of Dallas (the Diocese), solely to assist you in complying with the requirements set forth by the Diocese as of and for the year ended June 30, 2014. Management of St. Francis of Assisi Catholic Church is responsible for the accounting records of the Church. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained copies of the year-end Right Networks standardized financial report #8: Statement of Financial Position vs. Prior Year, report #9: Statement of Activities vs. Prior Year- Natural and report #11: Statement of Activities vs. Budget - Natural and the approved budgets for the Church as of and for the year ended June 30, 2014. A copy of those financial reports is attached to this report as Exhibit 1. We performed the following procedures with respect to those reports:
 - a. For report #11 we agreed the budgeted financial data for the year ended June 30, 2014, to the approved budget by reference to minutes of the Finance Committee.
No exceptions were noted in performing this procedure.
 - b. We noted any significant (e.g. 20%) variances in budget to actual comparison, and reviewed to ensure entries were being made in a consistent manner.
No exceptions were noted in performing this procedure.
 - c. For report #8, we determined that the reported net assets balances in the prior year column agreed with the report used in the prior year's engagement.
No exceptions were noted in performing this procedure.

We did however note a difference in the ending net assets as of June 30, 2013 and the beginning net assets for the year ending June 30, 2014 of \$85,607. This difference is due to the Preschool's financial statement activity being separated from the church's financial statements. Weaver reviewed correspondence from the Diocese advising the Financial Director on how to account for this transaction and noted the entry was recorded to account 3000 – Beginning Unrestricted Net Assets.

2. We obtained a list of all accounts at all financial institutions, including account numbers, name, authorized signers, and purpose. The list includes all entities such as trusts, support, and Church-based organizations. We confirmed that all the accounts on the list are included in the financial reports of the Church. A copy of that list is attached to this report as Exhibit 2.

No exceptions were noted in performing this procedure.

3. We obtained and reviewed the *QuickBooks Reconciliation Detail* for all the bank accounts listed in the attached Exhibit 2, compared the reconciled bank account balance to the *QuickBooks Balance Sheet Summary Report* at June 30, 2014, and examined the date on which each *QuickBooks Reconciliation Detail* was completed to determine whether the respective accounts were reconciled to the general ledger in a timely manner (within 30 days). We also determined if the reconciliation was reviewed by an individual other than the preparer and that such review was documented.

No exceptions were noted in performing this procedure.

4. We selected seven employees, which represented 15% of all employees, inquired of the existence of or were introduced to all the employees selected, and obtained and reviewed applicable personnel file and salary information to determine the following:
 - a. Each employee selected was actively employed by the Church.
 - b. The salary being paid to each employee had been properly approved.
 - c. All compensation had been included for tax reporting purposes.
 - d. Each employee was enrolled in the diocesan group insurance plan if qualified and the cost of elective coverages were withheld from pay.
 - e. I-9 documentation is being properly completed and is being maintained in a file separate from other personnel records.
 - f. Employees were properly enrolled (or not) in the 403B plan, and have received the correct matching and mandatory employer contributions for the fiscal year. The status of employees listed as ineligible for the 403B plan appeared reasonable.

No exceptions were noted in performing this procedure. However, we noted that for one employee who was a new hire during the year (non-priest), there was no record of salary approval. Upon discussion with the Financial Director, his salary is based on parish and national salary surveys and also based on approved prior budgeted salaries listed by the Diocese for that position, but there was no documented approval of this salary noted in his file. Since it was approved by the Financial Director and Pastor, it is not considered an exception. However, we have added this to the recommendations at Exhibit 3.

5. Employees were not also given 1099s.

No exceptions were noted in performing this procedure.

6. We inquired of the Church staff as to whether the Church has adopted any non-Diocesan benefit plans or is paying “extra” benefits to any employee. We were informed that no non-Diocesan benefit plans have been adopted and that the Church does not pay “extra” benefits to employees.

No exceptions were noted in performing this procedure.

7. We selected, examined, and inquired of all payments to vendors and to individuals who are not employees of the Church (e.g. independent contractors) and traced the payments to the client-prepared IRS Form 1099 worksheet to determine whether the disbursements were properly reported for federal income tax purposes. Under IRS reporting guidelines, disbursements to an individual or a partnership totaling or exceeding \$600 require an IRS Form 1099 to be issued to the payee.

No exceptions were noted in performing this procedure.

8. We determined by inquiry and observation that no payroll taxes are being paid directly to the IRS by the entity.

No exceptions were noted in performing these procedures.

9. We determined by inquiry and observation that no unresolved payroll tax issues/correspondence with the IRS exist.

No exceptions were noted in performing these procedures.

10. We reviewed the Mass collection procedures performed by the Church in relation to those specified in the Diocesan *Accounting Standards Handbook*.

We agreed the balances on the count sheets for randomly selected dates (weeks ended October 6, 2013; December 8, 2013; and March 30, 2014) to the related deposit slip and entries in the general ledger to determine that the stipulated Mass collection procedures are being followed.

We also ascertained that procedures for collecting fees and other revenues were documented and those fees and other revenues collected for the weeks ended October 6, 2013; December 8, 2013; and March 30, 2014 were timely deposited and recorded within the general ledger.

We further ascertained that donor restricted gifts or contributions collected for the weeks ended October 6, 2013; December 8, 2013; and March 30, 2014 were properly accounted for and recorded in the general ledger in accordance with the standard chart of accounts and that the donor restrictions were complied with.

No exceptions were noted in performing these procedures.

