

CHRIST THE SAVIOR – HOLY SPIRIT ORTHODOX CHURCH

FINANCIAL AUDIT REPORT

Date: June 1, 2025

Audit Period: January 1, 2024 – December 31, 2024

PROCESS

The process employed is to provide limited oversight of the financial reporting process, accuracy, and documentation of CTSHSOC. In addition, it provides the opportunity to identify additional procedures and controls for consideration to strengthen the parish's financial management practices. While the word audit is used for this exercise, this is not an audit or any other formal assurance process.

We reviewed the Internal Control Checklist (ICC) to understand the primary controls around the accounting process. The previous year's audit report, and the CTSHSOC Financial Best Practices and Investment Policy Statement.

- Minimum balance changed from \$20,000 to \$30,000
- Parish reserve was moved from \$50,000 to \$150,000
- No additional changes foreseen in 2025

As noted, we randomly selected and reviewed bank statements and detailed monthly files for one month of the audit period in an in-depth review of the available documentation.

Attendance list for the Christ the Savior – Holy Spirit Orthodox Church Financial Audit:

Laurie Sentell
Alex Leara
Lee Fenner
Rebecca Wina
Florin Stanescu-Bellu

UPDATES TO THE INTERNAL CONTROL CHECK LIST

NONE

NEW 2024 AUDIT RECOMMENDATIONS

For Tithe.ly what is the % of people who give via that site? How many pay the fee? What is the cost to the parish annually?	Questions for Parish Council to consider
During times of having a substitute priest, he is paid \$300; need to be more than \$600 to get a 1099	No action
Other general requirements, we still do not have a general parish asset listing	Follow up for the Parish Council
Will need to work on finding a new treasurer by end of this CY due to Laurie's 3 yr term is up	Follow up for the Parish Council
How is Fr. Steven's parish computer is backed up?	Follow up with Dn Paul
Recommendation for change to the Financial Best Practices, need to have a documented authority guideline, and text clarifying authorizing the total spend in case	Laurie to check

payments are broken into small charges. What does our accountant recommend for a dollar amount?	
---	--

2024 AUDIT TESTING & SAMPLES

A random month was selected for testing all debits found in that month’s Huntington bank statement. June 2024 was selected. All debits were checked in QB and either matching receipts located for each debit, invoices located, or budgeted as reoccurring expenses. The following transactions did not have appropriate documentation to support the expenditures.

- \$1677.14 – OCA pension fund. Auto deduct each month from our checking account
- \$302.04 – reimbursement of monthly health care premium to Kostoff checking account
- \$775 Joe Kormos – no receipt, amount is listed in the annual budget
- \$3590.57 – OCA dues monthly, do not have invoices, now starting to receive them in 2025
- \$229.72 – Double Tree by Hilton hotel stay from Fr. Steven – no receipt
- \$600 – BUS ONL TFR TO – internal transfer to MM account
- \$55.68 – Guardian Alarm- \$3 discrepancy, under charged
- \$100 – OCMC deposit to Macdonald family
- \$185 – Cleaning Plus – missing receipt
- \$290 – Elena Drach – no invoice

FAITHFULLY COMPLETED AND SUBMITTED BY

Name	Signature	Date
Alex Leara		06/01/2025
Lee Fenner		06/01/2025
Rebecca Wina		06/01/2025

PREVIOUS AUDIT DATA

STATUS OF 2021 AUDIT RECOMMENDATIONS

1	For the previous year the internal control checklist had two suggestions which are not yet implemented – (1) receipts and disbursements item 10 suggestion: the Financial Best Practices and Investments Policy Statement terminology for the responsible parties should match the terminology used in the Internal Control Checklist. (2) Other General Requirements Item 1 suggestion to prepare a listing of all Church property for insurance purposes.	Recommendation #1 is complete Recommendation #2 (prepare a listing of all Church property...) is not complete.
2	The 2021 report also indicated individuals with debit cards in some instances are not submitting receipts to the parish Treasurer to document	Recommendation is complete.

	the nature of the transactions in the Church accounting records. Step by step instructions for Fr. Steven were to be prepared so that he can print the detail for his debit card expenses. This item will be carried forward to the 2022 recommendations.	
--	---	--

