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The Very Reverend Karen Hall
The Bishop's Committee &
Ruby Stewart, Treasurer

to count the offerings. Both of them should then sign the tally sheet with a copy going to the treasurer and a copy filed at the church. The church should periodically rotate the counters so the same two are not continuously together. This is for the protection of the church, the treasurer and all people involved.

2. Currently the treasurer writes the checks, signs the checks and receives the bank statements to reconcile them. A person other than the treasurer should reconcile the bank statements. This would create a system of checks and balances.
3. The financial statement should be changed to include income and expenses from the memorial account. In 1988, the gifts of \$1,070.00 and the interest earned was not reported on the statement.
4. The Church Insurance Corporation is currently offering a church Risk Management Program. This program is at no cost to the church. It is a home study course of nine lessons over a three year period. After three lessons are completed, a 10% discount on insurance premiums is given. If you are interested, you can either contact me or John Davis in Rapid City. John is the regional manager for the Church Insurance Corporation.

Comments on my examination of the financial records are:

1. On February 7th, 1988 the plate collections of \$14.60 was given directly to the Bishop for the Bishop's Discretionary Fund. The cash should have been deposited into the checking account and a check written to the Bishop. This would create a proper audit trail.
2. All deposit slips equalled the tally sheets and all of the bank statements were reconciled correctly.
3. The monies transferred from the credit union certificate and from the memorial savings were incorrectly listed as income. These transfers are actually a decrease in assets and not income to the church. A properly used general ledger would show the correct entries. I did reclassify these transfers.
4. I reclassified the utility reimbursement from Mother Hall as a reduction of the expense.

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5. Since the restricted memorial funds were used for the altar supplies, I reclassified this expense to a restricted expense.
6. Dividends earned from the Credit Union Account were not included in the 1988 income. I made an entry to record these.
7. From the information provided to me by Ruby Stewart, the Memorial Savings Account can only be used for the altar. In 1988, additional gifts of \$1,070.00 were given to the church and included into the Memorial Savings Account. These gifts have yet to be designated by the donors. Care should be taken in future years to properly expend the funds for the purpose of the account.
8. The Parochial Report was completed incorrectly. The total amount of revenues and expenditures on the Parochial Report do not correspond with the amounts on the financial statement.
9. The Credit Union Certificate is a part of the general funds, therefore this amount should be added to the "balance on hand" on page three of the Parochial Report.
10. The amount in the Memorial Savings Account was not included on page four of the Parochial Report. Care should be taken in 1989 to include this amount.

Upon completion of my examination of the financial records, it is my opinion that Ruby Stewart is a competent and reliable treasurer. She fulfills her duties and position with the utmost conscience and gives of her time and talents for the church. She should be commended for a job well done.

Respectfully submitted,



Randy Barnhardt
Accounting Officer

07-14-02

cc: The Right Reverend Craig B. Anderson, Bishop
The Finance Committee
Mr. Randy Reinartz