11. Step not applicable.
12. We obtained and reviewed a total of thirty randomly selected non-payroll disbursements from the check registers of the Church, plus supporting documentation such as vendor invoices, utility bills, check requests, receipts, and cancelled checks, as applicable, to determine whether:
- a. The invoice, receipt, or contract is properly approved and attached.
 - b. Employee/priest expense reimbursements are adequately and properly supported.
 - c. Each purchase is reasonable in the circumstances.
 - d. Based on inquiry of Church staff, a person who is in fact an 'employee,' was paid outside of the payroll process.

No exceptions were noted in performing these procedures.

13. We obtained and reviewed a representative sample of two disbursements paid to Church staff, one disbursement paid to the Pastor, one disbursement paid to the Parochial Vicar; and one disbursement paid to the Finance Director to determine whether the disbursements were reasonable in the circumstances, adequately supported, and properly approved.

No exceptions were noted in performing these procedures.

14. We reviewed the four quarterly assessment reports for the Church's current fiscal year and performed the following procedures:
- a. We agreed the four quarterly assessment reports to the general ledger and determined that they were in compliance with Diocesan policy.
 - b. We conducted an inquiry of and discussions with Church staff and determined that the Church does not have any existing debt with the Diocese but has a construction loan payable to a financial institution.
 - c. Per inquiry of Church staff, we determined that the Parish only has a preschool and as such there were no subsidy payments made to a school.

No exceptions were noted in performing these procedures.

15. We examined two amounts remitted to the Diocese for two special collections by noting the amount of each collection and the dates of collection and remittance to determine that national and special collections are being remitted timely to the Diocese.

15 *Continued:*

The amounts that make up two special collections which we reviewed are illustrated in the table below:

	Special Collection	Dates of Collection	Remittance Date	Remittance Amount	Timely remittance (within 30 days of last collection date)
1)	Black & Indian Missions	3/1/14 – 3/31/14	4/3/14	3,728.20	Yes
2)	World Mission Sunday	10/1/13 – 10/31/13	11/7/13	3,744.46	Yes

No exceptions were noted in performing these procedures.

16. We inquired of the Church staff to determine what financial reports are presented to appropriate governing groups, such as the parish council, parish finance committee, or board of directors, as applicable.

We were informed that the Finance Committee is supplied with the following: a monthly (summary and detailed) Balance Sheet and Income Statement, year-to-date (summary and detailed) Balance Sheet and Income Statement (with budget vs. actual comparison), Contributions Graphs, and Average Attendance & Giving reports.

17. We verified that the Church published its prior fiscal year's financial reports in accordance with Diocesan policy.

Reports	Date of Publication	Length of Publication	Publication Medium
Parish Annual Report	July 2012 - June 2013	11 pages	Website and Print

18. We obtained the Pastoral Center fiscal year end statement(s) of unpaid invoices; note payable activity and balance; and Funds on Deposit activity and balance and reconciled them to the respective general ledger(s).

No exceptions were noted in performing these procedures.

19. Meet with the Church's Pastor, Business Manager and Finance Committee and review the results of the annual financial review.

Meeting to be held September 17th.

St. Francis of Assisi Catholic Church
September 16, 2014

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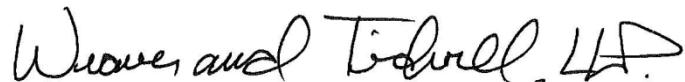
20. We obtained representation from the Pastor of the Church in the format prescribed by the Diocese.

A copy of the signed representation letter is attached to this report as Exhibit 4.

21. Based on the findings we noted in performing procedures listed above, we noted one area for improvement that could be made to the internal control environment at the Church. Accordingly, we have made recommendations to the Church that should be considered. The recommendations are attached to this report at Exhibit 3.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records of the Church. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of St. Francis of Assisi Catholic Church and the Roman Catholic Diocese of Dallas and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Weaver and Tidwell, L.L.P." with a stylized flourish at the end.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
September 16, 2014

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF FINANCIAL POSITION

Account Number		6/30/2014	6/30/2013
	Assets		
	Cash & Cash Equivalents		
1001	Operating Checking Account	\$ 583,546	\$ 218,996
1002	Money Market Account	7,565	57,119
1003	Savings Account	5,602	5,121
1004	Certificates of Deposit	1,300,036	355,008
1005	Treasury Securities	-	-
1006	Diocesan Funds on Deposit	-	-
1007	Petty Cash	304	304
		1,897,053	636,548
	Receivables		
1101	Tuition & Fees Receivable	-	-
1102	Accounts Receivable	-	-
1103	Allowance for Uncollectible Receivables	-	-
1104	Pledges Receivable	-	-
1105	Allowance for Uncollectible Pledges	-	-
		-	-
	Other Assets		
1201	Prepaid Expenses	31,934	15,963
1202	Inventory of Scrip Vouchers	-	-
1203	Inventory (e.g. bookstore, religious articles, etc.)	-	-
1204	Deferred Charges	-	-
1205	Deposits	-	-
1206	Other	2,800	1,100
1208	Undeposited Funds	-	-
		34,734	17,063
	Property & Equipment		
1301	Land	965,000	965,000
1302	Land not in use	-	-
1303	Land Improvements	2,839,585	2,746,454
1304	Buildings	25,337,365	7,298,993
1305	Building Improvements	291,480	120,014
1306	Furniture & Fixtures	1,090,535	327,930
1308	Equipment	528,250	281,283
1310	Vehicles	101,726	94,669
1312	Leasehold Improvements	-	-
1313	Construction In Progress	-	13,722,143
	Total Cost Property & Equipment	31,153,941	25,556,487
1322	Accumulated Depreciation - Land Improv.	(1,027,209)	(841,991)
1323	Accumulated Depreciation - Building	(2,504,477)	(2,099,228)
1324	Accumulated Depreciation - Building Improv.	(21,167)	(7,772)
1325	Accumulated Depreciation - Furniture & Fixture	(343,268)	(306,688)
1328	Accumulated Depreciation - Equipment	(254,715)	(255,540)
1330	Accumulated Depreciation - Vehicles	(95,375)	(94,669)

