

**HOLYROOD CHURCH
IGLESIA SANTA CRUZ
INTERIM ALTERNATIVE AUDIT PROCEDURE
DECEMBER 31, 2021**

**HOLYROOD CHURCH
IGLESIA SANTA CRUZ
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Holyrood Church/Iglesia Santa Cruz
715 W 179th St
New York, NY 10033

We have audited the accompanying financial statements of Holyrood Church/Iglesia Santa Cruz, which comprise the statements of financial position as of December 31, 2021 and the related statements of activities for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.



**HOLY ROOD CHURCH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

| | Current Year 12-31-21 |
|------------------------------|--------------------------|
| ASSETS | |
| Current Assets | |
| Cash in Bank(s) | \$11,150 |
| Petty Cash | 125 |
| Accounts Receivable | 36,487 |
| Investments | 244,719 |
| Total Current Assets | <u>292,481</u> |
| Fixed Assets | |
| Fixtures & Improvements | 45,595 |
| Book Value Fixed Assets | <u>45,595</u> |
| Net Book Value | <u>45,595</u> |
| Total Assets | <u><u>\$338,076</u></u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$27,841 |
| Boiler Loan Payable | 24,922 |
| Roof Loan | 4,606 |
| Security Deposit Payable | 935 |
| Total Current Liabilities | <u>58,304</u> |
| Net Assets | |
| Fund Balance | 335,404 |
| Net Assets | (55,632) |
| Total Liabilities and Equity | <u><u>\$338,076</u></u> |

See Accountant Report.

HOLY ROOD CHURCH, INC.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Current Year 12-31-21 |
|--|--------------------------|
| Revenues | |
| Donations (See Note Attached) | \$ 456,014 |
| Diocesan Pandemic Support | 3,750 |
| Investment Income | 4,158 |
| Total Revenue | \$ 463,922 |
| Expenses | |
| Clergy Salary & Benefits | 107,531 |
| Repairs | 78,070 |
| Cleaning & Maint. | 2,688 |
| Utilities | 8,752 |
| Telephone | 1,612 |
| Heating Oil | 20,019 |
| Office Exp, Copy Machine and Postage | 18,917 |
| Diocesan Assessment | 16,418 |
| Insurance | 47,518 |
| Interest Paid | 4,153 |
| Bank Charges and On Line Fees | 621 |
| Ads & Printing | 256 |
| Altar Maint and Exp. | 3,109 |
| Music Instrument Maint. | 1,120 |
| Congregational Materials | 1,713 |
| Audio Equipment | 9,374 |
| Clergy and Vestry Supplies | 840 |
| Community of Hope | 250 |
| HC Love Offering | 18,274 |
| Congregational Services and Life | 4,010 |
| Celebrations and Events | 1,677 |
| Sanctuary Expenses | 1,713 |
| Professional & Legal | 2,800 |
| Foodfest and Supplies | 102,892 |
| Choir School Expenses | 49,850 |
| Bookkeeping | 9,900 |
| IT Services & Subscriptions | 3,630 |
| Musician | 2,050 |
| Social Media Management | 2,842 |
| Ministry to the Deaf | 17,207 |
| Pet Ministry | 193 |
| WHCS Musical Inst/Supply | 524 |
| Miscellaneous Expenses | 204 |
| Outreach & Missions | 4,826 |
| Ministerio Camino Emaus | 7,000 |
| Total Expenses | 552,553 |
| Increase (Decrease) in Fund Balance | (\$ 88,631) |

See Accountant Report.

HOLY ROOD CHURCH
Supplemental Schedule of Donations (See Note Attached)
For the Period Ended December 31, 2021

| | Current Year 12-31-21 |
|---------------------------|--------------------------|
| Donations/Plate | 7,049 |
| Pledges | 38,415 |
| Foodfest | 100,665 |
| Restricted Gifts&Donation | 21,485 |
| Unrestricted Gifts | 1,520 |
| Memorials Offering | 2,372 |
| Miscellaneous Donations | 4,006 |
| Choir School Fund | 26,250 |
| Sanctuary Fund | 2,485 |
| Pastoral Foundation | 8,088 |
| Myrtle E Wright Fund | 4,968 |
| Rental Income | 142,611 |
| Fundraising Income | 1,300 |
| Deaf Ministry | 33,200 |
| Restricted Altar Guild | 69 |
| Hall Use Donation | 7,603 |
| Parking | 51,670 |
| NYC Voting Booth Income | 557 |
| Flea Market Rental | 1,066 |
| Misc & Other | 635 |
| Total | <u>\$ 456,014</u> |

