



THE DIOCESE OF THE SOUTH

Orthodox Church in America

P.O. Box 191109
Dallas, TX 75219

Saturday, July 15, 2023

To:

Most Rev. Alexander, Archbishop
Rt. Rev. Gerasim, Bishop and Administrator
V. Rev. Marcus C. Burch, Chancellor
Rev. Peter Robichau, Secretary
Rev. Fathers, Brothers and Sisters in Christ

Financial Records Review Report

1. As previously noted, the Committee found the Accounting Office of the Diocese, specifically, Ms. Mary Warnky, to be prompt and thorough in responding to any requests for account information.
2. The Committee met via teleconference with the Treasurer and Bookkeeper on January 26, 2023, for an overview of practices and procedures, which the Committee found to follow previous Committee recommendations.
3. On May 20, 2023, the Committee issued Seventy “requests for account confirmation” by US Mail with return envelopes to all Building Loan (24) and Custodial Funds (46) account holders, with a response rate of approximately 33%. The agreement rate for Custodial Funds Accounts was 100%, while the agreement rate for Building Loans was slightly less than 50%.
4. The Committee previously noted that the discrepancies between Diocesan and Parish figures for Church Building Loan Accounts were generally due to unscheduled Parish loan payments resulting in varying amortization schedules for the loans. There appear to be no loan discrepancies for which a satisfactory explanation was not obtained.
5. On April 27, 2023, the Committee conducted a site visit to the bookkeeping office of the Diocese, now functional after a period of disruption due to repair work at the Chancery Office which caused displacement of furniture, storage, and equipment. Diocesan Treasurer Noel Busch and Bookkeeper Mary Warnky reviewed in detail for the Committee various procedures and issues summarized as follows:
 - a. General deposit and bill paying procedures were reviewed, with detailed descriptions typical of both paper and electronic transactions (the latter becoming the dominant method).
 - b. All credit card charges incurred by the bookkeeper for her office are preapproved by the Treasurer, who then reviews the monthly Profit and Loss Statements for discrepancies.

- c. All paper checks for amounts in excess of \$1,000 are co-signed by the Bishop. (Again, it was noted that with most banking functions being handled electronically this matter is becoming less significant.)
- d. A full backup program (Cloud 9 Realtime) provides off-site storage of all transactions.
- e. Tax filings are handled with commercial software packages such as "1099-tax.com," with forms and data stored digitally.
- f. Diocesan records are scanned and stored digitally, where possible. Various original documents are kept in secure file cabinets behind locked doors secure from various occupants.
- g. The bookkeeper described in detail her procedures for handling payments and donations received through the DOS website portal, with confirmations sent to both donors and recipients. Similar procedures are utilized for parish donations made through PayPal or similar vendors.
- h. The bookkeeper then went over in detail her procedure for calculating and remitting the 34% OCA tithe due from the parish tithes received through the portal, by mail and ACH remittance, making allowance for the tithe credits and grants for the parishes.
- i. The Treasurer and Bookkeeper both asserted that there was presently no pending litigation against the Diocese.

Going forward:

- a. The Committee recommends a small investment in increased security for the bookkeeping office, including video cameras and entrance alarms.
- b. The Committee, noting the volume of work performed with minimal equipment in a modest office, recommends that some attention be given to the physical arrangement and condition of the office to improve both efficiency and privacy for the various occupants.

Respectfully submitted in Christ,

Financial Review Committee

Michael Mezmar
Christopher Naughton
Tom Rosenblatt