



GREEK ORTHODOX METROPOLIS OF SAN FRANCISCO

ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΑΓΙΟΥ ΦΡΑΓΚΙΣΚΟΥ

Report of the Greek Orthodox Metropolis of San Francisco
Arts and Architecture Committee
Metropolis Council Meeting
San Francisco Metropolis Zoom
March 3, 2022

With the blessings of His Eminence Metropolitan Gerasimos of San Francisco, the Greek Orthodox Metropolis of San Francisco Arts and Architecture Committee (MSFAA) continues to work with parishes seeking to beautify their church structures with appropriate iconography, develop a Master Plan for new building structures on existing sites, as well as remodel or modify existing parish facilities.

The Greek Orthodox MSFAA Committee continues to monitor the progress of parishes and their projects to build, upgrade, remodel or improve their campus structures:

- Construction continues for The Greek Orthodox Cathedral of the Annunciation in San Francisco; CA.
- Construction of the Greek Orthodox Church of Saint Anna in Roseville, CA., continues with the foundation having been completed and the church walls of the church in progress.
- The Greek Orthodox Church of Saint Basil in San Juan Capistrano is in the process of purchasing an existing Church facility in an incredibly excellent location. The parish hopes that escrow will close in April 2022.
- The Church of the Prophet Elias in Santa Cruz has completed the second phase of iconography with the iconographer Dmitri Skolnik.
- The Church of the Resurrection of Christ in Castro Valley continues to work with MSFAA Committee reviewing design considerations before final submittal for approval.
- The Church of Saint Nicholas in Tacoma, WA., has completed the remodel of the Narthex and Offices and will be submitting design plans for new iconography for the Church.
- The Church of the Nativity of Christ in Marin recently unanimously approved their strategic plan and will be embarking upon a new narthex gateway, small hall and elevator.

The Greek Orthodox MSFAA Committee notes that submittals, with few exceptions, continue to follow the guidelines of the Greek Orthodox Archdiocese of America UPR. This allows for a proper review by the committee before forwarding recommendations to His Eminence for approval.

Respectfully submitted,
Father Peter G. Salmas
Chair
frpeter@goholycross.org

Report of the Audit Committee of the Metropolis of San Francisco

March 3, 2022

I would like to recognize the time, leadership, and foresight of George Psifteas to begin the process of a Review Engagement of the accounts of the Metropolis. M.D. Sassi Company was hired to the Engagement, a firm that has a background in non-profit organizations.

As the process moved forward it became more expansive and detailed. St. Nicholas Ranch was added to the review, as was the FDF. FDF was added because it is a direct ministry/program of the Metropolis (despite having a separate Board of Trustees), and St. Nicholas Ranch was added because the Metropolis has “control” of the mind and management of the organization, despite it being separately incorporated. The addition of these two organizations complicated the engagement as the record keeping and accounting for each was very different from that of the core Metropolis and all three had to be aligned. To this end, the Engagement is still in process; is progressing; and we will be much better off having had this done.

Below is the report of the committee and specific observations from one committee member (John Karas) on progress and his insights into the engagement. John joined the committee about a year ago and has faithfully attended virtually all the twice weekly online meetings with MD Sassi:

Observations:

- On a significant number of occasions M.D. Sassi Company has raised questions at the twice weekly meetings on information that had already been submitted by George. This slowed the pace of the progress on the engagement.
- George should be commended for his incredible diligence in pulling together the disparate accounting information from the Metropolis, FDF, and The Ranch, including construction of spreadsheets designed to bring clarity to the financial records of FDF and The Ranch.
- It appears both parties in this engagement had a different understanding on the original intent of this engagement. M.D. Sassi Company is approaching this more along the lines of it being an actual audit as opposed to what we thought the plan was to create a baseline that would bring clarity to the financial situation of the Metropolis, FDF and The Ranch, for the period 2016-2020, to be able to conduct a true audit of 2021. In conjunction with this, it appears that M.D. Sassi Company clearly understood that “we” are a private non-profit entity. That being said, the Auditor did explain that under the requirements for Auditors published by the AICPA on initial engagements, this higher level of scrutiny is warranted, which we have accepted as being a correct requirement.
- The process is heading in a good/positive direction and that the result will be a relatively clean assessment of how the financials of the Metropolis, FDF, and The Ranch have been handled, although we do expect weaknesses to be identified with recommendations on

how to address them. However, getting the data from FDF and The Ranch has been a major challenge.

