

# **St. Aidan's Episcopal Church**

**Boulder, Colorado**

## **Audit Report**

**For the Year Ended December 31, 2009**

Prepared by

Leaman & Associates, Inc.  
6861 S. Marion Circle West  
Centennial, CO 80122

**St. Aidan's  
Episcopal Church**

**Audit Report  
For the Year Ended  
December 31, 2009**

**Table of Contents**

The Audit Certificate

The Financial Statements

The Management Report

The Internal Control  
Questionnaire

The Engagement Letter

# Leaman & Associates, Inc.

*Small Business Accounting  
Financial Consulting*

Friday September 17, 2010

The Wardens and Vestry  
St. Aidan's Episcopal Church  
2425 Colorado Ave.  
Boulder, CO 80302-6806

Subject: 2009 Audit Certificate

Ladies and Gentlemen:

I have inspected the Balance Sheet of St. Aidan's Episcopal Church as of December 31, 2009, and the related Statement of Profit & Loss for the year then ended. My inspection was made in accordance with the audit guidelines of the *Manual of Business Methods in Church Affairs*, and the financial statements are prepared on a cash basis in accordance with principles adopted by the Episcopal Church and approved by its General Convention.

I have taken steps to see that the accompanying financial statements present fairly, in all material respects, the financial position of the Congregation at December 31, 2009 and the related profit and loss for the year then ended, in accordance with the principles authorized by General Convention of the Episcopal Church.

This audit and the resulting certificate are intended to satisfy the audit requirements of the Episcopal Church and the Diocese of Colorado and are not meant to be construed as an audit and opinion rendered by a Certified Public Accountant.

Faithfully,

Robert S. Leaman, President  
Leaman & Associates, Inc.

6861 S. Marion Circle West  
Phone: 303-770-3516

[rsloffice@comcast.net](mailto:rsloffice@comcast.net)

Centennial, CO 80122  
Cell: 303-870-2109

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December

	<u>WORSHIP</u>	<u>CU</u>	<u>BOULDER</u>	<u>WORLD</u>	Total all Funds
<b>ASSETS</b>					
<b>Current Assets</b>					
<b>Cash - Checking</b>					
1003 Checking - First National Bank	14,131.76	.00	.00	.00	14,131.76
1005 Checking - St. Aidans Discretion	.00	.00	5,349.49	.00	5,349.49
1006 Checking - Canterbury Discretion	.00	.00	818.00	.00	818.00
1007 Checking - Designated Funds	.00	.00	.00	22,676.45	22,676.45
1008 Checking - Priest Associate Disc	.00	.00	1,719.55	.00	1,719.55
1009 Checking - Deacon Discretionary	.00	.00	1,616.94	.00	1,616.94
<b>Total Cash-Checking</b>	<b>14,131.76</b>	<b>.00</b>	<b>9,503.98</b>	<b>22,676.45</b>	<b>46,312.19</b>
<b>Other Receivables</b>					
1202 Miscellaneous Receivables	.00	.00	.00	.00	.00
<b>Total Other Receivables</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>
<b>Endowment</b>					
1211 Endowment Fund	.00	.00	.00	327,733.00	327,733.00
1214 Years	.00	.00	65,162.00	.00	65,162.00
1216 Note Payable - Endowment	-53,910.00	.00	.00	.00	-53,910.00
1218 Note Receivable - Endowment	.00	.00	.00	53,910.00	53,910.00
<b>Total Endowment</b>	<b>-53,910.00</b>	<b>.00</b>	<b>65,162.00</b>	<b>381,643.00</b>	<b>392,895.00</b>
<b>Total Current Assets</b>	<b>-39,778.24</b>	<b>.00</b>	<b>74,665.98</b>	<b>404,319.45</b>	<b>439,207.19</b>
<b>Fixed Assets</b>					
<b>Church Property &amp; Equipment</b>					
1402 2425 Colorado Avenue	1,334,831.06	.00	.00	.00	1,334,831.06
1403 Church Contents	262,659.29	.00	.00	.00	262,659.29
1404 2419 Colorado Avenue	178,516.02	.00	.00	.00	178,516.02
<b>Total Fixed Assets</b>	<b>1,776,006.37</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>1,776,006.37</b>
<b>TOTAL ASSETS</b>	<b>1,736,228.13</b>	<b>.00</b>	<b>74,665.98</b>	<b>404,319.45</b>	<b>2,215,213.56</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
<b>Payroll Liabilities</b>					
2100 Accounts Payable	.00	.00	.00	.00	.00
2608 Pension Liability	-420.00	.00	.00	.00	-420.00
2614 Rector Professional Fund	1,200.00	.00	.00	.00	1,200.00
2615 Life Cycle Leave Fund	3,000.00	.00	.00	.00	3,000.00
<b>Total Payroll Liabilities</b>	<b>3,780.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>3,780.00</b>
2700 Prepaid Pledges	20,223.55	.00	.00	.00	20,223.55
<b>Total Current Liabilities</b>	<b>24,003.55</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>24,003.55</b>
<b>Long Term Liabilities</b>					
2810 Note Payable - Endowment	.00	.00	.00	.00	.00

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December

	<u>WORSHIP</u>	<u>CU</u>	<u>BOULDER</u>	<u>WORLD</u>	Total all Funds
Total Long-Term Liabilities	.00	.00	.00	.00	.00
<b>TOTAL LIABILITIES</b>	<b>24,003.55</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>24,003.55</b>
<b>NET ASSETS</b>					
<b>Unrestricted</b>					
3002 Unrestricted	2,312,657.63	.00	.00	.00	2,312,657.63
3007 General Fund Equity	-597,812.94	-14,059.25	.00	-3,425.00	-615,297.19
General Fund Equity-Current Year	-16,303.19	14,059.25	.00	.00	-2,243.94
General Fund Equity-Total	-614,116.13	.00	.00	-3,425.00	-617,541.13
Total Unrestricted	1,698,541.50	.00	.00	-3,425.00	1,695,116.50
<b>Temporarily Restricted</b>					
3105 Rector Sabbatical Fund	13,683.08	.00	.00	.00	13,683.08
3110 Miscellaneous Gift Fund	8,210.46	.00	.00	-10,653.90	-2,443.44
Miscellaneous Gift Fund-Current Year	-8,210.46	.00	.00	.00	-8,210.46
Miscellaneous Gift Fund-Total	.00	.00	.00	-10,653.90	-10,653.90
3112 Restricted for Outreach Fund	-5,095.35	.00	.00	5,095.35	.00
Restricted for Outreach Fund-Current Yea	5,095.35	.00	.00	.00	5,095.35
Restricted for Outreach Fund-Total	.00	.00	.00	5,095.35	5,095.35
3115 Altar Guild Fund	-383.00	.00	.00	4,099.46	4,482.46
Altar Guild Fund-Current Year	-383.00	.00	.00	.00	-383.00
Altar Guild Fund-Total	.00	.00	.00	4,099.46	4,099.46
3120 Canterbury House Fund	1,270.00	.00	.00	12,521.80	13,791.80
Canterbury House Fund-Current Year	-1,270.00	.00	.00	.00	-1,270.00
Canterbury House Fund-Total	.00	.00	.00	12,521.80	12,521.80
3125 Columbarium Upkeep Fund	.00	.00	.00	1,186.42	1,186.42
3130 Fruitcake Fund	-4,416.03	.00	.00	4,416.03	.00
Fruitcake Fund-Current Year	4,416.03	.00	.00	.00	4,416.03
Fruitcake Fund-Total	.00	.00	.00	4,416.03	4,416.03
3135 Memorials Fund	665.94	.00	.00	2,883.91	3,549.85
Memorials Fund-Current Year	-665.94	.00	.00	.00	-665.94
Memorials Fund-Total	.00	.00	.00	2,883.91	2,883.91
3140 Organ Fund	.00	.00	.00	3,109.05	3,109.05
3150 Special Music Fund	-85.53	.00	.00	.00	-85.53
Special Music Fund-Current Year	85.53	.00	.00	.00	85.53
Special Music Fund-Total	.00	.00	.00	.00	.00
3155 Renewal of the Heart Fund	1,731.50	.00	.00	1,433.61	3,165.11

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December

	<u>WORSHIP</u>	<u>CU</u>	<u>BOULDER</u>	<u>WORLD</u>	Total all Funds
Renewal of the Heart Fund-Current Year	-1,731.50	.00	.00	.00	-1,731.50
Renewal of the Heart Fund-Total	.00	.00	.00	1,433.61	1,433.61
3160 Youth Group Special Events Fund	.00	.00	.00	706.57	706.57
3180 St. Aidan's Discretionary Fund	.00	.00	3,703.40	.00	3,703.40
St. Aidan's Discretionary Fund-Current Y	.00	.00	1,646.09	.00	1,646.09
St. Aidan's Discretionary Fund-Total	.00	.00	5,349.49	.00	5,349.49
3181 Canterbury Discretionary Fund	.00	.00	964.60	.00	964.60
Canterbury Discretionary Fund-Current Ye	.00	.00	-146.60	.00	-146.60
Canterbury Discretionary Fund-Total	.00	.00	818.00	.00	818.00
Priest Assoc. Discretionary Fund-Current	.00	.00	1,719.55	.00	1,719.55
Priest Assoc. Discretionary Fund-Total	.00	.00	1,719.55	.00	1,719.55
Deacon Discretionary Fund-Current Year	.00	.00	1,616.94	.00	1,616.94
Deacon Discretionary Fund-Total	.00	.00	1,616.94	.00	1,616.94
3320 Navajoland Fund	.00	.00	.00	660.69	660.69
Navajoland Fund-Current Year	.00	.00	.00	642.46	642.46
Navajoland Fund-Total	.00	.00	.00	1,303.15	1,303.15
Total Temporarily Restricted	13,683.08	.00	9,503.98	26,101.45	49,288.51
Permanently Restricted					
3610 Permanently Restricted	.00	.00	65,162.00	381,643.00	446,805.00
3620 Unrealized Gain/Loss - Endowment	.00	.00	.00	.00	.00
Total Permanently Restricted	.00	.00	65,162.00	381,643.00	446,805.00
TOTAL NET ASSETS	1,736,228.13	.00	74,665.98	404,319.45	2,215,213.56
3915 Clearing Account	47,487.95	-2,040.74	668.00	-46,115.21	.00
TOTAL LIABILITIES & NET	1,783,716.08	-2,040.74	75,333.98	358,204.24	2,215,213.56

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December  
Special Columnar Income & Expense Statement

