

Michael D. Grimes, CPA, PS
(360) 681-5432
126 San Juan DR
Sequim, WA 98382

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Diocesan Assembly of
The Diocese of the West
San Francisco, California

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you with respect to these procedures of the Diocese of the West for the period from January 1, 2011 to December 31, 2011. Management is responsible for the supporting documentation and accounting treatment of disbursements and balances and collections of accounts receivable.

This agreed-upon procedures engagement was conducted in accordance with Attestation Standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Diocesan Assembly. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

With respect to the two parishes that owe amounts to the Diocese determine that the amounts have been paid or if outstanding confirm the balance due with the respective debtor.

Our procedures were performed through April 30, 2012. Payments of amounts were traced to the "Transactions by Account" maintained in QuickBooks.

The "Joy of All Who Sorrow" Mission Parish had a balance of \$13,592.00 on 12/31/11, made payments of \$1,704.00.00, leaving a balance of \$11,888.00 as of 04/30/12. The balance as of 12/31/11 was confirmed with them as owing.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The St. Mary Magdalene Orthodox Church had a balance of \$354,106.38.38 as of 12/31/11, no payments were made to the balance owing through 4/30/12. The balance that was confirmed as of 12/31/11 with them came back with a balance owing of \$347,860.23 a difference of $(\$354,106.38 - \$347,860.23)$ \$6,246.15.

We were informed that the difference was the result of using compound interest to calculate the amount owing per The Diocese of the West versus using simple interest per the St. Mary Magdalene Orthodox Church. On 3/31/12 the Diocese of the West adjusted the interest owing by \$7,798.92 to reflect interest owing through 3/31/12 using simple interest.

Select the months March 2011, June, 2011, September 2011 and December 2011 and determine that the disbursements have supporting documentation, the account coding is reasonable and the amounts were entered into the accounting records in a timely manner.

For the four months selected there were a total of 365 disbursements that were reviewed. All disbursements were traced to the "Expenses by Vendor Detail" maintained in QuickBooks. During each month there were two entries made to Kaiser Health Plan. The only documentation attached was an online transmission summary. All other disbursements reviewed had supporting documentation, the account code appeared reasonable and the amounts entered into the accounting records were made in a timely manner.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on these aforementioned procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Diocesan Assembly and is not intended and should not be used by anyone other than these specified parties.

Michael D. Grimes, PS
Michael D. Grimes, CPA, PS
Certified Public Accountants
September 6, 2012