

Auditing Committee Report

The following is a brief outline of the activities conducted by the Auditing Committee during the current year, which consists of Steve Ohanian, Harry Derderian, and Raffi Karahisar:

- In April of 1997, the Parish Council treasurer's book and bank statements were reviewed in detail by Dr. Ed Onanian, the out-going member of the Auditing Committee, in an attempt to reconstruct the closing balances of the General (Operating) account and the Restricted Fund account, through 12/31/1996. The General account closing balance was determined to be \$13,135.25. The closing balances for the Restricted Funds were as follows:

Charitable Fund:	\$1,692.47
Children's Fund:	\$2,125.00
Cultural Fund:	\$3,447.05
Youth Programs:	\$351.56
Altar Flowers:	0.00

Total:	\$7,616.08

No balances were shown for the following Restricted funds: Haiganoush, Havad and Louma, as the disbursements exceeded the available funds. In fact, during 1996, money was borrowed from the Restricted Funds account to meet operating expenses, leaving just a balance of \$762.18 in the account at the end of 1996, or \$6,853.90 less than the sum of the closing balances of the individual Restricted funds.

- In October of 1997, the Auditing Committee reviewed the recently updated computerized income and expense transaction list of the Operating Account, and was able to verify the current balance against the latest bank statements. A detailed report was prepared for the Parish Council, listing a number of the shortcomings, and making certain recommendations on how to improve our bookkeeping practices.
- At the beginning of the new year, a new set of updated guidelines were prepared and mailed to all treasurers of St. Mary's organizations, to assist them in their regular bookkeeping activities, and the preparation of the annual reports.
- The last several weeks, the Committee audited the books and financial reports of the following organizations: The choir, the ACYOA Juniors, the ACYOA Seniors, the 3M, the Shnorhali School and the PTA, the Bookstore, the Bazaar Committee, the Finance Committee, the Ladies Guild, and, last but not least, the Parish Council. By and large, the books and reports appeared to be in order. A few needed some additional work. As usual, the records of two major organizations deserve special

recognition, namely the Bazaar Committee and the Finance Committee, for their thorough and meticulous bookkeeping. A tip of the hat to Gen. Al Kaehn and Dr. Ed Onanian respectively. And a round of sincere thanks to all our treasurers, for the dedicated work they perform in monitoring the financial health of our church organizations, however big or small.

A few words are warranted about the Parish Council records, which are the most complicated by far of all our church organizations. There has been a significant improvement in our record keeping over the last year, thanks in large part to our computerized bookkeeping and the diligent efforts of the church Secretary Mrs. June Kavookian and the PC treasurer Mr. Steve Evereklian. The Operating Account balance was reconciled with the bank statements to the penny through the end of calendar year 1997 for the first time in recent memory, a significant accomplishment considering the size of a budget approaching \$200,000. On the less positive side however, we definitely need better communication between the treasurer and the data entry person to ensure that all transactions are credited or debited against the correct income or expense category, and are properly documented (with a receipt and/or explanation for the source of income, or the purpose of the expense). We have to improve also some of our bookkeeping practices: We need to update our records in a timely manner, and back up our computerized database frequently. The Restricted Funds account should be kept separate from the Operating account; i.e., we should refrain from paying operational expenses from this account, except during emergencies (in which case the amounts borrowed from the restricted funds should be reimbursed). No auditing could be performed on the Restricted account before the Parish Assembly, due to a lack of an up-to-date report matching the bank statements. A separate audit report will be made available to the parishioners summarizing the status of the Restricted funds, as soon as a final year-end statement is made available by the Parish Council.

Respectfully Submitted

Raffi Karahisar

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