	WORSHIP	CU	BOULDER	WORLD	Total all Funds
<b>REVENUE</b>					
Contributions					
1002 Pledge	193,715.74	.00	.00	36,978.85	230,694.59
1003 Plate	17,363.84	1,974.43	.00	3,064.20	22,402.47
1004 Restricted Pledge	2,125.00	.00	.00	.00	2,125.00
1005 Restricted Plate	4,441.25	.00	.00	.00	4,441.25
<b>Total Contributions</b>	<b>217,645.83</b>	<b>1,974.43</b>	<b>.00</b>	<b>40,043.05</b>	<b>259,663.31</b>
Fundraising Income					
1011 Fruitcake	9,031.83	.00	.00	.00	9,031.83
<b>Total Fundraising Income</b>	<b>9,031.83</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>9,031.83</b>
Designated Gift Income					
1022 Miscellaneous Gift Fund Income	-4,260.11	.00	9,062.75	22,370.00	27,172.64
1023 Restricted for Outreach Income	5,095.35	.00	.00	.00	5,095.35
1025 Altar Guild Fund Income	1,110.00	.00	.00	.00	1,110.00
1030 Memorials Fund Income	1,512.00	.00	.00	.00	1,512.00
1034 Special Music Fund Income	256.01	.00	.00	.00	256.01
1035 Renewal of the Heart Income	250.00	.00	.00	.00	250.00
1037 St. Aidan's Discretionary Fund Inco	.00	.00	27,340.49	.00	27,340.49
1038 Canterbury Discretionary Fund Incom	.00	.00	1,443.09	.00	1,443.09
1039 Priest Associate Discretionary Fund	.00	.00	2,422.69	.00	2,422.69
1040 Deacon Discretionary Fund Income	.00	.00	1,942.69	.00	1,942.69
1027 Navajoland Income	.00	.00	.00	9,998.69	9,998.69
1008 Mission Trip Fund Income	.00	10,186.01	.00	.00	10,186.01
<b>Total Designated Gift Income</b>	<b>3,963.25</b>	<b>10,186.01</b>	<b>42,211.71</b>	<b>32,368.69</b>	<b>88,729.66</b>
Parking Income					
1043 Student Parking	25,100.00	.00	.00	.00	25,100.00
1044 Football Parking	54,341.00	.00	.00	.00	54,341.00
<b>Total Parking Income</b>	<b>79,441.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>79,441.00</b>
Other Income					
1050 Building Use Income	1,785.00	.00	.00	.00	1,785.00
1070 Miscellaneous Income	1,668.75	.00	.00	.00	1,668.75
1072 Miscellaneous Gift Income	12,897.19	.00	.00	.00	12,897.19
1007 Management Agreement Income	.00	91,568.00	.00	.00	91,568.00
<b>Total Other Income</b>	<b>16,350.94</b>	<b>91,568.00</b>	<b>.00</b>	<b>.00</b>	<b>107,918.94</b>
<b>TOTAL REVENUE</b>	<b>326,432.85</b>	<b>103,728.44</b>	<b>42,211.71</b>	<b>72,411.74</b>	<b>544,784.74</b>
<b>EXPENSE</b>					
Staff Expense					
Rector					
102 Salary - Rector	38,970.00	3,750.00	.00	.00	42,720.00
103 Housing - Rector	30,000.00	.00	.00	.00	30,000.00
104 Pension - Rector	14,191.92	.00	.00	.00	14,191.92
105 Health-Life - Rector	4,276.19	.00	.00	.00	4,276.19
106 FICA - Rector	3,604.08	.00	.00	.00	3,604.08
107 Pre-Tax Savings - Rector	3,060.00	.00	.00	.00	3,060.00

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December  
Special Columnar Income & Expense Statement

	WORSHIP	CU	BOULDER	WORLD	Total all Funds
5108 Professional Development - Rector	1,200.00	.00	.00	.00	1,200.00
5109 Sabbatical Accrual - Rector	2,992.08	.00	.00	.00	2,992.08
5110 Professional Expense - Rector	4,000.00	.00	.00	.00	4,000.00
5111 Spiritual Health & Direction - Rect	660.00	.00	.00	.00	660.00
<b>Total Rector</b>	<b>102,954.27</b>	<b>3,750.00</b>	<b>.00</b>	<b>.00</b>	<b>106,704.27</b>
<b>Priest Associate</b>					
5203 Housing	5,833.30	.00	.00	.00	5,833.30
<b>Total Priest Associate</b>	<b>5,833.30</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>5,833.30</b>
<b>Chaplain</b>					
5202 Salary - Chaplain	.00	18,000.00	.00	.00	18,000.00
5203 Housing - Chaplain	.00	4,500.00	.00	.00	4,500.00
5204 Pension - Chaplain	.00	5,300.10	.00	.00	5,300.10
5205 Health-Life - Chaplain	.00	2,182.48	.00	.00	2,182.48
5206 FICA - Chaplain	.00	2,250.00	.00	.00	2,250.00
5208 Professional Development - Chaplain	.00	1,000.00	.00	.00	1,000.00
5209 Spiritual Health & Direction - Chap	.00	350.00	.00	.00	350.00
5210 Professional Expense - Chaplain	.00	1,966.97	.00	.00	1,966.97
<b>Total Chaplain</b>	<b>.00</b>	<b>35,549.55</b>	<b>.00</b>	<b>.00</b>	<b>35,549.55</b>
<b>Office Admin</b>					
5301 Salary - Admin	34,000.08	.00	.00	.00	34,000.08
5302 Pension - Admin	70.00	.00	.00	.00	70.00
5303 Health-Life - Admin	2,845.83	.00	.00	.00	2,845.83
<b>Total Office Admin</b>	<b>36,915.91</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>36,915.91</b>
<b>Other Staff</b>					
5401 Background Checks	513.00	.00	.00	.00	513.00
5405 Facilities Manager	19,911.45	140.00	.00	.00	20,051.45
5410 Music Director	9,349.20	.00	.00	.00	9,349.20
5415 Musicians	876.01	.00	.00	.00	876.01
5411 Music Director Cont Ed	250.00	.00	.00	.00	250.00
5420 Nursery	3,851.23	.00	.00	.00	3,851.23
5425 Organist	11,424.00	.00	.00	.00	11,424.00
5430 Staff Bonuses	1,875.00	.00	.00	.00	1,875.00
5435 Youth Bible Study	600.00	.00	.00	.00	600.00
5230 Canterbury Admin	.00	112.00	.00	.00	112.00
5120 Peer Ministers	.00	6,500.16	.00	.00	6,500.16
<b>Total Other Staff</b>	<b>48,649.89</b>	<b>6,752.16</b>	<b>.00</b>	<b>.00</b>	<b>55,402.05</b>
<b>Temporary Staff</b>					
5501 Accounting	17,283.51	.00	.00	.00	17,283.51
5503 Supply Priest	238.50	.00	.00	.00	238.50
5505 Life Cycle Leave Expense	3,000.00	.00	.00	.00	3,000.00
<b>Total Temporary Staff</b>	<b>20,522.01</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>20,522.01</b>
<b>Payroll Expenses</b>					
5601 FICA/Medicare Expense	5,163.68	497.40	.00	.00	5,661.08
5602 Payroll Service	1,244.95	.00	.00	.00	1,244.95

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December  
Special Columnar Income & Expense Statement

	<u>WORSHIP</u>	<u>CU</u>	<u>BOULDER</u>	<u>WORLD</u>	Total all Funds
5603 Worker's Comp	2,267.00	.00	.00	.00	2,267.00
<b>Total Payroll Expenses</b>	<b>8,675.63</b>	<b>497.40</b>	<b>.00</b>	<b>.00</b>	<b>9,173.03</b>
<b>Total Staff Expense</b>	<b>223,551.01</b>	<b>46,549.11</b>	<b>.00</b>	<b>.00</b>	<b>270,100.12</b>
<b>Facilities</b>					
<b>Supplies</b>					
5103 Housekeeping Supplies	880.81	.00	.00	.00	880.81
5105 Office Supplies	3,480.32	.00	.00	.00	3,480.32
<b>Total Supplies</b>	<b>4,361.13</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>4,361.13</b>
<b>Utilities</b>					
5203 Church Utilities	22,663.30	.00	.00	.00	22,663.30
5204 2419 Colorado Utilities	1,831.67	.00	.00	.00	1,831.67
5205 2700 University Utilities	.00	2,297.50	.00	.00	2,297.50
5205 Telephone	4,994.81	.00	.00	.00	4,994.81
<b>Total Utilities</b>	<b>29,489.78</b>	<b>2,297.50</b>	<b>.00</b>	<b>.00</b>	<b>31,787.28</b>
<b>Equipment</b>					
5303 Computer Systems	2,432.96	.00	.00	.00	2,432.96
5304 Copier	13,281.27	.00	.00	.00	13,281.27
5305 Software Updates	1,075.10	.00	.00	.00	1,075.10
5306 Telephone Equipment	742.59	.00	.00	.00	742.59
<b>Total Equipment</b>	<b>17,531.92</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>17,531.92</b>
<b>Repairs &amp; Maintenance</b>					
5403 Buildings & Grounds Maintenance	-2,054.54	.00	.00	.00	-2,054.54
5405 Church Repairs	142.50	.00	.00	.00	142.50
5406 Deferred Maintenance	15,354.95	.00	.00	.00	15,354.95
5407 Maintenance Contracts	18,662.47	.00	.00	.00	18,662.47
5408 Organ/Piano	1,205.00	.00	.00	.00	1,205.00
5206 2700 University Repairs	.00	5,178.26	.00	.00	5,178.26
<b>Total Repairs &amp; Maintenance</b>	<b>33,310.38</b>	<b>5,178.26</b>	<b>.00</b>	<b>.00</b>	<b>38,488.64</b>
<b>Facilities - Other</b>					
5503 Church Insurance	10,727.04	.00	.00	.00	10,727.04
5504 Columbarium Engraving	36.75	.00	.00	.00	36.75
5505 Endowment Loan	3,532.49	.00	.00	.00	3,532.49
5506 Art & Architecture	578.88	.00	.00	.00	578.88
5507 Postage	2,827.26	.00	.00	.00	2,827.26
5508 Property Tax	2,230.12	.00	.00	.00	2,230.12
<b>Total Facilities - Other</b>	<b>19,932.54</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>19,932.54</b>
<b>Total Facilities</b>	<b>104,625.75</b>	<b>7,475.76</b>	<b>.00</b>	<b>.00</b>	<b>112,101.51</b>
<b>Ministry</b>					
603 Adult Education	649.88	.00	.00	.00	649.88
604 Advertising	1,993.16	.00	.00	.00	1,993.16

001 Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Balance Sheet for Period 12 - December  
Special Columnar Income & Expense Statement