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NOTE #1

NATURE OF ORGANIZATION

Holyrood Church/Iglesia Santa Cruz (Church), organized in 1893, is a nonprofit organization operating as a religious organization under the laws of the state of New York. The Church is an Episcopal church under the auspices of the Diocese of New York. The Church is dedicated to encouraging each other toward loving God and people by pursuing the priorities of the early church: expressing love to God, serving our church and community, leading the next generation to Jesus, taking Jesus to the world, and forming relationships for spiritual growth.

NOTE #2

SUMMARY OF INTERIM ALTERNATIVE AUDIT PROCEDURE

The Interim Alternative Audit Procedure of the Church has been prepared based on the information provided. Additional attached information is provided to clarify certain questions that cannot be answered with a yes or no.

NOTE #3

The Church has, roughly, 130-175 parishioners at any one time. Masses said Monday through Friday have an attendance of, roughly, 15-20 parishioners. Masses said on the weekends have an attendance of, roughly, 100-160 parishioners. Morning Prayer is said Monday through Friday and is attended by, roughly, 10-15 parishioners. Bible study is also given in the evening.

NOTE #4

The Church rents out space for various groups and meetings. Such as choir school, community outreach, food pantry, Sunday school, and offices.

NOTE #5

The Board of Directors meets on a monthly basis, except for the months July and August as per the Church by-laws.

Before completing this form, please save it to your computer. When you are finished, please save it, print it, sign it, scan it, and upload the scan, together with the supporting documents, at dioceseny.org/2021audits.



The
Episcopal Diocese
of New York

**INTERIM ALTERNATIVE AUDIT PROCEDURE
FOR 2021**

For use in 2022 by all congregations unless they need a certified audit for another reason or are already planning to have a certified audit prepared. Please print clearly or type all entries. For further guidance on completing this form, please download the accompanying workbook.

Congregation HOLY ROOD CHURCH
Audit year: 2021

City or town Washington Heights, NY

Audit Committee members,
with parish role/position:

Carlos Arias, Warden/Jose Castillo, Warden/Fr. Luis Barrios, Priest

If you are unable to answer "Yes" to any question below, please explain why in the Comments section at the end.

GENERAL REVIEW

✓ = Yes ✓ = See
Comments

- | | | |
|---|-------------------------------------|------------------------------|
| 1. Is audit report for previous year available? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Have recommendations included in previous years' audits been implemented? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Are Vestry minutes for the year complete? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. If a Finance or Investment Committee is authorized to expend or invest funds, are the minutes of such committee meetings complete? | <input type="checkbox"/> | <input type="checkbox"/> N/A |
| 5. Review the minutes of the Vestry and such Finance/Investment Committees. | | |
| 6. Was budget approved by the Vestry? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| a. Was the parsonage allowance voted prior to being paid? | <input type="checkbox"/> | <input type="checkbox"/> N/A |
| b. Were large or unbudgeted expenditures approved? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Were large or unusual receipts noted? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. If you answered "yes" to c. above, could you trace to recorded receipts? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Are monthly financial reports to the Vestry complete? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Is balance sheet information prepared at least annually for the Vestry and congregation? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Did you examine a copy of the financial report to the Annual Meeting? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Was the Parochial Report filed on time? (March 1 is the canonical due date) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Are insurance records and property records complete? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Are insurance coverages adequate? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Have you seen the Articles of Incorporation and the By-laws? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Is there a space use agreement and insurance certificate for each outside organization using church facilities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Have staff and volunteers attended safe church workshops as required? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

CASH BALANCES, INVESTMENTS & INCOME

- | | | |
|---|-------------------------------------|---------------------------------------|
| 16. Have you checked to see that all operating cash accounts (including all passbook savings accounts) have been reconciled regularly throughout the year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Review all organization cash accounts (ECW, Guilds, etc.). | | |
| a. Have they been reconciled regularly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Organization accounts may not be used for general parish purposes (e.g., to receive flower donations or pay altar expenses). Are the organization accounts free of activity that should have been in the operating fund? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. If there was operating fund activity in organization accounts, was it included in the Parochial Report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. List any accounts that exist that you were unable to examine in notes. | <input checked="" type="checkbox"/> | <input type="checkbox"/> see attached |

