

DIOCESE OF THE MIDWEST

AUDIT FINDINGS: MAY 19-20 2025

The Diocesan Auditors performed a routine audit of the Operating Accounts, Checking accounts, Credit Card Activity, Investment Accounts, and Payroll records of the Diocese of the Midwest for the period of July-December 2024. The audit was conducted as a review of financial activity, a select review of financial activity and presentation of August and December of 2024 by verifying check stubs, receipts/invoices and reports. This audit is not governed by generally accepted auditing standards.

Prior Recommendations:

Recurring: Per motion passed at the 2014 Diocese of the Midwest Assembly, credit card receipts are required to be submitted for every purchase on the Diocesan Credit card and should be filed with the credit Card statements. Incomplete but improving.

Recurring: All invoices and necessary documentation to be attached to check stubs and monthly statements. Incomplete but improving.

Recurring: At the 2024 Assembly it was recommended that an Expense Tracker App, be considered for all users of the Diocesan Credit Card. Incomplete.

2025 Findings and Recommendations:

Checking Account

The monthly checking account statements for August and December of 2024 were examined and checked for corresponding receipts, invoice or documentation.

For August of 2024 the bank statement was checked and supporting documentation was supplied.

For December of 2024 the bank statement was checked and supporting documentation was supplied.

Credit Card Statements

Statements for August and December of 2024 were reviewed and found to be incomplete. Receipts were not available for a number of transactions. Supporting documents for transactions ranging from \$0.54 to \$1206.40 were not found. This is the case for all months selected.

Payroll

Payroll was reviewed for the 12-month period of January - December 2024.

- W3 and W2 documents were in order.
- 1099 NEC forms were compared to the Profit & Loss Statement.
- It was hard to track to the financial statements some of the total contractor expense amounts that are on the 1099 forms.
- Although several 1096 forms were provided for 2024, they did not agree to the total number of 1099 NEC forms issued for 2024.

Investment Accounts:

- Investment Account Statements were compared to Balance Sheets for each period audited. All were in order.
- Balances were checked on the original statements from the bank/brokerage firms and totals were compared to reports submitted by the Treasurer and Accounting Firm. All were in order.

Recommendations:

- All Diocesan Credit Card users should use an EXPENSE TRACKER APP via cell phone to ensure proper record keeping or attach receipts monthly to Credit card statements. This has been an ongoing problem.
- Provide confirmation that payroll forms were submitted and accepted by the Federal Government for 1099's and W-2's

We would like to thank His Eminence Archbishop Daniel, Treasurer Sbdn Dimitri Pletz, Priest Nikolai Lochmatow, Deacon Nikola Tambur for their help and assistance with the Audit.

Respectfully submitted,
Diocesan Auditors

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