	WORSHIP	CU	BOULDER	WORLD	Total all Funds
i605 Altar Guild	2,293.17	.00	.00	.00	2,293.17
i606 Annual Meeting	310.11	.00	.00	.00	310.11
i607 Childrens Education	438.96	.00	.00	.00	438.96
i608 Gifts	569.16	.00	.00	.00	569.16
i609 Hospitality	1,484.01	.00	.00	.00	1,484.01
i610 Lay Leadership Training	640.60	.00	.00	.00	640.60
i611 LEM, LEV, Acolyte	119.35	.00	.00	.00	119.35
i613 Parish Forums	748.89	.00	.00	.00	748.89
i614 Parish Retreats	128.50	.00	.00	.00	128.50
i615 Pastoral Care	291.72	.00	.00	.00	291.72
i616 Sheet Music/Robes	583.13	.00	.00	.00	583.13
i618 Sound System	110.75	.00	.00	.00	110.75
i620 Vestry Expense	761.57	.00	.00	.00	761.57
i624 Youth Ministry	317.51	.00	.00	.00	317.51
i625 Fruitcake Expense	4,615.80	.00	.00	.00	4,615.80
i710 Advertising	.00	1,325.70	.00	.00	1,325.70
i711 Giveaway Items	.00	74.02	.00	.00	74.02
i712 Hospitality	.00	651.69	.00	.00	651.69
i713 RCO	.00	300.00	.00	.00	300.00
i703 Welcome Back BBQ	.00	669.80	.00	.00	669.80
i722 Peer Ministry	.00	62.05	.00	.00	62.05
i724 Canterbury Lounge Utilities	.00	928.49	.00	.00	928.49
i725 Canterbury Lounge Snacks/Supplies	.00	781.57	.00	.00	781.57
i726 Fellowship Dinners	.00	2,083.53	.00	.00	2,083.53
i741 Retreats	.00	1,813.41	.00	.00	1,813.41
i742 Student Conferences & Training Even	.00	808.20	.00	.00	808.20
i751 Guest Speakers	.00	200.00	.00	.00	200.00
i754 Bible Study	.00	90.36	.00	.00	90.36
i755 Spiritual Formation	.00	160.00	.00	.00	160.00
i760 Other/Miscellaneous	.00	365.91	.00	.00	365.91
i771 Audit/Accounting	.00	290.50	.00	.00	290.50
i772 Board Expense - General	.00	353.00	.00	.00	353.00
i780 Canterbury Outreach	.00	1,500.00	.00	.00	1,500.00
<b>Total Ministry</b>	<b>16,056.27</b>	<b>12,458.23</b>	<b>.00</b>	<b>.00</b>	<b>28,514.50</b>
<b>Other Expense</b>					
004 Miscellaneous Expense	3,123.81	.00	.00	.00	3,123.81
005 Administrative Charge	-13,000.08	.00	.00	.00	-13,000.08
005 Administrative Charge	.00	13,000.08	.00	.00	13,000.08
<b>Total Other Expense</b>	<b>-9,876.27</b>	<b>13,000.08</b>	<b>.00</b>	<b>.00</b>	<b>3,123.81</b>
<b>Designated Gift Expense</b>					
024 Miscellaneous Gift Fund Expense	3,950.35	.00	9,062.75	20,370.00	33,383.10
025 Altar Guild Fund Expense	1,493.00	.00	.00	.00	1,493.00
026 Canterbury House Fund Expense	1,270.00	.00	.00	.00	1,270.00
030 Memorials Fund Expense	2,177.94	.00	.00	.00	2,177.94
635 Seminarians Fund Expense	.00	.00	.00	2,000.00	2,000.00
034 Special Music Fund Expense	170.48	.00	.00	.00	170.48
038 St. Aidan's Discretionary Fund Expe	.00	.00	25,694.40	.00	25,694.40
039 Chaplain's Discretionary Fund Expen	.00	.00	1,589.69	.00	1,589.69
041 Priest Associate Discretionary Fund	.00	.00	703.14	.00	703.14
042 Deacon Discretionary Fund Expense	.00	.00	325.75	.00	325.75
043 Renewal of the Heart Expense	1,981.50	.00	.00	.00	1,981.50
629 Navajoland Expense	.00	.00	.00	9,356.23	9,356.23

**001 Saint Aidan's Episcopal Church**  
**Fiscal Year Beginning 1/1/2009**  
**Balance Sheet for Period 12 - December**  
**Special Columnar Income & Expense Statement**

	<u>WORSHIP</u>	<u>CU</u>	<u>BOULDER</u>	<u>WORLD</u>	Total all Funds
3762 Mission Trip Fund Expense	.00	10,186.01	.00	.00	10,186.01
3105 Church Convention Expense	.00	.00	.00	2,374.66	2,374.66
3639 Diocese	.00	.00	.00	25,112.26	25,112.26
3641 Region	.00	.00	.00	12,556.13	12,556.13
	<hr/>				
Total Designated Gift Expense	11,043.27	10,186.01	37,375.73	71,769.28	130,374.29
	<hr/>				
TOTAL EXPENSE	345,400.03	89,669.19	37,375.73	71,769.28	544,214.23
	<hr/>				
REVENUE OVER (UNDER) EXPENSE	-18,967.18	14,059.25	4,835.98	642.46	570.51

Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Budgeted Financial Statement for Fourth Quarter  
000 WORSHIP

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
<b>REVENUE</b>						
<b>Contributions</b>						
4002 Pledge	15,783.15	52,593.75	-36,810.60	193,715.74	210,375.00	16,659.26
4003 Plate	2,016.80	7,076.25	-5,059.45	17,363.84	28,305.00	10,941.16
4004 Restricted Pledge	637.50	1,250.01	-612.51	2,125.00	5,000.00	2,875.00
4005 Restricted Plate	4,271.25	.00	4,271.25	4,441.25	.00	-4,441.25
<b>Total Contributions</b>	<b>22,708.70</b>	<b>60,920.01</b>	<b>-38,211.31</b>	<b>217,645.83</b>	<b>243,680.00</b>	<b>26,034.17</b>
<b>Fundraising Income</b>						
4011 Fruitcake Income	3,752.49	1,250.01	2,502.48	9,031.83	5,000.00	-4,031.83
<b>Total Fundraising Income</b>	<b>3,752.49</b>	<b>1,250.01</b>	<b>2,502.48</b>	<b>9,031.83</b>	<b>5,000.00</b>	<b>-4,031.83</b>
<b>Designated Gift Income</b>						
4022 Miscellaneous Gift Fund I	-16,319.50	.00	-16,319.50	-4,260.11	.00	4,260.11
4023 Restricted for Outreach I	-4,272.15	.00	-4,272.15	5,095.35	.00	-5,095.35
4025 Altar Guild Fund Income	565.00	.00	565.00	1,110.00	.00	-1,110.00
4030 Memorials Fund Income	1,220.00	.00	1,220.00	1,512.00	.00	-1,512.00
4034 Special Music Fund Income	156.01	.00	156.01	256.01	.00	-256.01
4035 Renewal of the Heart Inco	.00	5,000.01	-5,000.01	250.00	20,000.00	19,750.00
4037 St. Aidan's Discretionary	-22,545.11	.00	-22,545.11	.00	.00	.00
4038 Canterbury Discretionary	-1,243.09	.00	-1,243.09	.00	.00	.00
<b>Total Designated Gift Income</b>	<b>-42,438.84</b>	<b>5,000.01</b>	<b>-47,438.85</b>	<b>3,963.25</b>	<b>20,000.00</b>	<b>16,036.75</b>
<b>Parking Income</b>						
4043 Student Parking Income	1,965.00	6,999.99	-5,034.99	25,100.00	28,000.00	2,900.00
4044 Football Parking Income	495.00	12,500.01	-12,005.01	54,341.00	50,000.00	-4,341.00
<b>Total Parking Income</b>	<b>2,460.00</b>	<b>19,500.00</b>	<b>-17,040.00</b>	<b>79,441.00</b>	<b>78,000.00</b>	<b>-1,441.00</b>
<b>Other Income</b>						
4050 Building Use Income	500.00	500.01	-.01	1,785.00	2,000.00	215.00
4060 Interest Income	.00	300.00	-300.00	.00	1,200.00	1,200.00
4070 Miscellaneous Income	568.74	125.01	443.73	1,668.75	500.00	-1,168.75
4072 Miscellaneous Gifts	.00	3,204.99	-3,204.99	12,897.19	12,820.00	-77.19
4075 Memorials Undesignated GI	.00	1,250.01	-1,250.01	.00	5,000.00	5,000.00
4080 Endowment	-16,415.00	892.50	-17,307.50	.00	3,570.00	3,570.00
<b>Total Other Income</b>	<b>-15,346.26</b>	<b>6,272.52</b>	<b>-21,618.78</b>	<b>16,350.94</b>	<b>25,090.00</b>	<b>8,739.06</b>
<b>TOTAL REVENUE</b>	<b>-28,863.91</b>	<b>92,942.55</b>	<b>-121,806.46</b>	<b>326,432.85</b>	<b>371,770.00</b>	<b>45,337.15</b>
<b>EXPENSE</b>						
<b>Staff Expense</b>						
<b>Rector</b>						
5102 Salary - Rector	6,930.00	11,310.00	-4,380.00	38,970.00	45,240.00	6,270.00
5103 Housing - Rector	7,500.00	7,500.00	.00	30,000.00	30,000.00	.00
5104 Pension - Rector	3,547.98	3,661.74	-113.76	14,191.92	14,647.00	455.08
5105 Health-Life - Rector	1,078.11	765.75	312.36	4,276.19	3,063.00	-1,213.19
5106 FICA - Rector	901.02	900.99	.03	3,604.08	3,604.00	-.08
5107 Pre-Tax Savings - Rector	630.00	630.00	.00	3,060.00	2,520.00	-540.00
5108 Professional Development	300.00	300.00	.00	1,200.00	1,200.00	.00
5109 Sabbatical Accrual - Rect	748.02	747.99	.03	2,992.08	2,992.00	-.08

**Saint Aidan's Episcopal Church**  
**Fiscal Year Beginning 1/1/2009**  
**Budgeted Financial Statement for Fourth Quarter**  
**000 WORSHIP**