- We know there is a plan for the Finance Committee of the Metropolis to create a detailed Policy and Procedures Manual for the Metropolis that will greatly help address anticipated identified weaknesses and we urge the Finance Committee to begin this work and implement strong procedures and controls before the end of 2022.
- **The Ranch** A positive outcome of the engagement is that any ambiguity on who has overall fiduciary responsibility for the Ranch has been clarified. As stated above, the Ranch, while an independently incorporated entity, does come under the control of the Metropolis and the Metropolis has overall fiduciary responsibility. Recommendations will be made to the Ranch Board to have a professional bookkeeper engaged to maintain books and records and to prepare periodic financial reports that are to be presented at Ranch Board meetings. Annual financial reports of the Ranch will be consolidated with those of the Metropolis as well.
- **Metropolis House** An issue was identified with the residence being reported as an asset of the Metropolis, when in fact at that time it was reflected as an asset of the Archdiocese. This has been resolved in the engagement and the residence was subsequently added back to the financials of the Metropolis once the title/deed of the property was transferred from the Archdiocese back to the Metropolis in 2021. A robust set of procedures and controls for the Metropolis would have identified this issue much sooner and is one example as to the importance of putting such in place as quickly as possible.
- **Data Gathering** The responsiveness from those who had the required data to move this engagement forward was very slow and in some cases with the Ranch and FDF, new, historic, financial statements needed to be created from past bank statements and source invoices. While recognizing many involved are volunteers, if those who are volunteering do not have the necessary time to devote to their Metropolis or Ranch duties, they need to consider engaging professional outside services (at additional cost) to lighten their burden, ensure that internal resources have the proper qualifications to maintain proper books and records, consider stepping aside from their financial roles if they are not qualified to be in them, or any combination of the preceding to ensure the fiduciary duties of the Metropolis are properly executed.

At no time thus far during this engagement did it appear there was any impropriety.

In conclusion, the outcome of this endeavor will be extremely positive for the Metropolis and will set the stage so that external audits will be able to be conducted in the future, which will give everyone the comfort that the financial state of the Metropolis is clean and healthy.

Respectfully,

Fr. Thomas J. Zaferes



Fundraising and Development Report

March 3, 2022

The Fundraising and Development Committee is an important component of the Metropolis infrastructure. Our efforts provide financial support for our operations and for the growth of our ministries.

Faith Forward

We initiated the Faith Forward annual fundraising campaign in 2007, and has been steadily growing since that time. From those early years of generating perhaps \$10,000, the response to this effort has increased tremendously, especially since consolidating our fundraising appeals and shifted to only focus on Faith Forward. The results for the past four years speak for themselves:

<u>YEAR</u>	<u># OF DONORS</u>	<u>TOTAL CONTRIBUTIONS</u>
2017	128	\$110,105
2018	154	\$219,035*
2019	201	\$309,875**
2020	272	\$340,672**
2021	265	\$404,125***

**Includes a \$100,000 donation from the George and Judy Marcus Family Foundation*

***Includes a \$125,000 matching grant from the George and Judy Marcus Family Foundation.*

****Includes a \$150,000 matching grant from the George and Judy Marcus Family Foundation.*

We added two additional giving platforms in addition to online credit card donations and mail-in donations. We now offer a QR Code for people to scan to donate, and our constituents can also “text to give”. Even though we had seven overall fewer donors, we increased our overall donations considerably, indicating that people are being more generous in their charitable giving. We also now have ten (10) people who donate monthly to the Metropolis. This is a secure and automated way to contribute and we hope that more people will consider this for their support of Faith Forward.

We will be promoting Faith Forward during Great Lent and Pascha, encouraging our faithful to support the ministries of our Metropolis. We are grateful to all our donors for their generous support!

All Saints Foundation

The All Saints Foundation was established in 1997 but has primarily been dormant for the past several years. This is a separately incorporate not-for-profit charitable corporation whose purpose is to provide financial support for the ministries of the Metropolis. Through the efforts of attorney Peter Bagatelos, a careful review of the Bylaws has been conducted, and a meeting of the All Saints Foundation was held in late 2021. The Bylaws are presently being reviewed by the Board and will be ratified in the coming weeks. It is our goal to aggressively grow this Foundation so that earnings from this investment can be used to support the ministries of the Metropolis. We will continue to share more details on the progress of this effort with the Metropolis Council in the coming months.

