



**March 22, 2025**

Dear Rev. Thomas Nasta, President Ken Arendt, Executive Officers, and fellow members of the FCSU Board of Directors:

Pochválený buď Ježiš Kristus,

Praise be Jesus Christ!

The Audit Team successfully completed four audits in fiscal year 2024. All processes were followed from beginning to end to confirm that all requirements and records were in place. No issues or any discrepancies were discovered. All audits are conducted in accordance with auditing standards general accepted in the United States. The audit team found everything to be in good order. The National Auditors thank the Home Office staff for their cooperation in assisting the completion of the audits in a timely fashion. A summary of all audit processes is provided below.

On December 30, 2024 we lost our longest serving Internal Auditor John Leskovyansky, Jr. John was a dedicated FCSU member, branch and district officer. John's loyal commitment played a pivotal role in re-establishing our audit schedule following the pandemic by advancing our mission and ensuring the operational soundness of our procedures. His dedication and professionalism were crucial in re-establishing our audit schedule post-pandemic. John was a valued member of our fraternal family, and his kind spirit left a lasting impact. I'll always cherish our conversations on Slovak history, culture and heritage. We extend our condolences to his family and have begun searching for a new auditor.

I attended all 2024 scheduled Board and Executive Committee Meetings. In addition to my auditor duties, I attended the national bowling tournament, national golf tournament and one national picnic. At the branch and district levels, I attended all events and serve on the Branch 181 Scholarship Committee. My participation in all district and branch activities has allowed me to interact with members and promote our society.

I consider it an honor and privilege to serve our members as Chairman of Auditors and look forward to serving as National Chairman of Auditors.

Please let me know if you have any questions or require further details.

Srdecne pozdravujem, Best regards,

*Gregory J. Maurer*

Gregory J. Maurer

Chairman of Auditors

First Catholic Slovak Union

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## **ANNUAL REPORT OF THE CHAIRMAN OF AUDITORS**

The internal audit team consists of a chairman and three auditors, elected by the convention. Our responsibility is to conduct audits of documentation, processes and procedures of the First Catholic Slovak Union. Quarterly audits are conducted allowing confirmation that numbers are precise and truthful. The audits are performed in accordance with the bylaws of the First Catholic Slovak Union of the United States and Canada, effective January 1, 2019. The necessary information to complete reviews is provided by the First Catholic Slovak Union.

Below is a list of the processes chosen for audit. Our responsibility is to report on the areas chosen thus our review would not necessarily disclose all weaknesses in the organization's internal controls.

### **THE AUDIT PURPOSE/OBJECTIVES INCLUDED, BOUGHT OR NOT LIMITED TO THE FOLLOWING:**

- Review expense vouchers submitted.
  - Ensure expense vouchers
    - contain required and relevant documentation
    - calculations are correct
    - approvals are obtained
    - checks are properly issued and documented
  
- Test death claims processed.
  - Ensure death claims
    - contain required and relevant documentation
    - are processed correctly according to FCSU guidelines
    - checks are properly issued and documented
  
- Test payroll and personnel procedures.
  - Ensure payroll and personnel
    - procedures are in place and functioning properly
    - calculations of earning, special payments, taxes and voluntary and involuntary deductions are accurate complete and timely

- transactions are accurately reflected in the accounting system
  - monthly processing (payments, interest, late fees, etc. is being completed as outlined by FCSU internal processes and bylaws.
  
- Test bank reconciliation process.
  - Ensure bank reconciliations
    - are performed in a timely manner verify cleared and outstanding checks account for deposited transfers, withdrawals and bank fees
    - are reconciled to the accounting system
  
- Test certificate loan process
  - Ensure certificate loans
    - contain proper approvals and signatures
    - invoices are mailed in a timely manner
    - interest is calculated properly
  
- Review corporate credit card procedures
  - Verify proper internal controls are being utilized to ensure
    - relevant documentation present
    - approval follows designated chain of authority
    - mathematical calculations are correct
  
- Test annuity process
  - Ensure annuity process
    - application contains the required and relevant documentation
    - relevant documentation present
    - interest during the quarter is calculated properly
  
- Test beneficiary changes
  - Ensure beneficiary changes
    - policy information is updated correctly within the insurance management system
    - contain required and relevant documentation
    - are processed within the define requirements and environment
  
- Test certificate / mortgage loan process

- Ensure certificate / mortgage loan process
  - follow the accounting standards outlined by GAAP in areas applicable interest is calculated properly
  - comply with the approval process established within the FCSU by-laws
  - monthly processing (payments, interest, late fees, etc.) is being completed as outlined by FCSU internal processes and by-laws
  
- Test bond investment income
  - Ensure bond investment certificate loans
    - tracking procedures are in place and functioning properly
    - calculations and posting of investment earnings are accurate, complete and performed in a timely manner.
    - FCSU Investment Policy Guidelines are being followed
  
- Test cash withdrawal process.
  - Ensure cash withdrawal
    - are performed in a timely manner verify cleared and outstanding checks account for deposited transfers, withdrawals and bank fees
    - are reconciled to the accounting system
  
- Test mortgages purchased as investment process
  - Ensure investment loan process
    - follow the accounting standards outlined by GAAP in areas applicable
    - track established process in managing
    - comply with the approval process established within the FCSU by-laws

## **METHODOLOGY**

Audit procedure programs written by the auditing team are used throughout the year to evaluate the key operations of the specific areas chosen to be audited. Discussion with management and staff, observation, and analytical testing is completed. All results are presented to the President and Executive Secretary prior to closing the audit.