



Pittman & Murdough, PLLC
Certified Public Accountants

December 23, 2008

Mr. John Hayes
AMERICAN INDIAN CHRISTIAN MISSION
924 Mission Lane
Show Low, Arizona 85901

Dear Mr. Hayes:

As requested, the final results of my inquiries and analyses are as follows:

- ✦ We analyzed the withdrawals from two bank accounts that were established specifically to hold the receipts from certain fundraising activities. Such withdrawals were determined to be either transfers directly to AICM general checking accounts or direct payment of AICM expenses. There was no indication that funds had been misappropriated or withdrawn for purposes other than for use in AICM operations.
- ✦ We obtained financial statements prepared by AICM's outside accounting firm, Victor R. Pereboom, CPA. The financial statements revealed that AICM had incurred losses (excluding depreciation expense) of \$150,233 and \$74,873 for the fiscal years ended May 31, 2008 and 2007, respectively. We obtained reports from AICM's accounting system. Those reports revealed that AICM had incurred a loss of \$100,439 (excluding depreciation) for the three-month period ended August 31, 2008. There appears to be a correlation between the losses and the withdrawal of funds from the special bank accounts.
- ✦ We identified non-payroll payments made to the former AICM bookkeeper and, with the assistance of AICM staff, reviewed the supporting documentation for such payments. No evidence was found to indicate that the payments were for any purpose other than reimbursement for expenses paid on behalf of AICM.
- ✦ We sent letters to over 60 donors requesting that they confirm the accuracy of the donation amounts recorded in the AICM accounting system for the fiscal years ended May 31, 2005 through 2008. We received 45 replies. Minor exceptions were noted in the replies, which were attributed primarily to timing or classification differences. There was no indication that donation receipts had been diverted to any individual or other organization outside of AICM.

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- ✚ We reviewed the financial reports that had been prepared by the former bookkeeper and submitted to the Board. The reports significantly misstated the cash balances in the AICM bank accounts and omitted information that might have explicitly warned the Board of the losses being incurred. No definite explanation for the inaccurate reports has been determined.

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Thank you for the opportunity to assist AICM with this project. We hope it has proven helpful. Please do not hesitate to contact us if you have any questions.

Respectfully,

Pittman + Murdough, PLLC

PITTMAN & MURDOUGH, PLLC