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF FINANCIAL POSITION

Account Number		6/30/2014	6/30/2013
1332	Accumulated Depreciation - Leasehold Improv. Property & Equipment, Net of Depreciation	-	-
		<u>26,907,731</u>	<u>21,950,598</u>
	Investments		
1401	Catholic Foundation	-	-
1402	Parish Trust	-	-
1404	Other	-	-
		<u>-</u>	<u>-</u>
	Total Assets	<u>\$ 28,839,519</u>	<u>\$ 22,604,208</u>
	Liabilities		
	Accounts Payable		
2005	Vendors & Suppliers	76,988	643,396
2010	Payables to Diocesan Entities	450	-
2015	Other Accounts Payable	-	-
		<u>77,438</u>	<u>643,396</u>
	Credit Cards Payable		
2031	Credit Card Payable	7,890	3,263
		<u>7,890</u>	<u>3,263</u>
	Special Collections		
2051	Catholic University of America	-	-
2052	World Mission Sunday	-	-
2053	Catholic Campaign for Human Dev	-	-
2054	Retirement Fund for Religious	-	-
2055	Church in Latin America	-	-
2056	Aid to Church in Eastern Europe	10	-
2057	Catholic Relief Services	13	3
2058	Holy Land	-	7
2059	Catholic Home Missions	40	1
2060	Black & Indian Missions	-	-
2061	Catholic Communications	1,769	1
2062	Peter's Pence	2,966	4,552
2063	Operation Rice Bowl	1,061	1,033
2064	Missionary Co-op	-	-
2065	Other Special Collections	44,793	49,665
2066	Annual Diocesan Campaign	-	-
		<u>50,652</u>	<u>55,262</u>
	Other Accrued Expenses & Liabilities		
2101	Assessment Payable to Diocese	93,019	72,889
2102	Accrued Expenses	-	-
2103	Security Deposits	1,100	425
2104	Accrued Interest on Loan(s)	-	-
		<u>94,119</u>	<u>73,314</u>
	Payroll Liabilities		

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF FINANCIAL POSITION

Account Number		6/30/2014	6/30/2013
2201	Federal Income Tax Withholding	-	-
2202	Medicare Tax Withholding	-	-
2203	Medicare Tax - Employer Liability	-	-
2204	FICA Tax Withholding	-	-
2205	FICA Tax Employer Liability	-	-
2206	403(B) Withholding	-	-
2207	Accrued Employer 403(B) Liability	-	-
2208	Garnishments	-	-
2209	Sec. 125/Flexible Spending	-	-
2210	Unpaid Stipends	13,592	4,753
2211	Payroll Liabilities - Other	-	34
		<u>13,592</u>	<u>4,787</u>
Loans Payable			
2301	Construction Loans	-	-
2302	Loans from Diocese	-	-
2303	Mortgage Loans	8,006,982	2,408,000
2304	Loans from Parishioners	-	-
2305	Capitalized Lease Obligations	-	-
		<u>8,006,982</u>	<u>2,408,000</u>
Deferred Revenue			
2401	Deferred Religious Ed Fees	59,478	85,873
2402	Deferred Tuition	-	5
2403	Other Deferred Revenue	36,287	61,172
		<u>95,764</u>	<u>147,050</u>
	Total Liabilities	<u>8,346,437</u>	<u>3,335,072</u>
Net Assets			
3010	Beginning Unrestricted Net Assets	18,722,124	15,934,930
3011	Current Year Unrestricted Change	1,309,553	2,872,802
3020	Beginning Temporarily Restricted Net Assets	461,405	1,190,049
3021	Current Year Temporarily Restricted Change	-	(728,644)
3030	Begin Permanently Restricted Net Assets	-	-
3031	Current Year Permanently Restricted Change	-	-
	<i>Unauthorized Accounts</i>	-	-
	Total Net Assets	<u>20,493,082</u>	<u>19,269,136</u>
	Total Liabilities & Net Assets	<u>\$ 28,839,519</u>	<u>\$ 22,604,208</u>

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
	Change in Unrestricted Net Assets		
	Revenues		
4000	Collections		
4010	Regular Collections		
4011	Sunday Collections	\$ 2,512,077	\$ 2,147,792
4012	Holy Day Collections	37,076	22,091
		<u>2,549,153</u>	<u>2,169,883</u>
		<u>2,549,153</u>	<u>2,169,883</u>
4100	Fundraisers & Investment Income		
4110	Fundraisers		
4111	Bingo	-	-
4112	Carnivals/Bazaars/Auctions	-	-
4113	Raffles	-	-
4114	Scrip Program	-	-
4115	Other Fundraisers	109,365	87,687
4116	Bulletin Revenue	-	-
4117	Gift Shop Revenues	-	-
		<u>109,365</u>	<u>87,687</u>
4120	Investment Income		
4121	Unrealized Gains/(Losses) on Securities	-	-
4122	Realized Gains/(Losses) on Sales of Securities	462	158
4123	Interest & Dividend Income	1,109	2,865
		<u>1,571</u>	<u>3,024</u>
		<u>110,936</u>	<u>90,711</u>
4200	Fees & Other Revenues		
4210	Pre-School & Other Child Care Services		
4211	Revenue from Child Care Program	24,474	334,178
		<u>24,474</u>	<u>334,178</u>
4220	Faith Formation Fees & Tuition		
4221	Tuition	-	-
4222	Fees	177,748	145,173
		<u>177,748</u>	<u>145,173</u>
4230	Sacramental/Evangelization		
4231	Fees	4,625	3,175
4232	Other Revenues	-	-
		<u>4,625</u>	<u>3,175</u>
4240	Rental & Lease Revenue		
4241	Rental Revenues	22,046	4,886
		<u>22,046</u>	<u>4,886</u>

