

**SYNOD OF THE COVENANT,  
PRESBYTERIAN CHURCH (U.S.A.)**

**AGREED-UPON PROCEDURES**

**December 31, 2019**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To Management and Administrative Committee of  
the Synod of the Covenant, Presbyterian Church (U.S.A.)  
Bloomfield Hills, Michigan

We have performed the procedures enumerated below on select disbursements recorded in the financial statements of the Synod of Covenant, Presbyterian Church (U.S.A.) for the year December 31, 2019. The Synod of the Covenant's management is responsible for disbursements recorded in the financial statements.

The Synod of the Covenant, Presbyterian Church (U.S.A.) and the Synod's Administrative Committee have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose which is to determine if cash disbursements recorded were appropriate. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**1. Cash Disbursements for Huntington Operating Checking Account**

Procedure

Verify that cash disbursements (checks) per the Company financial records agree to the third party prepared bank statements for the operating checking account for the period January 1, 2019 through December 31, 2019.

Findings

Except for the following, all cash disbursements are in agreement with the disbursements identified in financial records and agree to the third party prepared bank statements for the operating checking account for the period January 1, 2019 through December 31, 2019:

Check#	Amt per QB	Amount per bank	Comments
15224	\$ 198.99	\$ 0.00	Found physical check copy voided; but check was not voided in accounting records.
15365	\$ 213.00	\$ 0.00	Found physical check copy voided; but check was not voided in accounting records.
15598	\$ 7,249.44	\$ 0.00	Did not clear the bank; not on o/s check list.
15599	\$ 3,608.00	\$ 0.00	See check# 15602. When computer checks were put in the printer, the check #'s did not align with the next check # in the accounting records. Same error through check #15620, all in blue font.
15600	\$ 10.95	\$ 75.00	
15601	\$ 61.15	\$ 0.00	
15602	\$ 82.28	\$ 3,608.00	
15603	\$ 450.00	\$ 10.95	
15604	\$ 117.00	\$ 61.15	
15605	\$ 145.20	\$ 82.28	
15606	\$ 87.00	\$ 450.00	
15607	\$ 172.80	\$ 117.00	
15608	\$ 75.00	\$ 145.20	
15609	\$ 130.84	\$ 87.00	
15610	\$ 50.00	\$ 172.80	
15611	\$ 54.20	\$ 75.00	
15612	\$ 82.40	\$ 130.84	
15613	\$ 207.65	\$ 50.00	
15614	\$ 221.60	\$ 54.20	
15615	\$ 75.00	\$ 82.40	
15616	\$ 739.50	\$ 207.65	
15617	\$ 534.18	\$ 0.00	
15618	\$ 0	\$ 75.00	
15619	\$ 0	\$ 739.50	
15620	\$ 0	\$ 534.18	

**2. Check Payee agrees to Company Financial Records**

Procedure

Verify check payees agree to Company financial (accounting) records and trace payee endorsement to cancelled checks in the Huntington Operating checking account for 2019. Also verify that checks greater than \$1,000 had two authorized signatures.

Findings

Except for the following, all check payees recorded in the Company financial records agree to payee endorsement on cancelled checks in the Huntington Operating checking account for 2019:

- All the same exceptions as noted in procedure #1 above and one additional item. Check # 15579 issued for \$4,200 was signed by only one authorized signer, D. Bartley. Since this check amount is greater than \$1,000, it should have had two signatures.

**3. Credit Card Transactions trace to Supporting Documentation**

Procedure

Randomly selected three of the twelve months of company credit card transactions as identified from third party credit card statements and trace to supporting documentation of business related expenses with proper authorization.

Findings

Except for the following, the sample selected of credit card transactions as identified from third party credit card statements were traced to supporting documentation of business related expenses with proper authorization:

- Several transactions from all three months of company credit card transactions identified from third party credit card statements, were not supported with receipts or other documentation. Total charges reported in the three months of credit cards statements amounted to \$16,458. Only \$10,210 was supported with any documentation, or only 62% of charges.

#### 4. **Related Party Transactions**

##### Procedure

Randomly selected sample of ten disbursements made to related parties as identified in the disbursement detail of the financial records and traced transaction to agree with supporting documentation for 2019.

##### Findings

Except for the following, the disbursements made to related parties as selected in the disbursement detail of the financial records included supporting documentation for 2019:

- Counter withdrawal at the bank, not a check written by the Organization in the amount of \$540. It was reported on the April 2019 bank statement as an “other debit”. The general ledger entry to record this was a credit to the Exchange account with a reference to David Bartley.

We were engaged by the Synod of the Covenant, Presbyterian Church (U.S.A.) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on select cash disbursements made during 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Synod of the Covenant, Presbyterian Church (U.S.A.) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Management and the Administrative Committee of the Synod of the Covenant, Presbyterian Church (U.S.A.) and is not intended to be and should not be used by anyone other than those specified parties.

*DeMarco & Associates CPAs, LLC*

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April 26, 2021