



METROPOLIS OF
SAN FRANCISCO

METROPOLIS PARISH FINANCE SUPPORT
PARISH LEADERSHIP FINANCIAL UPDATES
DECEMBER 14, 2021

Information to Share



METROPOLIS OF
SAN FRANCISCO

- **Metropolis and Archdiocese updates**
 - 2021 YTD TC status
 - 2021 YTD Pension Benefit status
 - 2019-2020 Metropolis Review Engagement status
- **2022 TC feedback from parishes**
- **Ongoing parish financial support - Issues we are hearing from parishes**
- **Items of note re: government support programs**



METROPOLIS OF
SAN FRANCISCO

Total Commitment Update – 2021 YTD



GREEK ORTHODOX ARCHDIOCESE OF AMERICA

2021 Total Commitment Status Report



December 10, 2021

	2021 Budget Allocation	2021 TC with Cushion	Currently Billed	Paid for Current Year	Prepayment Discount	Deferred from Prior Years	Adjustments to Current Year	Current Year Balance Due	% Paid vs. Budget	Prior Year Balance	Payments Applied to Prior Year (2/5)	Paid for Prior Years	Adjustments to Prior Years	Prior Year Balance Due	Total Balance Due	Deferred for Next Year	Total Cash Payments	Total Collected as of November 30	Collected Since Last Report
District	3,221,071	3,456,769	3,456,769	2,974,098	6,318	0	-	476,353	93%	912,518	307,847	38,883	256,801	308,987	785,340	-	3,320,828	3,248,821	72,008
New Jersey	2,615,775	2,740,236	2,740,236	2,420,450	8,243	1,514	35,000	275,028	94%	1,136,445	381,084	90,853	32,187	632,321	907,349	10,602	2,902,989	2,847,611	55,378
Chicago	2,667,632	2,872,049	2,872,049	2,614,253	7,328	7,974	-	242,494	99%	182,093	131,011	39,925	11,157	-	242,494	116	2,785,306	2,715,340	69,966
Boston	1,798,507	1,967,995	1,967,995	1,741,706	1,595	3,647	-	221,048	97%	281,694	232,694	-	-	49,000	270,048	4,595	1,978,995	1,910,928	68,066
San Francisco	3,523,871	3,735,305	3,735,305	2,917,080	6,354	18,892	507,837	285,142	94%	499,598	417,356	36,397	-	45,845	330,986	26,330	3,397,163	3,305,038	92,125
Atlanta	3,175,263	3,334,066	3,334,066	2,752,769	8,561	106,379	-	466,357	90%	348,114	270,585	4,099	-	73,430	539,787	15,393	3,042,846	2,920,289	122,557
Pittsburgh	1,825,606	2,007,405	2,007,405	1,724,268	6,372	1,049	46,640	229,076	97%	172,049	106,063	4,061	-	61,924	291,000	1,111	1,835,504	1,759,906	75,598
Detroit	1,611,485	1,701,892	1,701,892	1,620,108	12,320	955	12,220	56,289	102%	54,633	51,274	-	3,360	-	56,289	1,639	1,673,022	1,633,068	39,954
Denver	1,748,042	1,819,284	1,819,284	1,572,399	2,651	1,964	-	242,270	90%	508,269	285,523	23,564	29,720	169,462	411,731	867	1,882,353	1,843,365	38,988
As of 12/10/21	22,187,250	23,635,001	23,635,001	20,337,131	59,742	142,375	601,697	2,494,056	95%	4,095,412	2,183,437	237,783	333,224	1,340,968	3,835,025	60,654	22,819,004	22,184,366	634,639
Collected at 12/31/20	22,187,250	23,668,221	23,668,221	19,760,811	51,623	66,119	487,911	3,301,757	92%	2,231,375	853,857	106,086	235,127	1,036,306	4,338,063	142,375	20,863,128	18,886,777	1,976,351
Difference	-	(33,220)	(33,220)	576,319	8,120	76,256	113,786	(807,700)	3%	1,864,036	1,329,580	131,697	98,097	304,662	(503,038)	(81,721)	1,955,876	3,297,589	(1,341,713)