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
5110 Professional Expense - Re	2,064.35	999.99	1,064.36	4,000.00	4,000.00	.00
5111 Spiritual Health & Direct	420.00	450.00	-30.00	660.00	1,800.00	1,140.00
<b>Total Rector</b>	<b>24,119.48</b>	<b>27,266.46</b>	<b>-3,146.98</b>	<b>102,954.27</b>	<b>109,066.00</b>	<b>6,111.73</b>
<b>Priest Associate</b>						
5203 Housing	4,083.31	.00	4,083.31	5,833.30	.00	-5,833.30
<b>Total Priest Associate</b>	<b>4,083.31</b>	<b>.00</b>	<b>4,083.31</b>	<b>5,833.30</b>	<b>.00</b>	<b>-5,833.30</b>
<b>Office Admin</b>						
5301 Salary - Admin	8,500.02	8,499.99	.03	34,000.08	34,000.00	-.08
5302 Pension - Admin	.00	594.99	-594.99	70.00	2,380.00	2,310.00
5303 Health-Life - Admin	732.81	807.51	-74.70	2,845.83	3,230.00	384.17
<b>Total Office Admin</b>	<b>9,232.83</b>	<b>9,902.49</b>	<b>-669.66</b>	<b>36,915.91</b>	<b>39,610.00</b>	<b>2,694.09</b>
<b>Other Staff</b>						
5401 Background Checks	.00	174.99	-174.99	513.00	700.00	187.00
5405 Facilities Manager	4,701.20	6,249.99	-1,548.79	19,911.45	25,000.00	5,088.55
5410 Music Director	2,396.70	2,317.50	79.20	9,349.20	9,270.00	-79.20
5411 Music Director Cont Ed	250.00	62.49	187.51	250.00	250.00	.00
5415 Musicians	651.01	624.99	26.02	876.01	2,500.00	1,623.99
5420 Nursery	910.30	1,125.00	-214.70	3,851.23	4,500.00	648.77
5425 Organist	2,781.00	2,781.00	.00	11,424.00	11,124.00	-300.00
5426 Organist Cont Ed	.00	62.49	-62.49	.00	250.00	250.00
5427 Prof Exp - Other Clergy	.00	375.00	-375.00	.00	1,500.00	1,500.00
5430 Staff Bonuses	1,025.00	450.00	575.00	1,875.00	1,800.00	-75.00
5435 Youth Bible Study	.00	249.99	-249.99	600.00	1,000.00	400.00
<b>Total Other Staff</b>	<b>12,715.21</b>	<b>14,473.44</b>	<b>-1,758.23</b>	<b>48,649.89</b>	<b>57,894.00</b>	<b>9,244.11</b>
<b>Temporary Staff</b>						
5501 Accounting	4,752.50	3,000.00	1,752.50	17,283.51	12,000.00	-5,283.51
5502 Legal	.00	125.01	-125.01	.00	500.00	500.00
5503 Supply Priest	.00	.00	.00	238.50	.00	-238.50
5505 Life Cycle Leave Expense	3,000.00	.00	3,000.00	3,000.00	.00	-3,000.00
<b>Total Temporary Staff</b>	<b>7,752.50</b>	<b>3,125.01</b>	<b>4,627.49</b>	<b>20,522.01</b>	<b>12,500.00</b>	<b>-8,022.01</b>
<b>Payroll Expenses</b>						
5601 FICA/Medicare Expense	1,203.61	2,069.76	-866.15	5,163.68	8,279.00	3,115.32
5602 Payroll Service	264.00	375.00	-111.00	1,244.95	1,500.00	255.05
5603 Worker's Comp	.00	575.01	-575.01	2,267.00	2,300.00	33.00
<b>Total Payroll Expenses</b>	<b>1,467.61</b>	<b>3,019.77</b>	<b>-1,552.16</b>	<b>8,675.63</b>	<b>12,079.00</b>	<b>3,403.37</b>
<b>Total Staff Expense</b>	<b>59,370.94</b>	<b>57,787.17</b>	<b>1,583.77</b>	<b>223,551.01</b>	<b>231,149.00</b>	<b>7,597.99</b>
<b>Facilities</b>						
<b>Supplies</b>						
6103 Housekeeping Supplies	271.67	375.00	-103.33	880.81	1,500.00	619.19
6104 Kitchen Supplies	.00	99.99	-99.99	.00	400.00	400.00
6105 Office Supplies	1,460.27	1,125.00	335.27	3,480.32	4,500.00	1,019.68

Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Budgeted Financial Statement for Fourth Quarter  
000 WORSHIP

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
Total Supplies	1,731.94	1,599.99	131.95	4,361.13	6,400.00	2,038.87
<b>Utilities</b>						
6203 Church Utilities	6,175.18	6,000.00	175.18	22,663.30	24,000.00	1,336.70
6204 2419 Colorado Utilities	385.44	750.00	-364.56	1,831.67	3,000.00	1,168.33
6205 Telephone	1,656.05	1,074.99	581.06	4,994.81	4,300.00	-694.81
Total Utilities	8,216.67	7,824.99	391.68	29,489.78	31,300.00	1,810.22
<b>Equipment</b>						
6303 Computer Systems	1,721.28	999.99	721.29	2,432.96	4,000.00	1,567.04
6304 Copier	3,369.75	3,177.00	192.75	13,281.27	12,708.00	-573.27
6305 Software Updates	.00	249.99	-249.99	1,075.10	1,000.00	-75.10
6306 Telephone Equipment	.00	206.25	-206.25	742.59	825.00	82.41
Total Equipment	5,091.03	4,633.23	457.80	17,531.92	18,533.00	1,001.08
<b>Repairs &amp; Maintenance</b>						
6403 Buildings & Grounds Maint	-100.00	500.01	-600.01	-2,054.54	2,000.00	4,054.54
6404 Building Use Cleaning	.00	375.00	-375.00	.00	1,500.00	1,500.00
6405 Church Repairs	.00	5,000.01	-5,000.01	142.50	20,000.00	19,857.50
6406 Deferred Maintenance	5,458.50	2,750.01	2,708.49	15,354.95	11,000.00	-4,354.95
6407 Maintenance Contracts	9,911.67	1,749.99	8,161.68	18,662.47	7,000.00	-11,662.47
6408 Organ/Piano	680.00	237.51	442.49	1,205.00	950.00	-255.00
Total Repairs & Maintenance	15,950.17	10,612.53	5,337.64	33,310.38	42,450.00	9,139.62
<b>Facilities - Other</b>						
6503 Church Insurance	2,234.92	3,000.00	-765.08	10,727.04	12,000.00	1,272.96
6504 Columbarium Engraving	.00	125.01	-125.01	36.75	500.00	463.25
6505 Endowment Loan	-12,217.51	4,250.01	-16,467.52	3,532.49	17,000.00	13,467.51
6506 Art & Architecture	.00	125.01	-125.01	578.88	500.00	-78.88
6507 Postage	1,064.27	750.00	314.27	2,827.26	3,000.00	172.74
6508 Property Tax	.00	1,500.00	-1,500.00	2,230.12	6,000.00	3,769.88
Total Facilities - Other	-8,918.32	9,750.03	-18,668.35	19,932.54	39,000.00	19,067.46
Total Facilities	22,071.49	34,420.77	-12,349.28	104,625.75	137,683.00	33,057.25
<b>Ministry</b>						
6603 Adult Education	60.94	249.99	-189.05	649.88	1,000.00	350.12
6604 Advertising	170.94	999.99	-829.05	1,993.16	4,000.00	2,006.84
6605 Altar Guild	1,149.45	474.99	674.46	2,293.17	1,900.00	-393.17
6606 Annual Meeting	.00	125.01	-125.01	310.11	500.00	189.89
6607 Childrens Education	153.13	125.01	28.12	438.96	500.00	61.04
6608 Gifts	.00	150.00	-150.00	569.16	600.00	30.84
6609 Hospitality	487.36	750.00	-262.64	1,484.01	3,000.00	1,515.99
6610 Lay Leadership Training	238.33	249.99	-11.66	640.60	1,000.00	359.40
6611 LEM, LEV, Acolyte	38.65	249.99	-211.34	119.35	1,000.00	880.65
6613 Parish Forums	297.50	200.01	97.49	748.89	800.00	51.11
6614 Parish Retreats	128.50	125.01	3.49	128.50	500.00	371.50
6615 Pastoral Care	16.68	150.00	-133.32	291.72	600.00	308.28
6616 Sheet Music/Robes	276.90	277.50	-.60	583.13	1,110.00	526.87
6618 Sound System	10.79	174.99	-164.20	110.75	700.00	589.25

**Saint Aidan's Episcopal Church**  
**Fiscal Year Beginning 1/1/2009**  
**Budgeted Financial Statement for Fourth Quarter**  
**000 WORSHIP**

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
6620 Vestry Expense	.00	200.01	-200.01	761.57	800.00	38.43
6624 Youth Ministry	150.00	300.00	-150.00	317.51	1,200.00	882.49
6625 Fruitcake Expense	1,210.68	450.00	760.68	4,615.80	1,800.00	-2,815.80
<b>Total Ministry</b>	<b>4,389.85</b>	<b>5,252.49</b>	<b>-862.64</b>	<b>16,056.27</b>	<b>21,010.00</b>	<b>4,953.73</b>
<b>Other Expense</b>						
7004 Miscellaneous Expense	102.21	537.51	-435.30	3,123.81	2,150.00	-973.81
7005 Administrative Charge	-3,250.02	-3,249.99	-.03	-13,000.08	-13,000.00	.08
<b>Total Other Expense</b>	<b>-3,147.81</b>	<b>-2,712.48</b>	<b>-435.33</b>	<b>-9,876.27</b>	<b>-10,850.00</b>	<b>-973.73</b>
<b>Designated Gift Expense</b>						
7024 Miscellaneous Gift Fund E	.00	.00	.00	3,950.35	.00	-3,950.35
7025 Altar Guild Fund Expense	385.00	.00	385.00	1,493.00	.00	-1,493.00
7026 Canterbury House Fund Expe	1,270.00	.00	1,270.00	1,270.00	.00	-1,270.00
7030 Memorials Fund Expense	.00	.00	.00	2,177.94	.00	-2,177.94
7034 Special Music Fund Expens	.00	.00	.00	170.48	.00	-170.48
7038 St. Aidan's Discretionary	-22,927.40	1,394.01	-24,321.41	.00	5,576.00	5,576.00
7039 Canterbury Discretionary	-1,389.69	.00	-1,389.69	.00	.00	.00
7043 Renewal of the Heart Expe	.00	.00	.00	1,981.50	.00	-1,981.50
<b>Total Designated Gift Expense</b>	<b>-22,662.09</b>	<b>1,394.01</b>	<b>-24,056.10</b>	<b>11,043.27</b>	<b>5,576.00</b>	<b>-5,467.27</b>
7999 SUSPENSE	-583.33	.00	-583.33	.00	.00	.00
<b>TOTAL EXPENSE</b>	<b>59,439.05</b>	<b>96,141.96</b>	<b>-36,702.91</b>	<b>345,400.03</b>	<b>384,568.00</b>	<b>39,167.97</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>	<b>-88,302.96</b>	<b>-3,199.41</b>	<b>-85,103.55</b>	<b>-18,967.18</b>	<b>-12,798.00</b>	<b>6,169.18</b>

**Saint Aldan's Episcopal Church**  
**Fiscal Year Beginning 1/1/2009**  
**Budgeted Financial Statement for Fourth Quarter**  
**001 CU**