Thank you again for your support, and please reach out to me with any questions or if you would like to become more involved in the Fundraising and Development efforts of our Metropolis.

Sincerely,

Isidoros Garifalakis

isidoros@omega-industries.com

360-901-4637

INSURANCE & REAL ESTATE COMMITTEE REPORT

Greek Orthodox Metropolis of San Francisco Metropolis Council Meeting

March 3, 2022

Insurance:

Bill Marutsos

Real Estate:

Transaction Requests:

The Insurance and Real Estate committee has been working with many parishes on multiple Real Estate Transactions. Presently, there are no files ready to be presented to His Eminence for approval and this report.

A reminder that all Metropolis Real Estate Transactions, require the Metropolitan's blessings for Approval and should be sent to the Insurance and Real Estate committee for review.

Respectfully Submitted,
George Peter Psihogios, Chair
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503-515-8100

On behalf of:
Paul Sgotis
Bill Marutsos
Fr. Andrew Barakos

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February 23, 2022

To: His Eminence, Metropolitan Gerasimos,
Vice-Chairman, Isidoros Garifalakis, Clergy,
Members of the Metropolis Council, and Laity
of the Greek Orthodox Metropolis of San Francisco

REPORT OF THE LEGAL COMMITTEE

I, John Buzas, have served as Chair of the Metropolis Legal Committee at the request of His Eminence, Metropolitan Gerasimos and Isidoros Garifalakis for the past ten (10) years. Prior to my appointment, I had served on the Metropolis Legal Committee for several years along with Elenie Huszagh. Elenie not only founded the Metropolis Legal Committee in 2007 but she also very capably chaired the committee since its inception with great wisdom and distinction. At the time of its formation our Metropolis' Legal Committee was believed to be the first of its kind in the entire Archdiocese. Initially, the only other standing Legal Committee was part of the Archdiocesan Council.

The Mission and Purpose of the Legal Committee is:

1. To Provide legal services and advice to His Eminence and the Metropolis as they may be needed.
2. To assist in matters involving real estate, estate planning, employment issues and other legal risk management matters not necessarily involving litigation.
3. To assist in matters of Parish Administration when requested by His Eminence.
4. To assist in matters of Claims and Litigation when necessary; and refer such matters to the Archdiocese as appropriate.
5. To prepare forms and guides which may be used by Parishes in meeting the requirements of the UPRs.
6. To provide appropriate referrals to other attorneys when needed for matters which may not be within the expertise of a member(s) of the Metropolis of San Francisco Legal Committee.
7. Attorneys of each of the jurisdictions (States) in which a Parish of the Metropolis of San Francisco is located have been contacted and have agreed to serve on the Legal Committee pro bono.

The Legal Committee has completed work on various legal issues including but not limited to:

1. Model bequest and estate planning documents formatted to be used for individuals for consideration and use in making gifts to the Metropolis of San Francisco.
2. Liability Releases for Parishes to use in connection with parish events and off premises trips as well as for other purposes.
3. Employment questionnaires as well as acceptable pre-employment inquiry checklists.
4. Documents for by the Real Estate/Insurance Committees and Parishes working on matters involving mainly real estate and construction issues (contracts, purchase and sale documents, mortgages etc.) as specified in the UPRs.

Recent and pending activities of the Metropolis Legal Committee include:

California Board of Equalization Sales Tax Exemptions: (Interface with venues by providing Customized Attorney Opinion Letters and Resale Certificate Preparation). Result: Sales Tax Exemption for **all** Meals and Food Products Served at religious events according to Board of Equalization (BOE) regulations.

Metropolis of San Francisco Gala(s) resulting in several Tax Exemptions.

FDF: In past years, the BOE Sales Tax Exemption achieved for all meals and food products served during the **FDF providing the ministry with approximate \$30,000.00+ of yearly savings to their bottom-line.** **Note:** For FDF 2022, the tax exemption for nonprofits was not available in the State of Arizona (where FDF 2022 was held).

Further Examples of past BOE Sales Tax Exemption achieved for:

Light the Path: Bishop Anthony Annual Luncheon to benefit The Bishop Anthony Seminarian Scholarship Fund.