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		<u>7/1/2013 - 6/30/2014</u>	<u>7/1/2012 - 6/30/2013</u>
4250	Votive Candles		
4251	Votive Candles	10,285	6,864
		<u>10,285</u>	<u>6,864</u>
4260	Cemetery/Columbarium		
4261	Sale of Burial Plots	-	-
4262	Sale of Niches	-	-
4263	Sale of Mausoleum Crypts	-	-
4264	Interments	-	-
4265	Perpetual Care Revenue	-	-
4266	Other Cemetery Revenues	-	-
		<u>-</u>	<u>-</u>
4290	Miscellaneous Revenues		
4291	Miscellaneous Revenues	198,756	149,601
		<u>198,756</u>	<u>149,601</u>
		<u>437,933</u>	<u>643,878</u>
4400	Gifts, Bequests, & Property Sales		
4410	Gifts from Other Parishes		
4411	Gifts from Other Parishes	-	-
		<u>-</u>	<u>-</u>
4420	Gifts & Bequests		
4421	Gifts & Bequests	-	-
		<u>-</u>	<u>-</u>
4430	Gain/(Loss) on Sale of Property		
4431	Gain/(Loss) on Sale of Property	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
4500	Assets Released from Restriction		
4510	Assets Released from Restriction		
4511	Assets Released from Restriction	1,688,935	2,839,800
		<u>1,688,935</u>	<u>2,839,800</u>
		<u>1,688,935</u>	<u>2,839,800</u>
	Total Revenues	<u>4,786,957</u>	<u>5,744,271</u>
	Expenses		
5000	Compensation & Benefits		
5010	Salaries & Wages		
5011	Lay Employees	855,782	1,022,730
5012	Clergy	71,904	47,208
5013	Cash Allow for Pastor/Administrator	20,667	25,041
5014	Religious Sisters & Brothers	-	-
5015	Extra Priests	5,275	6,375

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
		<u>953,628</u>	<u>1,101,354</u>
5020	Payroll Taxes		
5021	FICA	52,800	63,623
5022	Medicare	12,348	14,880
5025	Payroll Expenses - Other	-	-
		<u>65,148</u>	<u>78,503</u>
5030	Employee Benefits		
5031	Group Insurance Premiums	158,749	129,411
5032	Pension - Clergy	30,600	18,000
5033	403(B) Lay Retirement Plan	40,552	43,413
		<u>229,902</u>	<u>190,824</u>
5040	Contract Labor		
5041	Contract Labor	21,225	16,068
		<u>21,225</u>	<u>16,068</u>
		<u>1,269,903</u>	<u>1,386,749</u>
5100	Contributions & Assessments		
5110	Contributions & Assessments		
5111	Contributions to Other Charitable & Religious Orgs.	29,358	41,391
5112	Charitable Gifts for Individuals	26,857	16,495
5113	Diocesan Assessment	353,313	300,168
5114	School Subsidy	-	-
5115	Shortfall on Annual Campaign	-	-
		<u>409,527</u>	<u>358,054</u>
		<u>409,527</u>	<u>358,054</u>
5200	Professional Fees		
5210	Professional Fees		
5211	Audit & Accounting	9,210	10,164
5212	Legal	419	4,313
5213	Other	7,903	8,768
5214	Parish Community Education	5,784	2,315
5215	Staff Continuing Education & Development	7,677	5,549
		<u>30,991</u>	<u>31,108</u>
		<u>30,991</u>	<u>31,108</u>
5260	Insurance & Risk Management		
5261	Insurance & Risk Management		
5262	Auto - Clergy	3,812	2,503
5263	Insurance - Property, Casualty, Etc	74,232	41,188
5264	Deductibles & Uninsured Casualty Losses	-	-
5265	Safe Environment Program	6,968	6,412

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
		<u>85,012</u>	<u>50,104</u>
		<u>85,012</u>	<u>50,104</u>
5300	Supplies, Repairs & Maintenance, Equipment, & Other		
5310	Supplies		
5311	Textbooks	57,745	69,648
5312	Classroom Supplies	11,876	18,944
5313	Food & Beverages	68,997	46,671
5314	Postage & Delivery	4,515	5,848
5315	Printing & Reproduction	17,078	9,971
5316	Liturgical Supplies	19,232	15,823
5317	Office Supplies	18,982	15,570
5318	Miscellaneous Supplies	23,691	16,077
		<u>222,116</u>	<u>198,552</u>
5320	Purchased Furniture & Equipment		
5321	Minor Purchased Furniture & Equipment	19,253	10,145
5322	Major Purchased Furniture & Equipment	-	-
		<u>19,253</u>	<u>10,145</u>
5330	Repairs & Maintenance		
5331	Vehicles	15,738	11,082
5332	Building Repairs & Maintenance	4,071	1,580
5333	Equipment Repairs	36,649	22,446
5334	Maintenance Services	41,580	24,611
5335	Janitorial Supplies	7,586	10,308
		<u>105,624</u>	<u>70,028</u>
5340	Rental Expense		
5341	Leased Equipment	15,976	15,562
5342	Facilities Leasing & Rentals	-	-
		<u>15,976</u>	<u>15,562</u>
5350	Other Services & Charges		
5351	Texas Catholic Subscriptions	51,349	51,597
5352	Subscriptions	6,195	7,021
5353	Offertory Envelopes	23,578	21,795
5354	Dues & Memberships	468	1,540
5355	Advertising & Promotion	-	820
5356	Travel & Lodging	125,889	92,118
5358	Property Taxes	1,404	751
5360	Scrip Program Purchases	-	-
5361	Gift Shop, Spirit Store, Etc. Purchases	-	-
5362	Miscellaneous Other Services & Charges	98,279	73,320
		<u>307,163</u>	<u>248,963</u>
		<u>670,132</u>	<u>543,251</u>

