

**Audit Report**  
**WELS Arizona-California District**  
**14 April 2016**

**Audit Scope**

At the request of the Arizona-California District secretary, an audit has been conducted addressing all financial accounts, records and transactions of the WELS Arizona-California District for the period beginning 21 July 2014 and ending 31 December 2015. The beginning date corresponds to the turnover of financial records and responsibility to the current district secretary. The audit assumed that the accounts and records that were turned over to the current secretary at the beginning of his term were accurate.

**Financial Position**

As of 31 December 2015, the financial position of the district is as follows:

Cash Assets

Bank of America Checking Account	\$25,144.03
Church Extension Fund Account	<u>\$1,314.97</u>
Total Cash Assets	\$26,459.00

Distribution of Funds

General Fund	\$18,779.75
Called Worker Assistance Fund	<u>\$7,679.25</u>
Total Funds	26,459.00

These results are in agreement with the district secretary's records.

**General Findings**

The financial records of the district have been well maintained and no errors were found. Income and expenditures were generally found to be supported with appropriate documentation.

**Specific Findings**

In the course of verifying the balances of the General Fund and Called Worker Assistance Fund, it was noted that the balances reported to the current secretary following the 2014 convention did not account for the monies in the CEF savings account. The previous secretary reported that the CEF account monies were allocated to a third fund, the Assistant to the District President Fund. Further research revealed that the monies had been reallocated to the General Fund by action taken at the 2006 district convention. The CEF account monies are now included in the General Fund balance as shown above.

A few expenditures were found for which there was no supporting documentation in the form of a receipt, invoice or other authorizing document. In each case, the check image in the bank

statement was examined and it was determined that the payee and check endorsement were consistent and appeared to adequately substantiate that the expenditure was appropriate.

It is recognized that there are some expenditures for which a receipt or invoice cannot be obtained for the financial records. The primary examples of such expenditures are payments to individuals as gratuities or for assistance provided from the Called Worker Assistance Fund. In such cases, it is suggested that documentation from the authorizing individual or body (e.g., meeting minutes excerpt, email or correspondence) be inserted in the file to provide justification for the disbursement. The documentation would have to be of a nature that does not reveal matters of confidentiality. Such documentation would serve to protect the secretary from being the single focus of any possible future question of inappropriate or unauthorized action.

**Corrective actions**

No corrective actions are deemed necessary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James Drexler', with a long horizontal flourish extending to the right.

James Drexler  
Gethsemane Lutheran Church  
Los Angeles, CA