STATUS OF 2022 AUDIT RECOMMENDATIONS

1	In addition to the carryforward observations requiring debit card receipts to be submitted to support and substantiate expenditures, we need to research if QB will allow for notations for when expenditures are from debit cards rather than indicating it is a cheque in description field.	Research was done, and there is no easy way to complete this, however starting in 2024, the Church will move away from debit cards to credit cards. Future expenses paid via credit card will be managed through the credit card billing statement.
2	Parish council, under the leadership of the President, should ensure a listing of all Church property is current and included in the insurance coverage.	Not complete, planned completion date is June 30, 2024.
3	The financial policy and authority guidelines are written and approved by the Church Council & placed on the Church website. The terminology for the responsible parties in the financial policy should match the terminology used in the Internal Control Checklist.	Complete.
4	Item 3 under Other General Requirements of the Internal Control Checklist would require at least 3 and up to 4 different individuals to be involved in the accounting and reporting process to promote appropriate segregation of duties. A decision should be made to adhere to the control or have the Parish Council formally waive it.	Recommendation is to have the Parish Council waive the requirement due to inability to secure 3 persons to meet this internal control item.
5	Consideration should be given to terminating the use of Tithe.ly as the credit card contribution processor as it creates significant manual effort to determine the contributor and timing of the contributions.	Recommendation to keep for 1 more year.
6	Consideration should be given to concentrating purchases to retailers with established accounts recognizing the Parish's tax-exempt status to avoid paying sales tax.	Majority of purchase today are with established accounts, but not all. Re-emphasize this recommendation
7	All transactions should be recorded in QuickBooks (QB) so the cash movements are subject to the same procedures, controls, backups, and reporting. Consideration should be given to having the Remodeling Fund transactions and balances entered into QB and included in the standard financial presentation to the Parish Council.	Complete.
8	Consideration should be given to setting up a cloud account to ensure the Parish laptop(s) are properly backed up.	Not complete. Plan is for Parish council to purchase a new PC dedicated for Treasurer and Financial Administrator use with cloud account.
9	There are historical patterns to certain expenses such that the budget will not align with the timing of billing or the amounts so a suggestion would be to document these and have the parish council approve a policy approving these (such as billing with catch ups which occur annually). This would also help new volunteers to know how to appropriately handle these. Similarly, a list of approved automatic reoccurring debit card transactions could be approved each year to provide documented support	Not complete.

10	The number of transactions, documentation requirements, software complexity and nuances of accounting software, overall size of the Parish and volume of activity have significantly increased the workload of the volunteer positions of Treasurer and Financial Administrator. The Parish Council should be given consideration to hiring administrator support to provide process continuity as volunteers change and who can provide software and accounting knowledge	Complete. Elena Drach hired as Office Administrator. David Ciotola hired as Accounting Consultant.
----	--	--

STATUS OF 2023 AUDIT RECOMMENDATIONS

1	Investigate the impact of the OCA fiscal year (Sept-Aug) to our parish budget and spending.	Reviewed in the parish council. Do not see any impact
2	Consider moving the annual meeting and budget approval to the October / November / December quarter vs February to solve for previous year's recommendation #9.	Reviewed in the parish council, the council does not see a way to prepare a budget and have it submitted and approved by the end of the CY
3	Recommend Parish Council increase the minimum balance of the reserve fund from \$50,000 to \$150,000.	Complete
4	Recommend to change #3 on the internal control checklist from Next Business Day to by following Saturday.	Complete
5	Recommend to adjust account balances not to exceed current FDIC insurance limits.	Money market account DOES exceed the \$250,000 limit. Have started work on understanding what is needed here. Missing documentation to complete this, finding a bank, and completing the work to have it done
6	Recommend Parish Council document a standard for how long the Treasurer must hold onto receipts. Confidentially shred/dispose of after the retention period.	Recommendation is to move to 5 years; need to be approved by the council. Ask parish CPA what is the IRS standard, and state of Ohio, if no standard, then go with what the CPS recommends based on his experience. Whatever is recommended, need to update the FBP file to document what we will do
7	Recommend Parish Council increase the minimum balance of the checking account from \$20,000 to \$30,000.	Need to go back to what was recommended, \$30,000 not \$35,000