

**ST. NICHOLAS GREEK ORTHODOX CHURCH**  
**17 Meriam Street, Lexington, MA 02420**

**2020 AUDIT COMMITTEE REPORT**

**Fiscal Year: January 1, 2020 -- December 31, 2020**

The 2020 Audit Committee presents the following audit committee report of the financial books and records of the Church to the Congregation for the 2020 fiscal year.

We have examined the financial records of St. Nicholas Church for the 2020 fiscal year. These records consist of income as listed in the Pangari Sheets, and bank statements showing deposits and withdrawals. We found all funds to be accounted for. We reviewed all the accounting, financial procedures, records and various supporting documents that we considered necessary.

Audit Conclusion: The record of the Church appears to be materially accurate. We thus certify that the attached financial statements correctly represent a summary of the income and expenses for the various accounts of the Church.

Enclosures: Please find four documents in addition to this cover letter: The Audit Committee Report, the Summary of Accounts, the documented Audit Committee Process, and the 2020 Audit Committee Recommendations (which is an integral part of this report).

Respectfully submitted by: The 2020 Audit Committee, 26 April 2021.

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Nicholas A. Zervoglos  
Chairman

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Olympia K. Wheeler

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Christopher A. Kokkinos

**ATTACHMENTS:**

Audit Committee Report  
Summary of Accounts  
Documented Audit Committee Process  
Audit Committee Recommendations

**ST. NICHOLAS GREEK ORTHODOX CHURCH  
Lexington, MA 02420**

**AUDIT COMMITTEE REPORT**  
**Fiscal Year January 1, 2020 - December 31, 2020**

| ST. NICHOLAS INCOME                     |                   |                   |
|---|-------------------|-------------------|
| Category                                | 2020              | 2019              |
| Stewardship                             | 209,761.51        | 193,163.48        |
| Candles & Trays                         | 8,569.00          | 32,820.00         |
| Donations (General)                     | 64,274.28         | 31,141.33         |
| Donations (Memorial)                    | 21,169.05         | 9,069.01          |
| Donations (Restricted - Endowment)      | 464.88            | 1,250.00          |
| Christmas Offering                      | 4,275.00          | 1,530.00          |
| Easter Offering                         | 4,325.00          | 3,270.00          |
| Sunday School                           | 0.00              | 0.00              |
| Greek School                            | 1,006.00          | 6,155.00          |
| Rental                                  | 68,957.50         | 31,900.00         |
| Insurance Claim                         |                   | 141,955.85        |
| Interest                                | 10.89             | 7.72              |
| Special Events                          |                   |                   |
| Festival (GyroFest)                     | 0.00              | 15,993.00         |
| Social Committee                        | 87.09             | 9,828.99          |
| Misc. Income (Business Protection Plan) | 22,000.00         | 711.13            |
| Amazon                                  | 142.24            | 585.41            |
| Priest Discretionary                    | 844.75            | 50.00             |
| Philoptochos                            |                   | 12,345.63         |
| Parish House Security Deposits          | 0.00              | 750.00            |
| <b>TOTAL INCOME</b>                     | <b>405,887.19</b> | <b>492,526.55</b> |

Total Income excluding Business protection income 383,887.19

| ST. NICHOLAS DISBURSEMENTS                 |           |           |  |
|--|-----------|-----------|--|
| Category                                   | 2020      | 2019      |  |
| Payroll                                    |           |           |  |
| Chanter / Subst. Chanter                   | 3,250.00  | 5,330.00  |  |
| Greek School                               | 4,445.00  | 5,026.98  |  |
| Janitorial Services                        | 11,691.79 | 11,420.00 |  |
| Office                                     | 9,679.64  | 12,270.50 |  |
| Paychex Service & misc. fees               | 868.24    | 2,137.15  |  |
| Employer Liabilities (Soc. Sec., Medicare) | 3,219.19  | 1,082.14  |  |
| Priest Salary                              | 64,464.96 | 61,312.48 |  |
| Priest Housing                             | 30,959.04 | 30,057.04 |  |
| Priest Auto                                | 7,363.92  | 9,180.08  |  |
| Priest SS/SECA/Medicare                    | 14,599.87 | 13,878.02 |  |