Pension Benefit Funding – 2021 YTD



METROPOLIS OF
SAN FRANCISCO

 GREEK ORTHODOX ARCHDIOCESE OF AMERICA				 2021 Benefits Funding Report November 30, 2021														
	Parishes on Autopay	Parishes Paying by Check	Parishes without Contribution	2021 Budget Allocation	2021 Funding with Cushion	Currently Billed	Paid for Current Year	Adjustments to Current Year	Current Year Balance Due	% Paid vs. Budget	Prior Year Balance	Paid for Prior Years	Prior Year Balance Due	Total Balance Due	Deferred for Next Year	Total Cash Payments	Total Collected as of Oct 31	Collected Since Last Report
District	55/62	5/62	2/62	676,867	714,600	655,050	638,717	-	16,333	94%	91,300	22,409	64,991	81,324	3,325	664,451	606,310	58,142
New Jersey	48/54	4/54	2/54	597,149	635,720	582,743	544,491	-	38,252	91%	634,735	18,172	615,363	653,615	-	562,663	512,481	50,182
Chicago	50/58	6/58	2/58	568,765	619,923	568,263	556,034	-	12,229	98%	670,990	23,200	647,790	660,019	2,004	581,238	526,971	54,267
Boston	44/57	10/57	3/57	521,651	543,386	498,104	478,403	-	19,701	92%	736,000	5,643	730,357	750,058	-	484,046	438,628	45,419
San Francisco	54/56	2/56	0/56	752,430	805,136	738,041	722,028	16,249	1,118	96%	115,415	21,400	94,015	95,133	100	743,528	679,337	64,191
Atlanta	67/74	5/74	2/74	697,687	790,830	724,928	710,278	-	14,649	102%	510,370	70,600	432,020	446,669	4,681	785,559	716,628	68,932
Pittsburgh	39/47	7/47	1/47	488,738	509,103	466,678	456,784	2,400	7,694	93%	528,390	17,330	511,060	518,754	552	474,666	434,450	40,216
Detroit	38/42	3/42	1/42	360,949	394,098	361,257	360,077	1,200	80	100%	3,850	1,450	2,400	2,480	2,467	363,994	330,360	33,634
Denver	38/44	2/44	4/44	449,452	468,180	429,165	412,135	-	17,030	92%	259,300	4,715	253,985	271,015	-	416,850	379,980	36,870
As of 11/30/21	433/494	35/494	17/494	5,113,688	5,480,977	5,024,229	4,878,947	19,849	127,086	95%	3,550,350	184,920	3,351,980	3,479,067	13,129	5,076,996	4,625,144	451,852

Metropolis Review Engagement Status

- **2019 and 2020 years are being independently reviewed by external Auditor (MD Sassi Co)**
- **Exercise involves a 5-year validation of financials (one-time / first-time only)**
- **Financials incorporate FDF and St. Nicholas Ranch**
- **Financials expected to be presented at 2022 Clergy-Laity**





METROPOLIS OF
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2022 Total Commitment – Parish Feedback

➤ No change to TC in 2022, although changes to individual parishes:

- 15 parishes will experience reductions
- 16 parishes will remain flat
- 28 parishes will experience increases

➤ Why are parishes seeing increases?

- No 10.23% reduction from PPP funding as in 2021
- Amounts for 2022 are pre-appeals, for those parishes that appealed in 2021
- 2020 and 2021 were “anomaly” years – comparison should be against 2019 TC amounts

➤ PBF will be a deduction in 2022

➤ Prepayment discount of 2% applies to both TC and PBF

2022 Total Commitment Allocation (final, As Approved 8-10-21)

Metropolis	2021 TC Allocation	2020 Net Expenses	2019 Net Expenses	Average of Net Expenses	% of Total Expenses	2022 TC Approved Allocation	Change from 2021	% Change from 2021
District	3,221,071	22,886,927	24,742,313	23,814,620	14.8%	3,328,043	106,973	3.3%
New Jersey	2,615,775	17,506,201	19,214,782	18,360,491	11.4%	2,615,775	-	0.0%
Chicago	2,667,632	18,291,389	20,627,452	19,459,421	12.1%	2,719,413	51,782	1.9%
Boston	1,798,507	12,524,267	14,044,734	13,284,501	8.2%	1,856,481	57,974	3.2%
San Francisco	3,523,871	24,618,826	25,166,791	25,042,810	15.5%	3,523,871	-	0.0%
Atlanta	3,175,263	22,734,047	24,051,318	23,392,683	14.5%	3,269,078	93,816	3.0%
Pittsburgh	1,825,606	12,484,454	13,477,738	12,981,096	8.0%	1,843,862	18,256	1.0%
Detroit	1,611,485	11,203,865	12,366,233	11,785,049	7.3%	1,646,936	35,451	2.2%
Denver	1,748,042	12,717,942	13,698,076	13,208,009	8.2%	1,827,535	79,494	4.5%
Totals	22,187,250	154,967,918	167,689,440	161,328,679	100.0%	22,630,995	443,745	2.0%



