



**MEMBERS OF ONE  
ANOTHER IN CHRIST**



**15th All-American Council of the  
Orthodox Church in America  
November 10-13, 2008  
Pittsburgh, PA**

## **REPORT OF THE AUDITING COMMITTEE**

**Bring this report to the AAC and place  
it in the notebook provided at registration**

# Orthodox Church in America

## Auditing Committee

### 2007 Audit Performed Quarterly

## Auditing Committee

Archpriest Paul Suda (Chair), Archpriest David Mahaffey, Mr. David D. Donlick (1<sup>st</sup> Quarter only), Mr. Frank Tkacz (replaced David Donlick)

## Purpose

Reviewed transactions that have occurred during the 2007 calendar year and audits were conducted on a quarterly basis and reports given to the Metropolitan Council.

## Objectives

To review all transactions under the following categories:

- Credit card transactions
- Expense reimbursement transactions
- Payroll transactions with proper authorization

## Discovery

- We discovered that no one within the central administration has an OCA credit card.
- Expense reimbursements:
  - Documentation matching reimbursement was found to be allocated to the appropriate expense category.
  - Transportation expenses including personal mileage and car services were found to be properly documented however, some of the expenses were found to be excessive and a recommendation was made to find more affordable alternatives.
  - The majority of transactions were found with matching receipts for the specific expense. There were a few reimbursements that did not have proper receipt documentation. A recommendation was made to assure no expense is reimbursed without a supporting receipt. We realize exceptions can be made but, must be approved by the appropriate party with a reason for the exception.
  - Personal vehicle mileage should include all gas expenses and should not be a separate expense. Gas expenses should not be expenses. The personal vehicle mileage should be equal to or greater than the allotment established by the Federal Government.
  - The travel expense voucher is adequate for one-day travel. However, a supplemental sheet should be established for multiple days.

- When Father Michael Tassos was hired as treasurer both he and his staff provided us with all requested documents and reports. Due to the previous accounting methods, it was not possible to follow single entries into the receipt file from entry to deposit into a banking account. The procedure in place prior to Father Tassos' overhaul left out important and necessary classifications of funds received for proper documentation. It does appear that all monies received, either by check, cash or credit card was placed into accounts owned by the church but there was no policy in place for a direct classification of each entry as it was received. There was no way to trace its steps through the accounting office to verify a complete deposit into an OCA checking account.
- Father Tassos is in the process of improving this cumbersome system so that, in 2008 we will be able to trace each and every entry of funds received from its arrival at the Chancery until it is deposited into the proper account.
- The year ends with a surplus of \$228,152 and all of the outstanding bills as of December 31, 2007 were paid.
- Regarding restricted funds many we expended in 2007 the remaining fund not distributed are being researched to make sure they are in the appropriate fund.
- We have discussed with Father Tassos the continued need for an outside auditing firm and had a telephone conference call with Father Tassos and the CPA firm of Weiser, LLP. We trust the judgment of Father Tassos and recommend this firm be engaged as the outside auditors.
- We are also excited by the new software system in place that allows us to receive any documentation of minutes.
- The comprehensive report of Lambrides, Lamos and Moulthrop LLP and their thirty-two observations and recommendations were implemented by 2007 year-end. As a result of our reviews we believe the custodians of these funds have conscientiously performed their financial and fiscal duties.

# **Orthodox Church in America Auditing Committee**

**Audit Review: January 1, 2008 thru September 30, 2008**

## **Auditing Committee**

Archpriest Paul Suda (Chair), Archpriest David Mahaffey, Mr. Frank Tkacz

## **Purpose**

Reviewed transactions that have occurred during the months of January 1, 2008 thru September 30, 2008 on a quarterly basis; two of the quarterly reports were given to the Metropolitan Council.

## **Objectives**

To review all transactions under the following categories:

- Credit card transactions (only a gas card)
- Expense reimbursement transactions
- Payroll transactions with proper authorization

## **Discovery**

- Credit card- gas card all properly documented.
- Expense reimbursements:
  - Documentation matching reimbursement was found to be allocated to appropriate expense category.
  - The petty cash funds were properly documented.
  - Substantial payments have been made to the 9/11 and Bibles for Russia accounts.

## **Mortgage**

- The outstanding mortgage loan of more than \$900,000 brings an interest expense of more than \$6,000/month from the \$14,300/month payment.
- Another concern of the auditors is the uncertainty of legal expenses.

We want to express our appreciation for the cooperation of the entire central staff and administration, particularly Father Michael Tassos and more recently Father Dennis Swencki for their help in providing all of the necessary documents in a timely manner. Substantial progress has been made and as a result of our reviews we believe that the custodians of these funds have conscientiously performed their financial fiscal duties.