

**To:** Clergy and Vestry of St Paul's Episcopal Church, Greenville

**From:** John C. Lennox

**Date:** August 18, 2022

**Subject:** Audit of Parish Financial Systems for 2021

I have inspected the statements of financial position as of December 31<sup>st</sup> and the related statements of financial activities for the full year. My inspection was conducted on August 16, 2022, in accordance with the Episcopal Diocese of East Carolina *Audit Procedures for Diocesan Contract Audits*.

A copy of this audit report should be included in the Vestry Minutes, and it is the Vestry's responsibility to send the following documentation to the Diocesan Office:

- a. A copy of this Audit Report.
- b. Financial Statements for the Church and Church School: year-end Balance Sheet, Income/Expense Report & Designated Accts Report.
- c. A copy of the Audit Work papers that have been sent to the Director of Operations.
- d. A cover letter indicating the date the report was presented to the Vestry and any action plan to address noted deficiencies in practices.

The following categories of financial records were examined for the Church and Church School: Assets; Liabilities; Insurance; Designated & Restricted accounts; Cash & Pledge Receipts; Cash Disbursements from operating and non-operating accounts; and Payroll, Tax & Pension Documentation.

No verification of Sexual Ethics Training was conducted because of the ongoing transitions associated with the Praesidium Academy System. However, the Vestry is reminded that Employees and volunteers should complete training as soon as practical. A Staff member should be designated as System Administrator and should obtain training from the Diocesan Office about how to manage the new system and to enroll participants.

Although not an opinion rendered by a Certified Public Accountant, *with the exceptions listed in the Observations*, it is my assessment that:

- Financial statements accurately represent the financial position of the Congregation and Church School for the year.
- Financial systems and controls are in good order and transactions are well documented.
- Lay leadership is actively involved in financial review and decision making.

Sincerely,



John C. Lennox  
Diocesan Contract Auditor