

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.

Nicholas A. Zervoglos
Chairman

Olympia K. Wheeler

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
TOTAL INCOME	405,887.19	492,526.55

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	
TOTAL DISBURSEMENTS	278,896.81	464,941.21

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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
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)
Citizens Accruals - 4299	71,312.02	0.00	0.00	12,083.33	0.00	83,395.35	83,395.35	0.00
Memorial Account - 8189	18,508.19	20,619.05	0.00	350.00	0.00	39,477.24	53,553.94	14,076.70
Endowment Fund Account - 8197	11,812.51	464.88	0.00	0.00	0.00	12,277.39	12,277.39	0.00
Social Committee Account - 5988	16,473.23	87.09	0.00	0.00	0.00	16,560.32	16,560.32	0.00
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	
TOTAL	178,991.09	397,632.33	10.89	0.00	286,881.85	289,752.46	288,554.50	

Comments

14,226.70 is 2019 deposit error not corrected for Memorial Account + 1,998.00 were deposits for 2019

200 not deposited until Jan 2021

14,226.70 carry over error from 2019 from deposit that was instead deposited in operating

Due to checks written in 2019

Due to checks written in 2019

Account		Audited Income Receipts**	Audited Interest Earned	Audited Transfers (Net)	Audited Disburs.	Income Diff From Bank	Interest Diff from Bank	Transfers Diff from Bank	Disburs. Diff from bank
Operating Account - 4508		382,754.53	9.98	(8,033.33)	273,715.81	8,043.97	0.00	0.00	(6,935.00)
Citizens Accruals - 4299		0.00	0.00	12,083.33	0.00	0.00	0.00	0.00	0.00
Memorial Account - 8189		20,819.05	0.00	350.00	0.00	200.00	0.00	0.00	0.00
Endowment Fund Account - 8197		464.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social Committee Account - 5988		87.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Priest Discretionary - 3082		744.75	0.00	100.00	0.00	0.00	0.00	0.00	(310.04)
Greek School Account		1,006.00	0.00	750.00	5,181.00	0.00	0.00	0.00	(740.00)
PH Security Deposit - 9722		0.00	0.91	(5,250.00)	0.00	0.00	0.00	0.00	0.00
TOTAL		405,876.30	10.89	0.00	278,896.81				
Total Audited Income		405,887.19							

Comments

15,487 in 2021 deposits - 1,998.00 from 2019 deposits - 2x 75.00 refund - 5,075 for bounced check

5,075 in bounced check + 1,710 in 2019 checks + 2x 75.00 credit

200.00 deposit made in 2021

Due to checks written in 2019

Due to checks written in 2019

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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.

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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.