Audit Committee Report
08/08/2011

To: The Church Leadership and Membership

We have audited the records and the financial reports of Bethel Lutheran Church dated 08/31/2011. While our audit was limited to testing the transactions and balances and would not necessarily disclose all errors, we found no evidence of significant errors or omissions. In our opinion, the financial reports mentioned above are fairly stated.

We wish to commend the director of business administration, bookkeeper, accountant, school registrar and extended support staff and volunteers for the continued efficiency of their work during the year. On behalf of the congregation, we thank them for the gift of their time and talent.

Tony Stieber - Auditor

Kelly Chavez-Johnson-Auditor

Audit Book Table of Contents
Year End 08/31/2011

	Description	Audited By
1	**Audit Report**	Audit Team
2	**Audit Procedures**	Audit Team
	Review year end adjustments & recommendations	
	External review	
	Quarterly reviews with executive committee	
3	**Prior Year Recommendations**	Kelly
4	**Accounting Procedures**	Kelly
	Review/update accounting procedures manual	
5	**Financials**	Kelly
	Review financial changes on BS and P&L	
6	**Transaction Register**	Tony
7	**School A/R Reconciliation**	Tony
	Compare & Reconcile	
8	**Bank Reconciliation**	Kelly
	Review authorized signers on bank accounts	
	Review check policies	
	Verify check numbering with prior year	
	Procedure for checks over $5,000	
	Review outstanding checks	
	Review voided checks	
	Review bank statements from bank	
	Reconcile bank statement to GL	
	Verify back up on selected sample checks	
	Verify proof of cash	
9	**Payroll Reconciliation**	Kelly
	Review payroll records	
	Review payroll advances	
	Review vacation accrual	
10	**Capitalization**	Tony
	Review asset management	
	Review depreciation	
	Review Book Value	
	Review capitalization of new buildings, equipment	
11	**Benevolence**	Tony
	Review confirm tithing	
	Confirm benevolence disbursements	
	Review restricted funds	
	Review endowment funds on books	
12	**Other Items**	Tony
	Review contracts and leases/ Big Dog Sound	
	Review insurance policies and coverage	
	Review 1099 statements	
	Review computer backups	
	Review event forms	