✓ = Yes ✓ = See
Comments

CASH BALANCES, INVESTMENTS & INCOME (CONTINUED)

✓ = Yes

✓ = See
Comments

- 18. Examine year-end statements of any invested funds. Are all investments properly recorded on the books?
- 19. Were any restricted gifts received during the year?
- 20. Has the congregation respected donor restrictions on all current and past gifts?
- 21. Review procedures and control of plate collections, other cash receipts and deposits. Do these systems provide adequate controls?
- 22. Are contribution statements sent out at least quarterly?
- 23. Do contribution statements show the pledge balance?

CASH DISBURSEMENTS

- 24. Did you receive a list of authorized signatories for each account?
- 25. Examine a selection of disbursements.
- 26. Are there invoices (not statements) for disbursements?
 - a. Are there authorizations for disbursements?
 - b. Do checks have the specified number of authorized signatures?
 - c. Is the accounting system used adequate and properly maintained?

LIABILITIES

- Are clergy and lay pension payments calculated correctly and up to date?
- 27. Is payment of the diocesan Apportioned Share current?
- 28. Are any diocesan loans current?
- 29. Are utility and insurance payments current?
- 30. Are any mortgage or other loan payments current?

DISCRETIONARY FUNDS

- 31. Is the account in the name of the church? *N/A*
- 32. Was the account set up by Vestry resolution? *N/A*
- 33. Is the church's tax ID number used for the account? *N/A*
- 34. Is the discretionary account free of operating fund activity, or if there was operating fund activity in the account, was it included in the Parochial Report? *N/A*
- 35. If the account was used for personal expenses which the IRS would consider taxable, were these amounts included in the priest's W-2? *N/A*

PAYROLL

- Are workers properly classified as either employees or independent contractors?
- 36. Are 1099s issued to independent contractors who made more than \$600?
- 37. Do payroll records indicate that filing requirements were met and that withheld taxes & all employer taxes were properly calculated and remitted?
- 38. Do the salaries authorized in the budget match the amounts that were paid?
- 39. Was all compensation, including any bonus, reported on the W-2?

PAROCHIAL REPORT

- 40. Compare the annual report to the Parochial Report. Are all amounts entered on the Parochial Report in accordance with the Parochial Report instructions?
- 41. If not, has a revised Parochial Report been prepared and submitted? *N/A*

LITIGATION

- 42. Is there any current or threatened litigation involving the congregation? *N/A*

✓ = Yes

✓ = See
Comments

COMMENTS

List here, or in a separate letter, comments about any question above that you could not answer in the affirmative. Please number your comments to correspond to the question you are commenting on.

N/A

RECOMMENDATIONS

List here, or in a separate letter, any recommendations about needed improvements in systems or controls. Anything included here should be discussed with the congregation's leadership.

N/A

REQUIRED ACCOMPANYING DOCUMENTS

Alternative Audits should include the following attachments. Please check to indicate that they are present:

- 1. 12/31/2021 Bank Reconciliations for ALL bank accounts belonging to the congregation or its organizations.
- 2. 12/31/2021 Profit and Loss statement.
- 3. 12/31/2021 Balance Sheet

AUDIT COMMITTEE'S CERTIFICATION

We certify:

- 1. that we have performed the procedures outlined above;
- 2. that we have noted all exceptions on this form or in an attached letter;
- 3. that we have included all recommendations on this form or in an attached letter.

Audit Committee members' names (please print) and signatures

Date

Audit Committee chair's telephone number

Audit Committee chair's e-mail address

Please Note that All Completed

Worksheets and Supporting

Documents Must be Uploaded

Using the Form at dioceseny.org/2021audits.

In the event that you are unable to submit using the online form, you may mail your completed audit and attachments to:

Controller's Office, Episcopal Diocese of New York 1047 Amsterdam Avenue New York, NY 10025-1747

Carlos Arias, Warden
Jose Castillo, Warden
Fr. Luis Barrios, Priest in charge

Holy Rood Church

Washington Heights, NY

2019

2019

2019

2019

n/a

n/a

***Attached Information**

17d) All accounts were made available