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
<b>REVENUE</b>						
4001 Endowment	.00	1,827.51	-1,827.51	.00	7,310.00	7,310.00
4003 Plate	.00	1,500.00	-1,500.00	.00	6,000.00	6,000.00
4004 5pm Plate	664.50	.00	664.50	1,974.43	.00	-1,974.43
4007 Management Agreement	18,821.00	24,249.99	-5,428.99	91,568.00	97,000.00	5,432.00
4008 Mission Trip Income	1,503.41	.00	1,503.41	10,186.01	.00	-10,186.01
<b>TOTAL REVENUE</b>	<b>20,988.91</b>	<b>27,577.50</b>	<b>-6,588.59</b>	<b>103,728.44</b>	<b>110,310.00</b>	<b>6,581.56</b>
<b>EXPENSE</b>						
<b>Staff Expense</b>						
5120 Peer Ministers	1,333.44	2,250.00	-916.56	6,500.16	9,000.00	2,499.84
<b>Chaplain</b>						
5202 Salary - Chaplain	.00	6,000.00	-6,000.00	18,000.00	24,000.00	6,000.00
5203 Housing - Chaplain	.00	1,500.00	-1,500.00	4,500.00	6,000.00	1,500.00
5204 Pension - Chaplain	.00	1,928.49	-1,928.49	5,300.10	7,714.00	2,413.90
5205 Health-Life - Chaplain	240.09	982.74	-742.65	2,182.48	3,931.00	1,748.52
5206 FICA - Chaplain	.00	750.00	-750.00	2,250.00	3,000.00	750.00
5208 Professional Development	.00	249.99	-249.99	1,000.00	1,000.00	.00
5209 Spiritual Health & Direct	.00	450.00	-450.00	350.00	1,800.00	1,450.00
5210 Professional Expense - Ch	.00	675.00	-675.00	1,966.97	2,700.00	733.03
<b>Total Chaplain</b>	<b>1,573.53</b>	<b>14,786.22</b>	<b>-13,212.69</b>	<b>42,049.71</b>	<b>59,145.00</b>	<b>17,095.29</b>
<b>Other Staff</b>						
5230 Canterbury Admin	112.00	.00	112.00	112.00	.00	-112.00
5237 Salary - Rector	3,750.00	.00	3,750.00	3,750.00	.00	-3,750.00
5320 FICA	102.00	337.50	-235.50	497.40	1,350.00	852.60
5405 Facilities Manager	.00	.00	.00	140.00	.00	-140.00
<b>Total Other Staff</b>	<b>3,964.00</b>	<b>337.50</b>	<b>3,626.50</b>	<b>4,499.40</b>	<b>1,350.00</b>	<b>-3,149.40</b>
<b>Payroll Tax</b>						
<b>Total Payroll Tax</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>
<b>Total Staff Expense</b>	<b>5,537.53</b>	<b>15,123.72</b>	<b>-9,586.19</b>	<b>46,549.11</b>	<b>60,495.00</b>	<b>13,945.89</b>
<b>Facilities</b>						
6205 2700 University Utilities	.00	800.01	-800.01	2,297.50	3,200.00	902.50
6206 2700 University Repairs	1,949.00	600.00	1,349.00	5,178.26	2,400.00	-2,778.26
<b>Total Facilities</b>	<b>1,949.00</b>	<b>1,400.01</b>	<b>548.99</b>	<b>7,475.76</b>	<b>5,600.00</b>	<b>-1,875.76</b>
<b>Ministry</b>						
6703 Welcome Back BBQ	.00	249.99	-249.99	669.80	1,000.00	330.20
<b>Advertising/Outreach/Publicity</b>						
6710 Advertising	157.50	600.00	-442.50	1,325.70	2,400.00	1,074.30
6711 Giveaway Items	.00	350.01	-350.01	74.02	1,400.00	1,325.98
6712 Hospitality	.00	375.00	-375.00	651.69	1,500.00	848.31
6713 RCO	.00	75.00	-75.00	300.00	300.00	.00
<b>Total Advertising/Outreach/Pub</b>	<b>157.50</b>	<b>1,650.00</b>	<b>-1,492.50</b>	<b>3,021.21</b>	<b>6,600.00</b>	<b>3,578.79</b>
<b>Community Ministry</b>						

Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Budgeted Financial Statement for Fourth Quarter  
001 CU

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
6722 Peer Ministry	.00	249.99	-249.99	62.05	1,000.00	937.95
6723 Peer Ministers' Events/Pr	.00	150.00	-150.00	.00	600.00	600.00
6724 Canterbury Lounge Utiliti	239.97	249.99	-10.02	928.49	1,000.00	71.51
6725 Canterbury Lounge Snacks/	22.75	275.01	-252.26	781.57	1,100.00	318.43
6726 Fellowship Dinners	463.84	575.01	-111.17	2,083.53	2,300.00	216.47
<b>Total Community Ministry</b>	<b>726.56</b>	<b>1,500.00</b>	<b>-773.44</b>	<b>3,855.64</b>	<b>6,000.00</b>	<b>2,144.36</b>
<b>Retreats &amp; Conferences</b>						
6741 Retreats	1,503.41	500.01	1,003.40	1,813.41	2,000.00	186.59
6742 Student Conferences & Tra	.00	500.01	-500.01	808.20	2,000.00	1,191.80
6751 Guest Speakers	100.00	125.01	-25.01	200.00	500.00	300.00
<b>Total Retreats &amp; Conferences</b>	<b>1,603.41</b>	<b>1,125.03</b>	<b>478.38</b>	<b>2,821.61</b>	<b>4,500.00</b>	<b>1,678.39</b>
<b>Study &amp; Spiritual Formation</b>						
6754 Bible Study	77.36	125.01	-47.65	90.36	500.00	409.64
6755 Spiritual Formation	.00	125.01	-125.01	160.00	500.00	340.00
<b>Total Study &amp; Spiritual Format</b>	<b>77.36</b>	<b>250.02</b>	<b>-172.66</b>	<b>250.36</b>	<b>1,000.00</b>	<b>749.64</b>
6760 Other/Miscellaneous	.00	125.01	-125.01	365.91	500.00	134.09
6762 Mission Trip Expense	.00	.00	.00	10,186.01	.00	-10,186.01
6771 Audit/Accounting	.00	.00	.00	290.50	.00	-290.50
6772 Board Expense - General	.00	.00	.00	353.00	.00	-353.00
6780 Canterbury Outreach	1,300.00	3,403.74	-2,103.74	1,500.00	13,615.00	12,115.00
<b>Total Ministry</b>	<b>1,300.00</b>	<b>3,528.75</b>	<b>-2,228.75</b>	<b>12,695.42</b>	<b>14,115.00</b>	<b>1,419.58</b>
<b>Other Expense</b>						
7005 Administrative Charge	3,250.02	3,249.99	.03	13,000.08	13,000.00	-.08
<b>Total Other Expense</b>	<b>3,250.02</b>	<b>3,249.99</b>	<b>.03</b>	<b>13,000.08</b>	<b>13,000.00</b>	<b>-.08</b>
<b>TOTAL EXPENSE</b>	<b>14,601.38</b>	<b>27,827.52</b>	<b>-13,226.14</b>	<b>89,669.19</b>	<b>111,310.00</b>	<b>21,640.81</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>	<b>6,387.53</b>	<b>-250.02</b>	<b>6,637.55</b>	<b>14,059.25</b>	<b>-1,000.00</b>	<b>-15,059.25</b>

Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Budgeted Financial Statement for Fourth Quarter  
002 BOULDER

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
<b>REVENUE</b>						
4001 Endowment	.00	1,530.00	-1,530.00	.00	6,120.00	6,120.00
<b>Total Endowment Income</b>	<b>.00</b>	<b>1,530.00</b>	<b>-1,530.00</b>	<b>.00</b>	<b>6,120.00</b>	<b>6,120.00</b>
<b>Designated Gift Income</b>						
4022 Miscellaneous Gift Fund I	612.75	3,125.01	-2,512.26	9,062.75	12,500.00	3,437.25
4037 St. Aidan's Discretionary	27,340.49	.00	27,340.49	27,340.49	.00	-27,340.49
4038 Canterbury Discretionary	1,443.09	.00	1,443.09	1,443.09	.00	-1,443.09
4039 Priest Associate Discreti	2,422.69	.00	2,422.69	2,422.69	.00	-2,422.69
4040 Deacon Discretionary Inco	1,942.69	.00	1,942.69	1,942.69	.00	-1,942.69
<b>Total Designated Gift Income</b>	<b>33,761.71</b>	<b>3,125.01</b>	<b>30,636.70</b>	<b>42,211.71</b>	<b>12,500.00</b>	<b>-29,711.71</b>
<b>TOTAL REVENUE</b>	<b>33,761.71</b>	<b>4,655.01</b>	<b>29,106.70</b>	<b>42,211.71</b>	<b>18,620.00</b>	<b>-23,591.71</b>
<b>EXPENSE</b>						
<b>Designated Gift Expense</b>						
6821 Miscellaneous Gift Fund E	3,987.75	3,875.01	112.74	9,062.75	15,500.00	6,437.25
7038 St. Aidan's Discretionary	25,694.40	.00	25,694.40	25,694.40	.00	-25,694.40
7039 Canterbury Discretionary	1,589.69	.00	1,589.69	1,589.69	.00	-1,589.69
7041 Priest Associate Discreti	703.14	.00	703.14	703.14	.00	-703.14
7042 Deacon Discretionary Expe	325.75	.00	325.75	325.75	.00	-325.75
<b>Total Designated Gift Expense</b>	<b>32,300.73</b>	<b>3,875.01</b>	<b>28,425.72</b>	<b>37,375.73</b>	<b>15,500.00</b>	<b>-21,875.73</b>
<b>TOTAL EXPENSE</b>	<b>32,300.73</b>	<b>3,875.01</b>	<b>28,425.72</b>	<b>37,375.73</b>	<b>15,500.00</b>	<b>-21,875.73</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>	<b>1,460.98</b>	<b>780.00</b>	<b>680.98</b>	<b>4,835.98</b>	<b>3,120.00</b>	<b>-1,715.98</b>

Saint Aidan's Episcopal Church  
Fiscal Year Beginning 1/1/2009  
Budgeted Financial Statement for Fourth Quarter  
003 WORLD

Acct # Description	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget Annual	Remaining Budget
<b>REVENUE</b>						
Contributions						
4002 Pledge	36,978.85	9,281.25	27,697.60	36,978.85	37,125.00	146.15
4003 Plate	3,064.20	1,248.75	1,815.45	3,064.20	4,995.00	1,930.80
<b>Total Contributions</b>	<b>40,043.05</b>	<b>10,530.00</b>	<b>29,513.05</b>	<b>40,043.05</b>	<b>42,120.00</b>	<b>2,076.95</b>
Designated Gift Income						
4021 Miscellaneous Gift Fund I	21,820.00	6,350.01	15,469.99	22,370.00	25,400.00	3,030.00
4027 Navajoland Income	.00	.00	.00	9,998.69	.00	-9,998.69
<b>Total Designated Gift Income</b>	<b>21,820.00</b>	<b>6,350.01</b>	<b>15,469.99</b>	<b>32,368.69</b>	<b>25,400.00</b>	<b>-6,968.69</b>
<b>TOTAL REVENUE</b>	<b>61,863.05</b>	<b>16,880.01</b>	<b>44,983.04</b>	<b>72,411.74</b>	<b>67,520.00</b>	<b>-4,891.74</b>
<b>EXPENSE</b>						
6105 Church Convention	884.66	450.00	434.66	2,374.66	1,800.00	-574.66
Designated Gift Expense						
6621 Miscellaneous Gift Fund E	18,670.00	3,000.00	15,670.00	20,370.00	12,000.00	-8,370.00
6629 Navajoland Expense	.00	1,599.99	-1,599.99	9,356.23	6,400.00	-2,956.23
6633 Missionary	.00	375.00	-375.00	.00	1,500.00	1,500.00
6635 Seminarian Expense	500.00	375.00	125.00	2,000.00	1,500.00	-500.00
6639 Diocesan	7,619.28	7,055.01	564.27	25,112.26	28,220.00	3,107.74
6641 Region	3,809.64	3,474.99	334.65	12,556.13	13,900.00	1,343.87
<b>Total Designated Gift Expense</b>	<b>31,483.58</b>	<b>16,329.99</b>	<b>15,153.59</b>	<b>71,769.28</b>	<b>65,320.00</b>	<b>-6,449.28</b>
<b>TOTAL EXPENSE</b>	<b>31,483.58</b>	<b>16,329.99</b>	<b>15,153.59</b>	<b>71,769.28</b>	<b>65,320.00</b>	<b>-6,449.28</b>
<b>TOTAL REVENUE OVER (UNDER) EXP</b>	<b>30,379.47</b>	<b>550.02</b>	<b>29,829.45</b>	<b>642.46</b>	<b>2,200.00</b>	<b>1,557.54</b>

# Leaman & Associates, Inc.

*Small Business Accounting  
Financial Consulting*

Friday, September 17, 2010

The Wardens and Vestry  
St. Aidan's Episcopal Church  
2425 Colorado Avenue  
Boulder, CO 80302-6806

Ladies and Gentlemen:

The primary purpose of the audit is to provide assurance that the financial statements fairly represent the financial position and result of operations of the entity being audited. An audit certificate is required to be provided to the Diocese to evidence compliance with the canonical audit requirement. An additional benefit of the audit, however, is found in the Management Letter in which the auditor has the opportunity to share with management his observations and recommendations pertaining to accounting, internal control and other operating matters which attracted attention during the course of the audit. That is the purpose of this letter.