PAOI Event: Los Angeles event resulted in approximately \$4,000.00 of savings.

Saint Sophia Philoptochos Debutant Ball at the Beverly Wilshire with approximately \$10,000.00 in savings and **Saint Sophia Philoptochos Annual Mother's Day Luncheon** with similar annual savings.

Saint Anthony Philoptochos Christmas Annual Fashion Show and Luncheon Fundraiser.

...and many others.

Partial (past) List of specific services/examples that the Legal Committee provided are:

- Advised and assisted two Parishes (St. Demetrios, Tucson, Arizona, and St Gregory, El Cajon, CA) that suffered fire damage and losses during their recovery periods to make appropriate claims and during their replacement, repair, construction, and/or relocation decisions.
- Advised St. Katherine, Chandler Arizona in their efforts to select a lender to refinance the Parish debt at more favorable rates.
- Assisted in the refinance process with St. Nicholas, Temecula, CA during their acquisition of a new church site and building in Murrieta, California.
- At the Metropolitan and Chancellor's request met with Parish Council to address community issues in an advisory capacity.
- Ongoing Parish By-Law Review: Additional Legal Volunteers are being sought who are familiar with Parish By-Law drafting and content review to assist in this very time-consuming process). A special committee has been established to assist parishes to create or review by-laws submitted to the committee for approval.
- Reviewed and Assisted in a Property Line issues for Saint Anna Parish, Roseville, CA culminating in an agreed upon License Agreement.
- Eminent Domain assistance and referrals to appropriate professional.
- Liability Release Modifications (Individual Parish Requests).
- St. Nicholas Ranch IRS Audit for Employee Withholdings with Metropolis CPA.
- Interfacing and communicating with the Metropolitan, Chancellor and supporting personnel at the Metropolis level to provide legal counsel on an "on call basis".
- Review and Track estate bequests to the Metropolis. Assign local attorneys in the jurisdiction where the estate is being administered to take lead responsibility with periodic reporting to the Metropolis Legal Committee.

Regional members of the Metropolis Legal Committee:

All the attorneys who have been appointed to serve accepted on the Legal Committee have agreed to do so "pro bono".

The Members of the Legal Committee are:

Alaska	Pending
Arizona	Alexander Poulos
California	(Northern) Peter A. Bagatelos
California	(Southern) John S. Buzas, Metropolis Legal Counsel
Hawaii	Pending
Nevada	Gus W. Flangas – Flangas, McMillan Law Group
Oregon	George Gregores – Holland & Knight
Washington	Zachary H. Stoumbos – Landerholm, Memovich, Lansverk & Whitesides, P.S.
Employment Law	Maria Anastas, Shareholder, Ogletree Deakins

Counsel at Large: Dean Pappas – Goodwin Proctor, Los Angeles, California (Real Estate Specialist)

**Report of the Total Commitment and Benefits Funding Committee to the Metropolis Council of the Metropolis
of San Francisco – March 2022**

1. 2021 Final TC Update

As at the end of 2021 our Parishes' Total Commitment of \$3,735,305 was met in full after adjustments of \$536,094 for prepayment discounts, appeals granted, and PPP funds discounts given (10.3% across all Parishes). In total, our Parishes contributed \$3,139,144 to GOA, being 104.3% of our Metropolis commitment. Only 4 out of 59 contributing Parishes failed to meet their TC in part or in full.

2. Process for 2022/2023 Allocations

We anticipate that we will open the window for submissions on March 31st 2022. Per the Archdiocese's instructions, no submission will be accepted without accompanying full financial statements. In the absence of these, there will be an automatic 10% increase from the prior year's assessment, per the Archdiocese's Finance Committee instructions. Mail will be sent to Parishes informing them of changes in the calculation of expenses (bookstore supplies are allowable, Benefits funding amounts are allowable, etc). All submissions will be online as per prior years.

3. Benefits

For 2022, our Parishes contributed \$784,146 towards the goal of \$805,136. This goal included a 7% cushion on our original allocated number of \$752,430. 54 out of 56 of our Parishes are contributing via ACH as required by the ABC/GOA.

In general, our Parishes need to be congratulated for their efforts in meeting our commitment goals under very difficult circumstances.

Respectfully submitted

On behalf of the Total Commitment and Benefits Funding Committee

Philippos Athanasiades, Chair

February 24, 2022