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
5400	Utilities		
5410	Utilities		
5415	Electric	108,384	78,157
5420	Gas	25,181	10,589
5425	Water & Sewer	18,855	14,452
5430	Telephone	15,764	11,655
5435	Internet	-	-
5440	Cell Phones	3,183	2,279
5450	Alarm Monitoring & Security	-	-
5460	Cable TV (& Internet)	1,375	1,306
		<u>172,742</u>	<u>118,438</u>
		172,742	118,438
5600	Interest & Financing Charges		
5610	Interest Expense		
5611	Interest Expense	142,812	-
		<u>142,812</u>	<u>-</u>
5620	Financing Costs		
5621	Financing Costs	-	-
		<u>-</u>	<u>-</u>
5630	Bank Charges		
5631	Bank Account Fees	1,154	539
		<u>1,154</u>	<u>539</u>
5640	Credit Card Fees		
5641	Credit Card Fees	23,921	21,405
		<u>23,921</u>	<u>21,405</u>
		167,886	21,944
5700	Bad Debt Expense		
5710	Bad Debt Expense		
5711	Bad Debt Expense	-	-
		<u>-</u>	<u>-</u>
5720	Uncollectible Pledges		
5721	Uncollectible Pledges	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
5800	Depreciation & Amortization		
5810	Depreciation & Amortization		
5811	Depreciation Expense	671,211	361,822
5821	Amortization Expense	-	-
		<u>671,211</u>	<u>361,822</u>
		671,211	361,822
	Total Expenses	3,477,404	2,871,469

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENTS OF ACTIVITIES

Account Number		7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
	Total Change in Unrestricted Net Assets	<u>1,309,553</u>	<u>2,872,802</u>
	Change in Temporarily Restricted Net Assets		
7010	Capital Campaign Pledges		
7011	Pledges Received	-	-
		<u>-</u>	<u>-</u>
7020	Other Contributions		
7021	Contributions Received	1,688,935	2,111,156
		<u>1,688,935</u>	<u>2,111,156</u>
7030	Parish Special Collections		
7031	Parish Special Collections	-	-
		<u>-</u>	<u>-</u>
7040	Investment Income		
7041	Unrealized Gains/(Losses) on Securities	-	-
7042	Realized Gains/(Losses) on Sales of Securities	-	-
7043	Interest & Dividends	-	-
		<u>-</u>	<u>-</u>
7050	Uncollectible Pledges		
7051	Uncollectible Pledges	-	-
		<u>-</u>	<u>-</u>
7060	Other Expenses & Costs		
7061	Other Expenses	-	-
		<u>-</u>	<u>-</u>
7070	Assets Released from Restriction		
7071	Funds Released from Restriction	(1,688,935)	(2,839,800)
		<u>(1,688,935)</u>	<u>(2,839,800)</u>
	Total Change in Temporarily Restricted Net Assets	<u>-</u>	<u>(728,644)</u>
	Change in Permanently Restricted Net Assets		
8010	Pledges		
8011	Pledges Received	-	-
		<u>-</u>	<u>-</u>
8020	Other Contributions		
8021	Contributions Received	-	-
		<u>-</u>	<u>-</u>
8050	Uncollectible Pledges		
8051	Uncollectible Pledges	-	-

ST FRANCIS OF ASSISI PARISH, FRISCO
STATEMENTS OF ACTIVITIES

Account Number	7/1/2013 - 6/30/2014	7/1/2012 - 6/30/2013
	-	-
Total Change in Permanently Restricted Net Assets	-	-
Combined Change in Net Assets	\$ 1,309,553	\$ 2,144,158

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number		Actual	Budget	Variance
Change in Unrestricted Net Assets				
Revenues				
4000	Collections			
4010	Regular Collections			
4011	Sunday Collections	\$ 2,512,077	\$ 2,466,361	\$ 45,716
4012	Holy Day Collections	37,076	15,500	21,576
		<u>2,549,153</u>	<u>2,481,861</u>	<u>67,291</u>
		2,549,153	2,481,861	67,291
4100	Fundraisers & Investment Income			
4110	Fundraisers			
4111	Bingo	-	-	-
4112	Carnivals/Bazaars/Auctions	-	-	-
4113	Raffles	-	-	-
4114	Scrip Program	-	-	-
4115	Other Fundraisers	109,365	42,787	66,578
4116	Bulletin Revenue	-	-	-
4117	Gift Shop Revenues	-	-	-
		<u>109,365</u>	<u>42,787</u>	<u>66,578</u>
		109,365	42,787	66,578
4120	Investment Income			
4121	Unrealized Gains/(Losses) on Securities	-	-	-
4122	Realized Gains/(Losses) on Sales of Securities	462	-	462
4123	Interest & Dividend Income	1,109	2	1,107
		<u>1,571</u>	<u>2</u>	<u>1,569</u>
		110,936	42,789	68,147
4200	Fees & Other Revenues			
4210	Pre-School & Other Child Care Services			
4211	Revenue from Child Care Program	24,474	23,728	746
		<u>24,474</u>	<u>23,728</u>	<u>746</u>
		24,474	23,728	746
4220	Faith Formation Fees & Tuition			
4221	Tuition	-	-	-
4222	Fees	177,748	152,731	25,017
		<u>177,748</u>	<u>152,731</u>	<u>25,017</u>
		177,748	152,731	25,017
4230	Sacramental/Evangelization			
4231	Fees	4,625	3,600	1,025
4232	Other Revenues	-	-	-
		<u>4,625</u>	<u>3,600</u>	<u>1,025</u>
		4,625	3,600	1,025
4240	Rental & Lease Revenue			
4241	Rental Revenues	22,046	17,510	4,536

