

### Special Meeting

**Present:**

**Synod Council Members:**

The Rev. William Baum  
Deacon Ed Tatlian  
The Rev. Barbara Lundblad  
Mr. Alan Chen  
Ms. Rene Chapman  
Mr. Paul Jensen, Treasurer  
The Rev. James G. Krauser, Secretary  
Mr. John Litke, Vice president  
Bp. Stephen Bouman

**Staff:**

The Rev. Cherlyne Beck  
Mr. Robert Parker

I. CALL TO ORDER & DEVOTIONS

Mr. Litke called the meeting to order at 5:02 and gave the devotions.

II. AGENDA

This special meeting had one item of business: the consideration of the Report of the Audit Committee

III. REPORT OF THE AUDIT COMMITTEE

The report of the Audit committee contained the following recommendations:

1. That the financial statements and report of the independent certified public accountants for the period ending January 31, 2003 be recommended for adoption by the 2004 Synod Assembly and
2. That the Synod Council require that standard financial reports be prepared for the Synod Council each month.
3. That Tait, Weller & Baker be engaged as Synod Auditors for the fiscal year ending 1/31/2005.
4. That the Synod Council require that the Business Office of the Synod provide a financial report as of the end of the first quarter of the fiscal year, to include at least a report of changes in net assets, a statement of Unrestricted Revenue, Expenses and Changes in Unrestricted Net Assets, and a Summary of Changes in Temporarily and Permanently Restricted Net Assets, and  
That Tait, Weller & Baker be engaged to perform the procedures as directed by the Audit Committee for that first quarter report and report their findings to the Synod Council by June 30, 2004.

The members discussed the recommendations and the Audit report itself.

On the recommendation 1 to report the Audit to the Synod Assembly to the assembly for adoption the following requests were added:

That the auditor be requested

- i. to add a note to the report indicating the appraised value of the real assets of congregations under synod administration and
- ii. That the last item under "Income" on p. 15 be relabeled "Administrative Fees" and

- iii. That the \$673,000 value on p. 10 in the last sentence of the first paragraph of the section (8) Real Estate Sales be verified.

**On Audit Committee recommendation 1 (with requests)** **Adopted**  
**SC04:5/1**

**On Audit Committee recommendation 2** **Adopted**  
**SC04:5/2**

**On Audit Committee recommendation 3** **Adopted**  
**SC04:5/3**

The management letter accompanying the Audit Report was then discussed.  
Recommendation 4 of the Audit Committee was in response to the management letter.

**On Audit Committee recommendation 4** **Adopted**  
**SC04:5/4**

In addition to the recommendations of the Audit committee the following actions were forwarded from a meeting of the Vice President, Treasurer and executive staff. Their purpose is to demonstrate improved oversight and accountability of the Synod Council with regard to the finances of the synod.

1. That the financial reports of the synod be posted on the synod web site quarterly after having been reviewed by the Synod Council.
2. That as a response to the anticipated deficit for the 2004-2005 fiscal year, the Synod Council require a proposal from the Office of the Bishop for credible increases in revenue or decreases in expenses, to be presented to the Executive Committee on June 22<sup>nd</sup> and the Synod Council on July 20<sup>th</sup>.

**On action 1** **Adopted**  
**SC04:5/5**

**On action 2** **Adopted**  
**SC04:5/6**

There being no further business the meeting was adjourned.

The Rev. James G. Krauser. Secretary