

St. James Armenian Church
Audit Report
Year 1998

The audit committee has completed reviewing the financial records of the Treasurer and the Women's Guild and found them to be accurate and reflect the true status as of December 31, 1998. Due to a shortage of time, the records of the Finance Committee have had only a partial review and generally show that accurate records have been kept.

Parish Council Checking Account

Since the checking account was computerized in 1997, the audit committee reconciled the bank statements and entered the data in the computer on a monthly basis. Any errors or misclassifications were corrected and entered properly in the computer. Monthly expense Reports and Transaction Reports were prepared for the Treasurer. Overall, we found that the records-keeping showed a big improvement over past years, and the reports showed a true picture of the financial status of the Church.

We are planning on preparing additional computer reports which will further enable the Parish Council to better manage the finances of the Church. As soon as the software is installed on the new computer, we will explore what new reports are available.

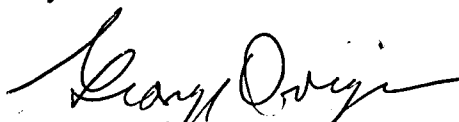

Women's Guild

The audit of the Women's Guild checking account showed them in excellent condition. All deposits and interest were recorded promptly and the bank statements were reconciled currently. As always, the records were neat and orderly.

Finance Committee-Endowment Funds

As stated before, the incomplete audit of the Finance Committee records did not reveal any major discrepancies. All interest earned was accurately and fairly distributed to the various endowment funds. It was also noted that prudent judgment was used in investments made in highly recommended stocks resulting in a modest increase in equity. All dividends earned are being reinvested to further enhance the value of the stock portfolio. Because of the complexity of the Endowment Fund's current makeup, the audit committee felt that a more detailed review was warranted and will continue its review. Upon completion, a report will be made directly to the Parish Council.

Audit Committee


George Ovigian

Sam Baronian