#### **Status of Prior Year Recommendations:**

1. **Recommendations:** There were numerous recommendations made regarding the expansion of the chart of accounts to accommodate the Endowment Fund assets, net fund balance and transactions in the investments over the course of the year.

**Findings:** None of these recommendations appeared to have been implemented in 2009.

**Follow Up Recommendations:** I still believe those recommendations to be valid and recommend last year's management letter be reviewed and the recommendations therein considered.

2. **Recommendations:** The Endowment Fund should be reclassified from the Current Asset section of the Balance Sheet to the Other Asset Section of the Balance Sheet. Additionally, establish additional asset and equity accounts to properly account for the location of the fund assets and the equity breakdown of the fund.

**Findings:** None of these recommendations appeared to have been implemented in 2009.

**Follow Up Recommendations:** Again, I feel those recommendations were valid and encourage the prior year management letter be reviewed and the recommendations therein considered.

3. **Recommendation:** The Endowment Fund be separated from the Operating Fund. I recommended a separate fund be established, but the Treasurer proposed instead that the assets and equity of the Endowment Fund be spread to the 02 and 03 funds for which they are used. I concurred with this alternative resolution.

**Findings:** Although this was not done at the closing of the year end, it was accomplished on the restated financial statements which I requested and the new allocation will presumably be carried forward.

**Follow Up Recommendation:** No further action appears necessary.

#### 4. Endowment Fund Financial Records

**Recommendations:** The financial records of the Fund belong to the Church and should always be maintained at the Church. The Fund Treasurer should provide periodic financial reports to the Vestry. The Vestry should address the Endowment Charter requirement for a Certified Audit.

**Findings:** The financial records of the Fund are now being maintained at the Church. The minutes do not reflect a report of the Endowment fund each quarter. The minutes do not indicate that the Vestry has considered the Charter's requirement for a CPA.

**Recommendations:** The Treasurer of the Endowment Fund should provide a written report of the fund's performance no less than each quarter. The Vestry should consider complying with the Charter's requirement for a CPA, temporarily waiving the requirement or changing the Charter.

#### 5. Endowment transactions are not being posted to the General Ledger.

**Recommendations:** When the treasurer of the Endowment Committee completes the Quarterly report to the Vestry, appropriate journal entries to reflect the transactions and value adjustments for the quarter should be provided to the Church Treasurer for posting to the General Ledger.

**Findings:** No transactions or value adjustments had been made in the records of the Church for the entire year. At the auditor's request, the transactions and value adjustments were posted and the financial statements were restated.

**Recommendations:** Don't allow the financial statement to regress once again. Keep the Endowment assets balances current and in agreement with the investment reports.

#### 6. Personnel Files

**Recommendations:** Using the personnel file checklist, review each file for completeness and obtain missing documents where necessary. Develop a schedule of all personnel and volunteers who are required to comply with the Safeguarding God's Children workshop requirements (and others) and note dates taken and dates renewals are due for appropriate follow up. I also recommend adding to the checklist a signed authorization for any employee deductions from

the paycheck other than the statutory deductions for taxes. This would cover any deductions for health insurance, 403(b) contributions and the like.

**Findings:** The Personnel Records were generally in good condition. There were, however, no personnel files for volunteers as required by the policies for Safeguarding God's Children and no apparent control for the renewal of required workshops. Although not often used, there were no signed authorizations for employee deductions.

**Recommendations:** Develop a schedule of all paid and volunteer personnel who are required to comply with **Policies for Parish Ministries with Children or Youth** and assign responsibility for reviewing and insuring that all personnel, paid and volunteer, remain current with the requirements. Establish a personnel file for all volunteer personnel subject to the Policy and a checklist of all things required to be maintained in the personnel file. Note one commonly overlooked item. All personnel who are subject to the policy are required to have the written approval of the Rector in the file.

#### **7. Safeguarding God's Children Policies and Procedures:**

**Recommendations:** Add to the Personnel File Checklist all items required per the Safeguarding God's Children policies and double check to be sure they are in the files. Create Personnel Files for all volunteers who are subject to the Safeguarding God's Children Policies and insure that all documentation on volunteers is complete. Develop a schedule of all personnel and volunteers who are required to comply with the Safeguarding God's Children workshop requirements and note dates taken and dates renewals are due for appropriate follow up. Assign a staff person to review this schedule periodically to insure compliance.

**Findings:** Personnel Files for Volunteers have not been created. This section, however, overlaps the recommendations for personnel files above so no further comment shall be made.

#### **8. Discretionary Funds**

**Recommendations:** Complete the discretionary files by attaching a copy of the bank reconciliation each month to the bank statements. Insure that those auditing the Clergy Discretionary Funds are well versed in the applicable policies and procedures as outlined in the *Manual of Business Methods for Church Affairs*. Consider including the Discretionary Accounts in the full audit when done by an outside auditor in order to provide a fresh set of eyes

**Findings:** Bank Statements and reconciliations for all Discretionary Accounts are on file. Monthly entries are recorded to account for all transactions. In reviewing the bank records, no unusual items came to the auditor's attention. No follow up required.

#### **9. Bank Reconciliations**

**Recommendations:** The Treasurer should scan the bank reconciliation prepared each month by the accountant for any irregularities and should then agree the reconciled amount to that which is actually shown on the Balance Sheet. Any irregularities should be investigated immediately.

**Findings:** The bank statements for both the operating account and the designated account did not reconcile to the general ledger at 12/31/09. When brought to the accountant's attention, she was able to reconcile the operating account.

**Follow Up Recommendations:** I again recommend that the Treasurer scan the bank reconciliation prepared each month by the accountant, looking for any irregularities, and then agree the reconciled balance to that reported on the month end balance sheet.

## 10. Health and Life Insurance

**Recommendations:** Take steps in the future to be sure that medical benefits paid directly to the employee are properly included in taxable income. Also, the value of the life insurance paid for by the Church should also be included in box 1 of the W-2 and in box 12, using the values provided by the IRS.

**Findings:** Medical insurance paid directly to the Rector in 2009 was properly included in taxable income. The value of the excess life insurance, however, was not.

**Follow Up Recommendations:** Take steps to insure that any life insurance paid for by the Church for the Clergy is included in taxable income and reported in box 12 of the form W-2 in accordance with the IRS tables. This information is included in the Treasurer's Newsletter published by the Diocese each year and it is found on the Diocesan Website.

## 11. Vestry Minutes

**Recommendations:** The Treasurer's monthly report to the Vestry should be accompanied by complete financial statements, balance sheet and Income. The income statement is of most value when presented in comparative form to budget and, if possible, also to prior year results for the same period. I believe Shelby has the capability to present both these comparisons. The Treasurer's reports (and any other handouts at the Vestry meeting) should always be filed with the minutes in the Minute Book.

**Findings:** The Minute Book has been replaced by a digital file maintained on the website. Efforts are made to scan and include with the minutes any other documents presented to the Vestry.

**Follow Up Recommendation:** Maintain vigilance and control to insure the minutes filed on the website are complete and include all presentations made at the vestry meeting.

## 12. Sunday Collections

**Recommendations:** Schedule the Sunday Counters so that there are always two unrelated counters and the counters are rotated each week.

**Findings:** This is being done, no further follow up necessary.

### 13. Parochial Report

**Recommendation:** The preparer of the financial section of the report should prepare a worksheet showing how the numbers in the financial statements are combined to form the numbers reported on the Parochial Report. This worksheet should be maintained with the file copy of the Report.

**Findings:** No such worksheet was found in the Parochial Report file for 2009. It was noted however, that the total income reported on the Parochial Report and the Total Expenses both agreed to the Total Income and Total Expense as reported on the Financial Statement.

**Follow Up Recommendation:** The recommended worksheet would still be helpful to help reconcile the source of the various line items in the Parochial Report.

### 14. Form 1099's

**Recommendations:** IRS Regulations require 1099's to be filed for all individuals and non-corporate entities that are paid over \$600 in one year. Fines can be substantial for not doing so.

**Findings:** The Internal Control Questionnaire indicates that you do not file 1099's for amounts paid to individuals who are not employees, nor for unincorporated entities. In discussion we determined that there are no contract employees

**Follow Up Recommendations:** Although you do not have any contract employees, you may well have contractors who are not incorporated and for whom 1099's are required. Recommend the staff be vigilant in watching for and identifying any contractors that may require a 1099. To cover yourself, why not have each such contractor immediately provide a W-9 so you will have their Federal Identification information should you need it.

This concludes the review of last year's recommendations. Usually, the first year of an audit results in a significant amount of recommendations and those from last year were quite broad in scope. Understandably, quite a bit of time was spent reviewing the status of those recommendation. During the process of the review, however, there were a few additional items requiring comment and they were:

#### 1. Clergy Form W-2

**Findings:** The Housing Allowance is not being reported on form W-2 as is required by Diocesan Policy.

**Recommendation:** The Housing Allowance should always be reported on a Clergy's Form W-2 in Box 14 and it should be clearly marked "Housing Allowance". Although not taxable, the number is required to reconcile the total paid to the W-2. Additionally, the clergy need this number in order to calculate and pay self employment tax. Thus, it is Diocesan Policy that it be reported here.

## **2. Employee Benefit Policy**

**Findings:** The Policy states that the Church pays for Unemployment Insurance. In fact, the Church is exempt from the Unemployment Insurance Tax and, as a result, an employee who loses his job is not entitled to unemployment benefits.

**Recommendation:** Revise the Employee Benefit Policy handout immediately and give a copy to each employee, explaining the change. The employee must be aware that unemployment insurance benefits are unavailable in the event of a termination or lay off.

