

THE BROTHERHOOD OF ST. GREGORY INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008



THE BROTHERHOOD OF ST. GREGORY INC.
BRONX NY 10468

We have reviewed the accompanying statement of assets, liabilities, and fund balance-cash basis of The Brotherhood of St. Gregory Inc. (a nonprofit organization) as of December 31, 2009 and 2008, and the related statement of changes in fund balance-cash basis, for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Brotherhood of St. Gregory, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note A.

May 4, 2010

THE BROTHERHOOD OF ST. GREGORY, INC.
Statements of Financial Position
As of December 31, 2009

	Dec 31, 09	Dec 31, 08
ASSETS		
Current Assets		
Checking/Savings		
Cash (note A)	18,921	18,280
Money Market Account	75,225	50,114
Certificate of Deposit 0.25%	50,050	49,779
Certificate of Deposit 0.25%	16,220	15,981
Trust Fund, (Note A)	187,650	198,264
Total Checking/Savings	348,066	332,418
Total Current Assets	348,066	332,418
TOTAL ASSETS	348,066	332,418
LIABILITIES & EQUITY		
Equity		
Fund Balance	88,123	88,123
Unrestrict (retained earnings)	244,294	288,663
Net Income	15,648	-44,368
Total Equity	348,066	332,418
TOTAL LIABILITIES & EQUITY	348,066	332,418

See accountants' report & notes to the financial statements.

THE BROTHERHOOD OF ST. GREGORY, INC.
Statement of Activities
January through December 2009

	<u>Jan - Dec 09</u>	<u>Jan - Dec 08</u>
Income		
Member Tithes - Current Year	90,398	88,995
Member Tithes - Prior Year	2,588	554
Associates Contributions	3,100	1,465
Undesignated Donations	125	235
Annual Convocation	50	196
Publications	716	60
Interest Received	753	2,078
Distribution - Trust Fund, (Note A)	10,674	11,197
Unrealized Gain or (Loss)	(10,615)	(57,299)
Total Income	<u>97,789</u>	<u>47,481</u>
Expense		
Ministry Expenses		
Br John E Nidecker Education Fd	1,848	3,000
Public Relations/Advertising	2,163	2,563
NAECC Participation	976	631
Publications	6,871	6,493
Insurance	3,077	3,252
Provincial Expense	1,744	3,114
Associates Program	0	216
Convocation and Council	51,768	55,342
Postulant and Novices Program	130	0
Education Program	786	0
Minister General Discretionary	48	0
Outreach Grants	6,465	10,415
Habit Parts	1,227	1,228
Vocation Program	64	806
Total Ministry Expenses	<u>77,167</u>	<u>87,060</u>
General Expenses		
Office Operation and Expense - Other	4,974	4,789
Total General Expenses	<u>4,974</u>	<u>4,789</u>
Total Expense	<u>82,141</u>	<u>91,849</u>
Net Income	<u><u>15,648</u></u>	<u><u>(44,368)</u></u>

See accountants' report & notes to the financial statements.

THE BROTHERHOOD OF SAINT GREGORY, INC. NOTES TO FINANCIAL STATEMENTS

NOTE A- NATURE OF ACTIVIEITS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Brotherhood of Saint Gregory, Inc, (The Brotherhood), is a Christian Community of the Episcopal Church, whose members follow a common rule and serve the church on parochial, diocesan, and national levels. Members—clergy and lay, without regard to marital status—live individually, in small groups, or with their families. They support themselves and the community through their secular or church-related work, making use of their God-given talents in the world while not being of the world. The trust that all labor and life can be sanctified is summed in the community's motto: *Sole Deo Gloria*, To God Alone the Glory.

The Brotherhood was founded on Holy Cross Day 1969, by Richard Thomas Biernacki, the present Minister General.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the modified cash basis of accounting income is recognized when received, expenses are recognized when paid. Assets are recognized when received. The investment account, (Investments) is adjusted for changes in market value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Brotherhood maintains cash accounts with JP Morgan Chase Bank with balances that do not exceeded the Federal insured limits. The Organization considers all short-term debt securities purchased with a maturity of 1 year or less to be cash equivalents.

Trust Fund

The Brotherhood holds 10,464.425 share in a trust fund maintained by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America. Funds are distributed quarterly based upon the governing body of the trust. The Brotherhood records such distributions as income upon receipt. The market value of The Brotherhood's interest is adjusted on an annual basis based upon the Statement of Participation.

Contributions

Under SFAS No. 116 Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

THE BROTHERHOOD OF SAINT GREGORY

NOTES TO FINANCIAL STATEMENTS – Continued

NOTE A- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

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 SFAS No. 116, Accounting for Contributions Received and Contributions made.

Income Taxes

The Brotherhood is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and New York State.

James Teets, Treasurer
The Brotherhood Of Saint Gregory Inc.
2627 Davidson Ave
Bronx NY 10468-4103

Dear Brother James,

Enclosed are the following for your review and approval.

- Financial Statements for the years ended December 31, 2009 and 2008
- Engagement Letter, 2009 and 2010
- Management Representation Letter, for the year ended December 31, 2009.

Kindly return the Management Representation Letter and the 2009 Engagement Letter to us, signed upon approval. Please feel free to call me with any questions you may have.

Provided you are in agreement with the report we will complete the tax return early next week.

Sincerely,

Keith Boyer