|   |                   |                   |
|---|-------------------|-------------------|
| Priest Misc   | 22,106.38         | 24,768.14         |
| Archdiocese Benefit Plan                              | 8,400.00          | 7,800.00          |
| Archdiocese National Ministries                       | 36,383.00         | 36,383.04         |
| Substitute Clergy                                     | 0.00              | 550.00            |
| Clergy Retreat  | 0.00              | 0.00              |
| Metropolis of Boston                                  | 100.00            | 0.00              |
| Candles   | 2,275.75          | 3,375.75          |
| Utilities   | 0.00              | 0.00              |
| Electric  | 7,577.04          | 7,963.29          |
| Water   | 210.21            | 1,058.00          |
| Gas   | 4,613.99          | 6,018.53          |
| Phone   | 140.00            | 143.45            |
| Internet  | 599.88            | 549.89            |
| Insurance   |                   |                   |
| Liability   | 15,600.63         | 13,772.85         |
| Workmens Comp   | -63.00            | 1,586.50          |
| Repairs & Maintenance                                 | 14,555.72         | 17,390.26         |
| Parish House Maintenance                              | 4,907.47          | 147,071.31        |
| Parish House Security Deposits                        | 0.00              | 0.00              |
| Landscaping / Snow                                    | 125.00            | 0.00              |
| Religious/Liturgical Items                            | 1,158.01          | 3,612.12          |
| Kitchen Supplies                                      | 0.00              | 109.65            |
| Office Expenses                                       | 2,494.53          | 6,546.97          |
| Postage   | 913.00            | 1,327.10          |
| Sunday School   | 1,584.48          | 806.80            |
| Greek School Supplies / events / misc. exp.           | 0.00              | 669.20            |
| Oratorical Festival                                   | 0.00              | 0.00              |
| National Clergy Laity                                 | 0.00              | 551.80            |
| VANCO services fees                                   | 575.67            | 499.92            |
| Misc (fees, i-pad, LICA, Fed. With. etc.)             | 358.40            | 308.15            |
| Stewardship - bounced checks                          | 0.00              | 805.00            |
| Donations   |                   |                   |
| IOCC / OCMC   | 0.00              | 10,130.84         |
| Philoptochos Charitable Donations                     | 0.00              | 175.00            |
| St. Fotios  | 350.00            | 2,477.36          |
| Needy people in Greece                                | 284.00            | 56.00             |
| Holy Apostles   | 0.00              | 100.00            |
| Seraphim Project Mexico                               | 0.00              | 561.55            |
| LICA  | 0.00              | 1,941.71          |
| Misc.(HS seniors, St. Irene's, ALS, Shrine)           | 700.00            |                   |
| Youth Activities (uniforms)                           | 1,805.00          | 11,076.68         |
| Special Events  |                   | 2,759.96          |
| Festival  | 0.00              | 0.00              |
| Trivia Night / Social events / cookout / fund raising | 300.00            | 0.00              |
| Saturday of Lazarus Breakfast                         | 0.00              | 300.00            |
| Metropolis Award Dinner                               | 300.00            |                   |
| Boston Greek Independence Parade                      | 0.00              |                   |
| <b>TOTAL DISBURSEMENTS</b>                            | <b>278,896.81</b> | <b>464,941.21</b> |

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Fiscal Year January 1, 2020 - December 31, 2020

| Account                         | Bank Balance 12/31/2019 | Bank Receipts     | Bank Interest Earned | Transfers (Net) | Bank Disburs.     | Bank Balance 12/31/2020 | Audit Balance* 12/31/2020 | Diff. from bank | Comments   |
|---------------------------------|-------------------------|-------------------|----------------------|-----------------|-------------------|-------------------------|---------------------------|-----------------|--|
| Operating Account - 4508        | 41,017.80               | 374,710.56        | 9.98                 | (8,033.33)      | 280,650.81        | 127,054.20              | 110,829.50                | (16,224.70)     | 14,226.70 is 2019 deposit error not corrected for Memorial Account + 1,998.00 were deposits for 2019 |
| Citizens Accruals - 4299        | 71,312.02               | 0.00              | 0.00                 | 12,083.33       | 0.00              | 83,395.35               | 83,395.35                 | 0.00            | 200 not deposited until Jan 2021   |
| Memorial Account - 8189         | 18,508.19               | 20,619.05         | 0.00                 | 350.00          | 0.00              | 39,477.24               | 53,553.94                 | 14,076.70       | 14,226.70 carry over error from 2019 from deposit that was instead deposited in operating            |
| Endowment Fund Account - 8197   | 11,812.51               | 464.88            | 0.00                 | 0.00            | 0.00              | 12,277.39               | 12,277.39                 | 0.00            | Due to checks written in 2019  |
| Social Committee Account - 5988 | 16,473.23               | 87.09             | 0.00                 | 0.00            | 0.00              | 16,560.32               | 16,560.32                 | 0.00            | Due to checks written in 2019  |
| Priest Discretionary - 3082     | 774.19                  | 744.75            | 0.00                 | 100.00          | 310.04            | 1,308.90                | 1,518.94                  | 210.04          |  |
| Greek School Account            | 9,341.85                | 1,006.00          | 0.00                 | 750.00          | 5,921.00          | 5,176.85                | 5,916.85                  | 740.00          |  |
| PH Security Deposit - 3152      | 9,751.30                | 0.00              | 0.91                 | (5,250.00)      | 0.00              | 4,502.21                | 4,502.21                  | 0.00            |  |
| Fidelity Investments            | 68,206.99               |                   |                      |                 |                   | 68,394.31               | 68,394.31                 |                 |  |
| <b>TOTAL</b>                    | <b>178,991.09</b>       | <b>397,632.33</b> | <b>10.89</b>         | <b>0.00</b>     | <b>286,881.85</b> | <b>289,752.46</b>       | <b>288,554.50</b>         |                 |  |