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number		Actual	Budget	Variance
		<u>22,046</u>	<u>17,510</u>	<u>4,536</u>
4250	Votive Candles			
4251	Votive Candles	10,285	6,760	3,525
		<u>10,285</u>	<u>6,760</u>	<u>3,525</u>
4260	Cemetery/Columbarium			
4261	Sale of Burial Plots	-	-	-
4262	Sale of Niches	-	-	-
4263	Sale of Mausoleum Crypts	-	-	-
4264	Interments	-	-	-
4265	Perpetual Care Revenue	-	-	-
4266	Other Cemetery Revenues	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
4290	Miscellaneous Revenues			
4291	Miscellaneous Revenues	198,756	216,298	(17,542)
		<u>198,756</u>	<u>216,298</u>	<u>(17,542)</u>
		<u>437,933</u>	<u>420,627</u>	<u>17,307</u>
4400	Gifts, Bequests, & Property Sales			
4410	Gifts from Other Parishes			
4411	Gifts from Other Parishes	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
4420	Gifts & Bequests			
4421	Gifts & Bequests	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
4430	Gain/(Loss) on Sale of Property			
4431	Gain/(Loss) on Sale of Property	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
4500	Assets Released from Restriction			
4510	Assets Released from Restriction			
4511	Assets Released from Restriction	1,688,935	1,640,548	48,387
		<u>1,688,935</u>	<u>1,640,548</u>	<u>48,387</u>
		<u>1,688,935</u>	<u>1,640,548</u>	<u>48,387</u>
	Total Revenues	<u>4,786,957</u>	<u>4,585,825</u>	<u>201,132</u>
	Expenses			
5000	Compensation & Benefits			
5010	Salaries & Wages			
5011	Lay Employees	855,782	829,361	(26,422)
5012	Clergy	71,904	71,208	(696)

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number		Actual	Budget	Variance
5013	Cash Allow for Pastor/Administrator	20,667	23,625	2,958
5014	Religious Sisters & Brothers	-	-	-
5015	Extra Priests	5,275	8,025	2,750
		<u>953,628</u>	<u>932,219</u>	<u>(21,410)</u>
5020	Payroll Taxes			
5021	FICA	52,800	51,400	(1,399)
5022	Medicare	12,348	12,026	(322)
5025	Payroll Expenses - Other	-	-	-
		<u>65,148</u>	<u>63,426</u>	<u>(1,722)</u>
5030	Employee Benefits			
5031	Group Insurance Premiums	158,749	140,709	(18,040)
5032	Pension - Clergy	30,600	27,000	(3,600)
5033	403(B) Lay Retirement Plan	40,552	43,435	2,882
		<u>229,902</u>	<u>211,144</u>	<u>(18,758)</u>
5040	Contract Labor			
5041	Contract Labor	21,225	22,695	1,470
		<u>21,225</u>	<u>22,695</u>	<u>1,470</u>
		<u>1,269,903</u>	<u>1,229,483</u>	<u>(40,420)</u>
5100	Contributions & Assessments			
5110	Contributions & Assessments			
5111	Contributions to Other Charitable & Religious Orgs.	29,358	35,576	6,218
5112	Charitable Gifts for Individuals	26,857	25,505	(1,352)
5113	Diocesan Assessment	353,313	346,716	(6,597)
5114	School Subsidy	-	-	-
5115	Shortfall on Annual Campaign	-	-	-
		<u>409,527</u>	<u>407,797</u>	<u>(1,730)</u>
		<u>409,527</u>	<u>407,797</u>	<u>(1,730)</u>
5200	Professional Fees			
5210	Professional Fees			
5211	Audit & Accounting	9,210	9,667	457
5212	Legal	419	-	(419)
5213	Other	7,903	11,278	3,375
5214	Parish Community Education	5,784	5,864	81
5215	Staff Continuing Education & Development	7,677	8,504	828
		<u>30,991</u>	<u>35,313</u>	<u>4,322</u>
		<u>30,991</u>	<u>35,313</u>	<u>4,322</u>
5260	Insurance & Risk Management			
5261	Insurance & Risk Management			