## **3. Financial Statements as shown on the Web Site**

**Findings:** The "Final" Financial Statements as shown on the Web Site have not been updated to reflect the revised Financial Statements that are shown in this report. (It is noted that the revised financial statements were presented to the Vestry at its August 2010 meeting.)

**Recommendation:** Up load the true "Final" Financial Statements to the Web Site Permanent File.

## **4. Note Payable to the Endowment Fund**

**Findings:** At the October 2009 Vestry meeting the Vestry approved a revised amortization schedule for the loan which would result in its payoff by December 2012. The balance showing on this amortization schedule at December 2009 was \$64,350.74. The note balance showing on the Balance Sheet is \$53,910.

**Recommendation:** This account needs to be reviewed and adjusted as necessary to come into compliance with Vestry action. Since the item eliminates when combining funds, it has no affect on the financial statements taken as a whole.

## **5. All Cash Receipts and Cash Disbursements to be through the Operating Account**

**Findings:** Cash Receipts and Cash Disbursements are sometimes made through special accounts rather than the Operating Account. It is a basic principle of internal control that all cash receipts should be deposited through the operating account and then transferred to the specialty account for which it was intended. Likewise all cash disbursement from a specialty account should be transferred to the Operating Account and the third party paid from there. This principle exists because generally the systems of internal control are strongest over the Operating Account. By having everything go through the operating Account, one can be sure that it is receiving the proper reviews and consideration.

**Recommendation:** Review current practices and modify them where possible to conform to this concept. For example: If a check was received at a wedding intended for the Rector's Discretionary, he/she would not deposit it to the Discretionary, It would be turned into the office for deposit in the Operating Account and later the accumulated receipts for the month which have been designated to the Discretionary would be paid to the Discretionary.

## 6. Signatures on checks

**Findings:** Only one signature is required on outgoing checks.

**Recommendation:** Consider requiring two people to sign all outgoing Operating Account checks. If this is not practical, then consider requiring two signatures on all checks over a certain amount, perhaps \$500. Consider rotating Check Signers so the same person is not always the one signing checks.

## 7. Stale/Old Outstanding Checks

**Findings:** Some older checks were observed in the bank reconciliation as outstanding.

**Recommendation:** Any outstanding checks over 90 days should be flagged and investigated, reissued, or cancelled as appropriate.

## 8. Inventory

**Findings:** There is no inventory of personal property in the Church.

**Recommendation:** In lieu of a written inventory, consider taking a video inventory. Using a video camera, span a room, zoom in on any items of particular value, and have a running commentary recorded on the tape or CD. Do this for every room in the complex. Store the recording off site (NOT IN YOUR FIREPROOF SAFE!!!) Although it might not burn, intense heat will cause it to melt!) This inventory will prove to be invaluable should you have a casualty loss and have to file an insurance claim.

## 9. Back Ups for computer systems and programs/Recovery Plan

**Findings:** The Church does not have back up copies of operating systems and programs and does not have a recovery of data plan in the event of a disaster.

**Recommendations:** Obtain back up copies of all operating systems and programs and store in a safe place off site. Develop a recovery of data plan.

## 10. Investment Income and related transactions

**Findings:** Interest and dividend income, change in value of securities, purchases and sales, and other investment transactions are not recorded on the books in a timely manner.

**Recommendations:** The recording of investment income and related transactions must be done each time an investment statement is received or a transaction occurs. This is a repeat of the discussion from last year but worth repeating.

## 11. Finance Committee

**Findings:** In the February 09 minutes it was noted that the Vestry appointed 5 members of the congregations to serve on the Finance Committee. The By-Laws provide for the Finance Committee to consist of the Treasurer, a Warden, and 3 members of the congregation. None of the 5 appointed committee members was either the Treasurer or a Warden.

**Recommendations:** Review the current structure of the Finance Committee in light of the requirements of the By-Laws.

This concludes my observations and recommendations. I hope you find them of value. My objective is to always add value to the audit report through the use of the Management Letter and I hope I have succeeded in this case.

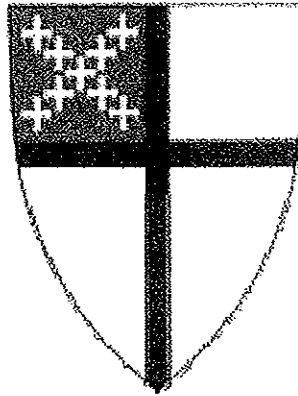
I am always conscious of the costs incurred by a congregation to comply with the annual audit requirement. Normally I suggest to most congregations that they can save money by utilizing an internal audit team which follows the audit guidelines in the *Manual*. This assumes, of course, that a competent and independent audit team can be put together from within the congregation. In that case, consider using an outside auditor perhaps once every three years to insure the benefits of the "fresh set of eyes."

If there are questions or if you need further information on anything addressed in this report, please do not hesitate to ask. E-mail is always the best way to communicate.

Thank you again for the opportunity to be of service and I do hope you will invite me back again.

Faithfully

Robert S. Leaman, President  
Leaman and Associates, Inc.



# Manual of Business Methods in Church Affairs

## Internal Control Questionnaire

*In accordance with Title I, Canon 7, "Of Business Methods in Church Affairs", and Resolution D-147 (1979 GC): "Accounting Principles and Practices for Dioceses, Parishes, and Other Congregations"*

July 2007

---

The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the USA

# Internal Control Questionnaire

ST. AIDAN'S  
Church Name

BOULDER  
Church Location

Identify the person(s) involved in the completion of this survey:

Names: William Sweeney

Position: Treasurer

The following Internal Control Questionnaire is intended to provide guidance for setting up an accounting system and a checklist for periodic review and evaluation of an existing system. The questionnaire is designed also to assist a congregation's internal audit committee. The format is a series of questions, most of which refer to some recommended internal control. The normative answer to a question will be positive. A negative response suggests an area of the system that could be strengthened.

Developing a narrative description is suggested, to provide documentation of the current review. This narrative should be retained for reference in future evaluations.

*General:* The following items are intended to provide general information to aid understanding of the overall accounting and internal control system.

1. Are prior internal control questionnaires and auditors' recommendations available?  Yes  No
2. Have recommendations of prior reports on internal controls been implemented?  Yes  No
3. Is a complete and current chart of accounts, listing all accounts and their respective account numbers, available?  Yes  No
4. Is there an accounting policy and procedure manual?  Yes  No
5. Is it up to date?  Yes  No
6. Is a current edition of this manual available?  Yes  No
7. Is the accounting system using a double-entry bookkeeping method?  Yes  No
8. Have the findings of external auditors been reported to the Vestry?  Yes  No

*Budget:* The development and use of a budget is a critical management tool that will aid in the stewardship and administration of church resources and program.

1. Is the budget approved by the Vestry?  Yes  No
2. Are all changes to the budget authorized by the Vestry and  Yes  No

recorded in the minutes of the meetings?

3. Is there a periodic review of the budget by the Vestry?  Yes  No

*Reporting:* The best accounting system is of little value unless it communicates the information it contains to those responsible. Although there may be variations, certain minimum standards exist to assure adequate communication of the financial information.

1. Is a Treasurer's report submitted to the Vestry or accounting committee each month?  Yes  No
2. Is the Treasurer's report presented in sufficient detail to inform the reader about the nature of the various income and disbursement items?  Yes  No
3. Does the report present the current actual financial data compared with the approved budget?  Yes  No
4. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds?  Yes  No

*Cash Receipts:* Clearly stated policies and procedures regarding the handling of cash and other receipts help not only to protect from loss, but assure that all receipts are properly recorded in the records.

1. Are there safeguards to protect the collections from theft or misplacement from the time of receipt until the time the funds are counted and deposited?  Yes  No
2. Are the collection receipts counted and deposited so that the deposit equals the entire amount of receipts on a timely basis, i.e., at least weekly?  Yes  No
3. Are there at least two unrelated persons responsible for counting and depositing the collections?  Yes  No
4. Are the persons responsible for counting receipts rotated on a periodic basis?  Yes  No
5. Do the counters have a standardized form for recording the deposit information?  Yes  No
6. Are the counters' sheets retained and reconciled with actual deposits, and are all discrepancies investigated?  Yes  No
7. Is there a control prohibiting the cashing of checks from the currency received?  Yes  No
8. Are all of the pledge envelopes or other memoranda retained and reconciled to the recorded amounts?  Yes  No
9. Are all other cash receipts recorded and deposited on a timely basis?  Yes  No
10. Are all checks received restrictively endorsed "for deposit only" immediately upon receipt?  Yes  No
11. Are all cash receipts deposited into the general operating checking account?  Yes  No
12. Are there procedures that will highlight, or bring to someone's attention, the fact that all receipts or income have not been received or recorded?  Yes  No

13. Are periodic statements provided to donors of record (i.e. at least quarterly)?  Yes  No
14. Do acknowledgments of contributions in excess of \$250 include a receipt from the recipient organization which states that it is "the contemporaneous acknowledgment required by the Internal Revenue Code, and states that, in accordance with Section 170(F)(8)(B), any goods or services provided consist solely of intangible religious benefits"?  Yes  No
15. Are all discrepancies investigated?  Yes  No

*Cash Disbursements:* The following procedures will assist in assuring that all payments are properly approved, recorded, and supported by appropriate documentation.

1. Are all disbursements made by check, except for small expenditures made from petty cash? *NO PETTY CASH*  Yes  No
2. Are all checks pre-numbered and used in sequence?  Yes  No
3. Is there a clearly defined approval process for all disbursements?  Yes  No
4. Are all voided checks properly cancelled and retained?  Yes  No
5. Are all checks payable to specified payees and not to cash or to bearer?  Yes  No
6. Are all disbursements supported by original documentation?  Yes  No
7. Is the original vendor's invoice or other documentation cancelled at the time of signature to prevent duplicate payment?  Yes  No
8. Check signing:
- a. Is signing blank checks prohibited?  Yes  No
- b. Is using a signature stamp or pre-printed signatures prohibited?  Yes  No
- c. Does all supporting documentation accompany checks presented for signature?  Yes  No
- d. Are all account signers required for any check?  Yes  No
- e. Is more than one signature required for any check?  Yes  No
- f. If not, do checks for more than \$500 required more than one signature?  Yes  No
- g. If signature imprint machines are not used, are the keys kept under lock and key except when in use? *N/A*  Yes  No
9. Are all disbursements requiring special approval of funding sources or the Vestry properly documented in the Vestry or Finance Committee members?  Yes  No
10. Are there adequate controls and segregation of duties regarding Electronic Funds Transfers?  Yes  No

*Journal Entries:* Journal Entries offer a special opportunity to make adjustments to accounting records. The general journal is an equally important book of original entry as the cash receipts and cash disbursements journals.

1. Is there an appropriate explanation accompanying each journal entry?  Yes  No
2. Are all journal entries approved by a knowledgeable authority other

- than the person initiating the entry?  Yes  No
3. Is adequate documentation maintained to support each journal entry?  Yes  No

*Bank Account Reconciliation:* The monthly reconciliation of all bank accounts is a primary tool for assuring the proper recording and accounting for all cash account activity.