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**2020 Audit Committee Recommendations**

We would like to thank the Treasurer, George Papayannis, for his cooperation with our committee. We would like to commend the Treasurer and the Parish Council for maintaining the following past recommendations:

- Contributions via Credit Card and Internet should not be included on the Pangari sheets.
- Eliminate inactive bank accounts and merge into the Operating Account.

Furthermore, the 2020 Audit Committee acknowledges that the Philoptochos account is exempt from the audit per guidance from the Metropolis.

Consistent with previous years, we reiterate the following recommendations.

1. Whenever a Pangari sheet requires significant corrections, a new sheet should be printed and filed in the Pangari book instead of making numerous, often illegible annotations on the original sheet.
2. Reimbursements between accounts should be done via electronic transfers, not by checks, so that these transactions appear as transfers, not disbursements and income.
3. The audit committee still recommends that two signatures of Parish Council Members (ex. treasurer, president, assistant treasurer) should be required on every expenditure that is paid by check (records of approval and payment are needed for proper accounting procedures).
4. A written policy delineating Administrative Procedures that specify the proper use of each Church account. This would be a useful guide for the Treasurer, the Finance Committee and the Audit Committee and would also ensure consistency and continuity. A committee should be appointed by the General Assembly to draft such procedures.

New for 2021, we also offer up the following new recommendation:

1. In response to concerns brought forth by the Treasurer and Finance Committee regarding current auditing practices, a committee should be appointed by the General Assembly to review current auditing practices and decide whether or not changes are necessary starting in the Fiscal Year 2021.

## ST. NICHOLAS GREEK ORTHODOX CHURCH

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### Process used by the Audit Committee

The purpose of the audit conducted by community elected parishioners is to ensure that throughout the audited year, all income and all disbursements were properly accounted for. The input to the audit (often referred to as the 'source of truth') has always been the Pangari book, statements from all bank/brokerage accounts, invoices and payroll records:

- Pangari Book – record of all income for all accounts along with bank deposit slips
- Bank monthly statements for all accounts – record of all deposits, electronic deposits, and all withdrawals (by check, electronic check, electronic debits, or transfers)
- Brokerage account statements – record of all assets, interest earned.
- Invoices for services rendered
- Payroll record for all pay periods – payments made throughout the year to employees and contractors.

The audit follows the method known as 'cash basis approach', which consists of the following steps:

#### INCOME:

- Verify that all income referenced in the Pangari book has matching deposit slips for the accounts in which the income is earmarked (for example: a memorial donation needs to be deposited in the Memorial account, not any other account unless a specific note to the contrary is given by the donor).
- Identify income that does not make its way through the Pangari book (for example: online donations, insurance claim income, etc.).
- Identify deposits for money received late in the year being audited but deposited in the next year (such as money received late in December but not deposited until January of the following year).

#### DISBURSEMENTS:

- Identify expenditures made in the previous year for which checks cleared in the year being audited. Such expenditures are not considered part of the audit as they should have been accounted for in the previous year's audit.
- Verify disbursements to employees, contractors, third parties etc.) were made for authorized services and that services were received.

The audit produces a 'Summary of Accounts' report which summarizes overall activity for each account. The end-of-year balance for each account is accompanied with the end-of-year balance as reported by the bank / financial institution. Additional details are provided for discrepancies (for the reasons described earlier in this document).

The audit also produces an audit report (similar to a budget report), which shows a year over year comparison of key income and disbursement categories.