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number		Actual	Budget	Variance
5262	Auto - Clergy	3,812	3,000	(812)
5263	Insurance - Property, Casualty, Etc	74,232	44,281	(29,951)
5264	Deductibles & Uninsured Casualty Losses	-	-	-
5265	Safe Environment Program	6,968	6,904	(64)
		<u>85,012</u>	<u>54,185</u>	<u>(30,827)</u>
		<u>85,012</u>	<u>54,185</u>	<u>(30,827)</u>
5300	Supplies, Repairs & Maintenance, Equipment, & Other			
5310	Supplies			
5311	Textbooks	57,745	62,748	5,003
5312	Classroom Supplies	11,876	17,553	5,677
5313	Food & Beverages	68,997	68,623	(374)
5314	Postage & Delivery	4,515	8,128	3,613
5315	Printing & Reproduction	17,078	19,615	2,537
5316	Liturgical Supplies	19,232	21,878	2,646
5317	Office Supplies	18,982	16,423	(2,559)
5318	Miscellaneous Supplies	23,691	25,104	1,413
		<u>222,116</u>	<u>240,072</u>	<u>17,956</u>
5320	Purchased Furniture & Equipment			
5321	Minor Purchased Furniture & Equipment	19,253	4,625	(14,628)
5322	Major Purchased Furniture & Equipment	-	-	-
		<u>19,253</u>	<u>4,625</u>	<u>(14,628)</u>
5330	Repairs & Maintenance			
5331	Vehicles	15,738	22,971	7,233
5332	Building Repairs & Maintenance	4,071	10,600	6,529
5333	Equipment Repairs	36,649	23,530	(13,119)
5334	Maintenance Services	41,580	78,243	36,663
5335	Janitorial Supplies	7,586	16,300	8,714
		<u>105,624</u>	<u>151,644</u>	<u>46,020</u>
5340	Rental Expense			
5341	Leased Equipment	15,976	16,385	409
5342	Facilities Leasing & Rentals	-	-	-
		<u>15,976</u>	<u>16,385</u>	<u>409</u>
5350	Other Services & Charges			
5351	Texas Catholic Subscriptions	51,349	60,420	9,071
5352	Subscriptions	6,195	6,682	487
5353	Offertory Envelopes	23,578	23,585	7
5354	Dues & Memberships	468	3,265	2,797
5355	Advertising & Promotion	-	2,000	2,000
5356	Travel & Lodging	125,889	120,647	(5,242)

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number		Actual	Budget	Variance
5358	Property Taxes	1,404	650	(754)
5360	Scrip Program Purchases	-	-	-
5361	Gift Shop, Spirit Store, Etc. Purchases	-	-	-
5362	Miscellaneous Other Services & Charges	98,279	80,638	(17,641)
		<u>307,163</u>	<u>297,887</u>	<u>(9,276)</u>
		<u>670,132</u>	<u>710,613</u>	<u>40,481</u>
5400	Utilities			
5410	Utilities			
5415	Electric	108,384	286,400	178,016
5420	Gas	25,181	75,260	50,079
5425	Water & Sewer	18,855	41,100	22,245
5430	Telephone	15,764	14,700	(1,064)
5435	Internet	-	-	-
5440	Cell Phones	3,183	3,720	537
5450	Alarm Monitoring & Security	-	-	-
5460	Cable TV (& Internet)	1,375	1,380	5
		<u>172,742</u>	<u>422,560</u>	<u>249,818</u>
		<u>172,742</u>	<u>422,560</u>	<u>249,818</u>
5600	Interest & Financing Charges			
5610	Interest Expense			
5611	Interest Expense	142,812	252,793	109,981
		<u>142,812</u>	<u>252,793</u>	<u>109,981</u>
5620	Financing Costs			
5621	Financing Costs	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
5630	Bank Charges			
5631	Bank Account Fees	1,154	336	(818)
		<u>1,154</u>	<u>336</u>	<u>(818)</u>
5640	Credit Card Fees			
5641	Credit Card Fees	23,921	22,559	(1,362)
		<u>23,921</u>	<u>22,559</u>	<u>(1,362)</u>
		<u>167,886</u>	<u>275,688</u>	<u>107,802</u>
5700	Bad Debt Expense			
5710	Bad Debt Expense			
5711	Bad Debt Expense	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
5720	Uncollectible Pledges			
5721	Uncollectible Pledges	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>

ST FRANCIS OF ASSISI PARISH, FRISCO

STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number	Actual	Budget	Variance
	-	-	-
5800 Depreciation & Amortization			
5810 Depreciation & Amortization			
5811 Depreciation Expense	671,211	632,362	(38,849)
5821 Amortization Expense	-	-	-
	<u>671,211</u>	<u>632,362</u>	<u>(38,849)</u>
Total Expenses	3,477,404	3,768,002	290,598
Total Change in Unrestricted Net Assets	1,309,553	817,823	491,729
Change in Temporarily Restricted Net Assets			
7010 Capital Campaign Pledges			
7011 Pledges Received	-	-	-
	-	-	-
7020 Other Contributions			
7021 Contributions Received	1,688,935	1,640,548	48,387
	<u>1,688,935</u>	<u>1,640,548</u>	<u>48,387</u>
7030 Parish Special Collections			
7031 Parish Special Collections	-	-	-
	-	-	-
7040 Investment Income			
7041 Unrealized Gains/(Losses) on Securities	-	-	-
7042 Realized Gains/(Losses) on Sales of Securities	-	-	-
7043 Interest & Dividends	-	-	-
	-	-	-
7050 Uncollectible Pledges			
7051 Uncollectible Pledges	-	-	-
	-	-	-
7060 Other Expenses & Costs			
7061 Other Expenses	-	-	-
	-	-	-
7070 Assets Released from Restriction			
7071 Funds Released from Restriction	(1,688,935)	(1,640,548)	(48,387)
	<u>(1,688,935)</u>	<u>(1,640,548)</u>	<u>(48,387)</u>
Total Change in Temporarily Restricted Net Assets	-	-	-
Change in Permanently Restricted			

ST FRANCIS OF ASSISI PARISH, FRISCO
STATEMENT OF ACTIVITIES

July 1, 2013 to June 30, 2014

Account Number	Actual	Budget	Variance
Net Assets			
8010 Pledges			
8011 Pledges Received	-	-	-
	-	-	-
8020 Other Contributions			
8021 Contributions Received	-	-	-
	-	-	-
8050 Uncollectible Pledges			
8051 Uncollectible Pledges	-	-	-
	-	-	-
Total Change in Permanently Restricted Net Assets	-	-	-
Combined Change in Net Assets	\$ 1,309,553	\$ 817,823	\$ 491,729

**Bank/Investment Account Information
As of June 30, 2014 and
For the Year Then Ended**

Entity Name St. Francis of Assisi Parish, Frisco
 Entity's Administrator Fr. Larry Pichard
(type or print)