1. Are all bank accounts reconciled within 10 days of receipt of bank statement?  Yes  No
2. Do two different people perform the tasks of opening and reconciling the bank statement?  Yes  No
3. Does someone complete the bank account reconciliations other than the person who participates in the receipt or disbursement of cash?  Yes  No
4. Do the reconciliation procedures provide for:
  - a. Comparison between the bank statement and the cash receipts journal of dates and amounts of deposits?  Yes  No
  - b. Investigation of bank transfers to determine that both sides of the transactions have been recorded?  Yes  No
  - c. Investigation of all bank debit and credit memos?  Yes  No
  - d. Review of all checks outstanding more than 90 days?  Yes  No
  - e. Are checks more than 180 days outstanding voided during the year-end reconciliation? *N/A*  Yes  No
  - f. Is the bank immediately notified of all changes of authorized check-signers?  Yes  No
5. Are all journal entries for bank charges and bank account interest recorded routinely?  Yes  No
6. Are all bank accounts included on financial reports to the Vestry?  Yes  No

*Petty Cash:* The following controls are intended to provide a timely recording of cash expenditures in the accounting system.

1. Is the responsibility for the petty cash fund assigned to one person? *N/A*  Yes  No
2. Are all petty cash funds maintained on an imprest basis, i.e., the total amount of vouchers paid or disbursed, plus cash, always equal the amount of the fund? *N/A*  Yes  No
3. Is adequate review made of documentation before the fund is reimbursed? *N/A*  Yes  No
4. Is the petty cash fund reimbursed at least monthly? *N/A*  Yes  No
5. Are check cashing and making loans to employees prohibited? *N/A*  Yes  No
6. Is the actual petty cash protected from theft or misplacement? *N/A*  Yes  No

*Investments:* Procedures for proper recording and control of all investment instruments will help to assure that all assets and related income are accounted for and properly reported.

1. Are all investment instruments held in the name of the church only?  Yes  No
2. Is the authorization for the sale and/or purchase of investments provided for by the Vestry or authorized Investment Committee?  Yes  No

3. Are all investment instruments adequately protected from fire, theft, or misplacement, preferably in custody by a bank, broker or other financial intermediary?
4. Is the income/dividends/interest recorded?
5. Are all investment accounts included in financial reports to the Vestry?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<i>in process,</i>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>recorded in</i>
		<i>subledger</i>

*Property and Equipment:* Certain procedures involving the physical assets of the church will aid in detecting, identifying and preventing losses.

1. Is formal approval of the Vestry required for all property and equipment additions and dispositions?
2. Is a detailed inventory of all property, furniture, fixtures, and equipment maintained showing:
  - a. Date acquired?
  - b. Detailed description?
  - c. Cost or fair market value at time of donation?
  - d. Any funding source restrictions?
3. Is a periodic review conducted to compare the actual property, furniture, and fixtures, and equipment with the recorded inventory listing?
4. Is there a safe deposit box?
  - a. Is there an inventory of its contents?
  - b. Who is authorized to enter it? \_\_\_\_\_
5. Are permanent records such as articles of incorporation, if applicable, by-laws and real estate deeds kept in a safe place?
6. Are they up to date?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>There is an</i>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>on-site safe</i>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

*Insurance:* Insurance should be maintained that is adequate to protect against all reasonable risks of loss.

1. Is there a periodic review conducted to ensure the adequacy of the insurance coverage for:
  - a. Property?
  - b. Liability?
  - c. Fidelity Bond?
  - d. Sexual Misconduct?
  - e. Directors and Officers Liability?
  - f. Workers' Compensation?
2. Is there a policy related to sexual misconduct?
3. Is there a periodic review conducted to ensure that adequate controls are in place to prevent loss?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

*Liabilities and Other Debt:* All liabilities and other debt must be clearly reported, and all provisions or restrictions complied with.

1. Is all borrowing or indebtedness authorized by the Vestry and the

- appropriate diocesan board or committee?  Yes  No ~~Yes~~
2. Are all loan agreements and/or lease agreements in writing and properly safeguarded?  Yes  No
3. Are there periodic reviews conducted to determine compliance with any debt/lease provisions?  Yes  No
4. Are all liabilities noted on Financial Reports to Vestry?  Yes  No

*Restricted Gifts and Income:* Gifts restricted by donors are not handled in the same manner as other contributions. Procedures are necessary to assure that these gifts are recorded properly and all restrictions are observed.

1. Are records maintained of all bequests, memorials, endowments, or any other restricted gifts to include:
- a. Date, amount and donor gift?  Yes  No
- b. Any restrictions or limitations?  Yes  No
2. Does the Vestry vote to accept all restricted gifts and grants, promising to abide by the restrictions?  Yes  No
3. Are written acknowledgements issued for whom they are required?  Yes  No

*Payroll:* The application of policies and procedures involving the employment of individuals assures compliance with payroll tax reporting to the various governmental entities. It is strongly recommended that payroll be processed by a professional service. Questions 3, 4, 5 & 8 are necessary only if payroll is still processed in-house, whether manually or with an in-house computer software program.

1. Are personnel files maintained to include:
- a. Employment application and/or letter of employment?  Yes  No
- b. Authorizations of pay rates and effective dates?  Yes  No
- c. Internal Revenue Service Form W4?  Yes  No
- d. Department of Justice Form I-9?  Yes  No
- e. State Withholding Forms?  Yes  No
- f. New hire reporting?  Yes  No
2. Is there a written record of hours worked, approved by a Supervisor when applicable?  Yes  No
3. Are there adequate records to:
- a. Show computation of gross pay?  Yes  No
- b. Account for all deductions from gross pay?  Yes  No
- c. Support payroll tax returns and Forms W-2?  Yes  No
4. Are payroll tax returns filed on a timely basis?  Yes  No
5. Are Forms 1099 being provided for all individuals who are not employees and for all unincorporated entities paid \$600 or more annually?  Yes  No *N/A*
6. Are Form W-2 wages reconciled to the general ledger accounts, and all four quarterly payroll tax returns?  Yes  No
7. Are clergy housing allowances recorded in the minutes of the Vestry no later than the first meeting of the year?  Yes  No

*Computer Systems:* The use of computers creates the need for additional procedures to safeguard the system and data.

1. Are current or duplicate copies of the operating system and programs maintained off premises?  Yes  No *W/*
2. Is access to the computer and computer programs limited to authorized persons?  Yes  No
3. Is there adequate documentation, including user manuals, available on-site for all computer programs?  Yes  No
4. Is there a plan for recovery of data and continuation of operations in the event of a disaster?  Yes  No

## Leaman & Associates, Inc.

*Small Business Accounting  
Financial Consulting*

Wednesday, March 03, 2010

The Rev. Mary Kate Schroeder and  
The Wardens of St. Aidan's Episcopal Church  
2425 Colorado Ave.  
Boulder, CO 80302-6806

Ladies and Gentlemen:

I am pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services I will provide St. Aidan's Episcopal Church.

I will audit the congregation's financial reports as of December 31, 2009 and for the year then ended, utilizing the agreed upon procedures set out as Audit Guidelines in the *Manual of Business Methods in Church Affairs* and such other procedures as I determine appropriate in the circumstances. The audit will include examination of the supporting financial records and the internal control policies and procedures of the Church. This audit and the resulting certificate are intended to satisfy the audit requirements of the Episcopal Church and the Diocese of Colorado. This audit, as performed by me, does not qualify as an audit and opinion rendered by a Certified Public Accountant and I am not currently licensed to render such an opinion.

This audit cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud and defalcations, which may exist. However, if, during the course of my work, any such events come to my attention, I will immediately notify the Senior Warden and/or the Rector. In addition, depending upon the seriousness of the events, I may also be obligated to report to the appropriate diocesan authority.

The minimum fee for this service is \$1,200 plus out of pocket expenses for travel and auto mileage. The minimum fee provides for up to 20 hours of travel and professional time to include: Pre-Audit Preparation (a review of documents provided in advance); a Pre-Audit Meeting (with the Rector, the Senior Warden, the Chair of the Finance Committee, the Treasurer, and the bookkeeper, administrator or others involved in financial transactions); the actual On-Site Review of the financial records at the Church office; and the Preparation of the Report. All time will be billed at \$60/hour. The average audit fee typically ranges from \$1,500 to \$2,000 plus out of pocket expenses. Should it become apparent that the time required will exceed this amount, I will immediately notify you.

It is expected the staff of St. Aidan's will assist in minimizing the time required by providing all documents requested for the Pre-Audit Preparation timely and insuring that all remaining documents requested are on hand and readily available to the auditor when doing the on-site review. Finally, this estimate is dependent upon the availability, quality and completeness of the Church records. Should the materials not be provided timely or not be in good order, then additional time may be required. Should other accounting or consulting services beyond the

7378 S. Steele Circle  
Phone: 303-770-3516

[rsloffice@comcast.net](mailto:rsloffice@comcast.net)

Centennial, CO 80122  
Fax: 303-770-3517

scope of this inspection be requested, that, too, would involve additional time. I am assuming the review of Canterbury will be covered under a separate engagement letter and that a separate report and billing will be issued. Please note that considerable additional time was spent last year due to the incompleteness of the endowment records. Please take special care to insure the accounting for the endowment fund and the records of meetings and actions taken by the Endowment Committee are current and complete prior to my arrival.

Because this engagement is outside the Denver metro area, there will be additional time and mileage expenses for travel. It may prove to be more cost effective for the Church to incur lodging and meals charges rather than have me travel each day. If you prefer, please select an economy type motel close to the Church and make arrangements for my stay. If the Church pays direct rather than through my billing of expenses, you will save the sales tax. Please advise regarding your preference.

I have tentatively blocked my calendar for the week of May 10<sup>th</sup>. Ideally, The Pre-Audit meeting could be scheduled on Monday morning and the field work would be completed on Monday, Tuesday and Wednesday of that week. Canterbury should require only one day and that would be done on Thursday. I will remain on Friday to complete the preparation of the reports. Participants in the Pre-Audit meeting will be invited back on Friday at about noon to review the audit reports on both the Church and on Canterbury. . **Please advise ASAP if this schedule will fit with your schedule and the schedules of the other participants.**

The materials for my Pre-Audit Preparation should be delivered to me at least two weeks in advance, or no later than **Monday, April 26**. Please see the **Audit Preparation Guide** enclosed for a listing of the pre-audit materials and a listing of those materials which need to be on hand and available to me upon arrival. Please include documents for both the Church and Canterbury.

If the foregoing is in accordance with your understanding, please have the appropriate party sign a copy of this letter and return it to me at the address shown on the letterhead. Be sure to keep a copy for your files.

I want to thank you for the trust and confidence you have shown in me by inviting me back and I will do all in my power to complete the audit and provide you and your vestry with a full report as timely as is possible.

Sincerely,

Robert S. Leaman  
Leaman & Associates, Inc

APPROVED:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_