	<u>Account Name</u>	<u>Bank Name</u>	<u>Account Number</u>	<u>Purpose</u>	<u>Authorized Signers</u>
1	<u>Building Fund (checking)</u>	<u>Inwood Bank</u>	<u>3227833</u>	<u>Building Fund</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
2	<u>Operating Fund (checking)</u>	<u>Inwood Bank</u>	<u>3228289</u>	<u>General Operations</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
3	<u>Reserve (checking)</u>	<u>Inwood Bank</u>	<u>3228297</u>	<u>Funds for payroll, Diocesan Assessment, Special Collections, etc.</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
4	<u>KDO Operating (checking)</u>	<u>Inwood Bank</u>	<u>3228318</u>	<u>Kids Day Out (preschool)</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
5	<u>Money Market (money market)</u>	<u>Inwood Bank</u>	<u>2042677</u>	<u>Funds for disaster, unexpected maintenance needs, summer slump, etc.</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
6	<u>KDO Savings (money market)</u>	<u>Inwood Bank</u>	<u>2042685</u>	<u>Kids Day Out (preschool) - scholarships/fund raising</u>	<u>Larry Pichard, Frank Reyna, Zach Webb</u>
7	<u>St. Francis Money Market (CDs)</u>	<u>Inwood Bank</u>	<u>1015449329</u>	<u>Excess funds from Money Market, Reserve & Operating Fund accts.</u>	<u>Larry Pichard, Zach Webb</u>
8	<u>St. Francis (Securities)</u>	<u>Merrill Lynch</u>	<u>311-02122</u>	<u>Building Fund</u>	<u>Larry Pichard</u>
9	<u>PBO - AMD/CD (checking)</u>	<u>American Bank of Texas</u>	<u>603332217</u>	<u>AMD/CD (PBO)</u>	<u>Larry Pichard, Don Dyson, Raymond Dimas</u>
10	<u>PBO - Salve Regina (checking)</u>	<u>Wells Fargo</u>	<u>8891810346</u>	<u>Salve Regina (PBO)</u>	<u>Larry Pichard, Terry Bannerman, Stephanie Chitek</u>
11	<u>PBO - Women of St. Francis (checking)</u>	<u>First National Bank</u>	<u>4021836</u>	<u>Women of St. Francis (PBO)</u>	<u>Larry Pichard, Constance Moffett, Alphecca Nguyen</u>
12	<u>PBO - Salve Regina (savings)</u>	<u>Wells Fargo</u>	<u>6225967717</u>	<u>Salve Regina (PBO)</u>	<u>Larry Pichard, Terry Bannerman, Stephanie Chitek</u>
13	<u>PBO - Women of St. Francis Savings (savings)</u>	<u>American Bank of Texas</u>	<u>606713068</u>	<u>Women of St. Francis (PBO)</u>	<u>Larry Pichard, Constance Moffett, Alphecca Nguyen</u>
14					
15					

Certification:

I confirm that all accounts for the entity and entity-based organizations are listed above and all have been included in the entity's general ledger and related financial reports for the year ended identified in heading.

Signed: 
 Pastor/Principal/Administrator

Date: 8-8-14

EXHIBIT 3

ST. FRANCIS OF ASSISI CATHOLIC CHURCH (the Church) RECOMMENDATION BASED ON AGREED-UPON PROCEDURES YEAR ENDED JUNE 30, 2014

The following recommendation is based on a finding noted in performing the agreed-upon procedures contained in the attached "Independent Accountant's Report on Applying Agreed-Upon Procedures":

1. The Agreed-Upon Procedures required us to ensure that all salaries had been appropriately approved. We noted that a new hire's salary was approved by the Financial Director and Pastor as appropriate for a Custodian (per inquiry with the Financial Director), but there was no documentation of approval. We recommend that a letter showing the approved pay rate is added to each new hire's personnel file, to ensure that it is the pay rate has been approved.



ST. FRANCIS OF ASSISI

CATHOLIC CHURCH

August 13, 2014

*Weaver and Tidwell, L.L.P.
12221 Merit Drive, Suite 1400
Dallas, Texas 75251*

We are providing this letter in connection with the Agreed Upon Accounting Review Procedures performed on the financial statements and accounting records of St. Francis of Assisi Catholic Church (the Church) as of June 30, 2014 and for the year then ended. We confirm that we are responsible for the accurate and fair presentation of the financial statements of the Church. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of August 13, 2014, the following representations made to you during the time you conducted your procedures.

1. We have made available to you all –
 - a. Financial statements, financial records and related data.
 - b. Information you have requested completely and to the best of our knowledge.
 - c. Minutes of the meetings of the Finance Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. There are no material transactions of the entity that have not been properly recorded in the accounting records underlying the financial statements.
3. The financial statements include:
 - a. All assets and liabilities under the Church's control, including all trusts and support organizations.
 - b. All of the Church's funds, bank accounts and investments in all accounts at financial institutions and/or brokerage firms, including all trusts and entity-based organizations.
4. There have been no communications from regulatory agencies (e.g., Diocese of Dallas, Internal Revenue Service, etc.) concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

5. There are no uncorrected financial statement misstatements.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge (other than previously disclosed) of any fraud or suspected fraud affecting the Church involving:
 - a. Management,
 - b. Employees who have significant roles in the internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. Related party transactions, including revenues, expenses, assessments, and amounts receivable from or payable to related parties have been properly recorded or disclosed in the financial statements.

No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: Clifford Pichard
Reverend Clifford Pichard

Date: 9-16-14

Signed: Tracy Brown
Tracy Brown, Financial Director

Date: 9/16/14