METROPOLIS OF
SAN FRANCISCO

Ongoing Parish Financial Support

- **Issues arising in our parishes:**
 - 501(c)(3) questions
 - Uniform chart of accounts
 - Compensation questions
 - General financial support / parish health

- **Metropolis Parish Financial Support Team:**
 - George Psefteas (George.Psefteas@gmail.com)
 - Philippos Athanasiades (philippos1cy@yahoo.com)
 - Jim Eckstaedt (Jim.eckstaedt@eckstaedtandassociates.com)
 - Sam Dawood (omdawood@msn.com)
 - George Efstathiou (geogreek@comcast.net)



Items of Note: Government Relief Programs

➤ **Employment Retention Credit (ERC) – Early Termination**

➤ **Reference link:** [Early sunset of the employee retention credit gets penalty relief - Journal of Accountancy](#)

➤ **PPP Loans/Grants – Forgiveness Application**

➤ **EIDL Loans – “Rainy Day” Fund**

➤ **Pandemic Era Tax Breaks – Non-itemized donations**

➤ **Reference link:** [IRS Promotes Covid Tax Perk to Boost Year-End Charitable Giving \(bloomberglaw.com\)](#)

Pension Benefits Funding - 2021

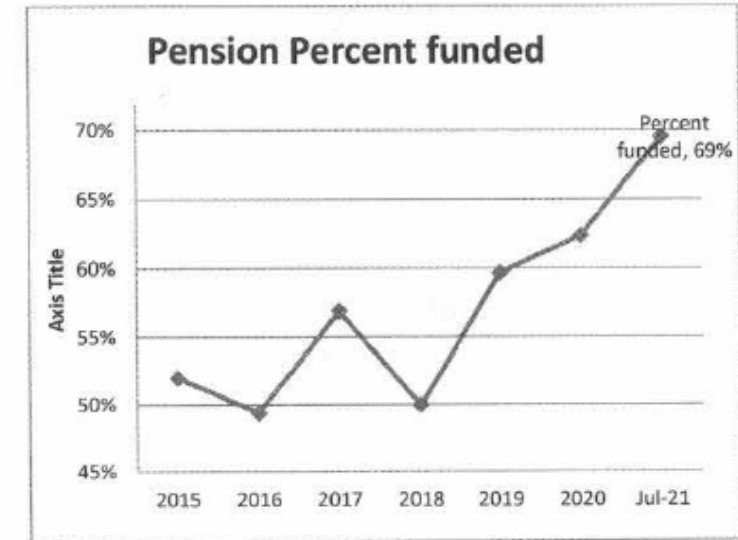


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SAN FRANCISCO

- Program has exceeded expectations; payments are being made timely and by more parishes
- San Francisco is only Metropolis to have payments made by all participating parishes
- Parish contributions are funding current and future benefits, not past unfunded amounts. The pension plan is healthy and performing well!

All amount except percents in \$1,000's

	<u>Pension Plan Assets</u>	<u>Estimated Accrued benefits</u>	<u>Unfunded</u>	<u>% funded</u>
12/31/2015	54,572	104,929	50,357	52%
12/31/2016	51,823	104,979	53,156	49%
12/31/2017	61,824	108,639	46,815	57%
12/31/2018	56,158	112,417	56,259	50%
12/31/2019	66,427	111,276	44,849	60%
12/31/2020	71,468	114,500	43,032	62%
7/31/2021	79,562	114,500	34,938	69%



Pension Benefits Funding - 2021



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SAN FRANCISCO

- How have the Archdiocese and Metropolises stepped up? Have they stepped up on funding?
- What has the impact been on plan participants and parishes?

Changes in Benefits Funding since 2018

(All amounts except percents in \$1,000's)

Benefits (Pension) Revenues	2018	2019	2021 Forecast	2022 Est	As per cent of 2018 funding
Participants	2,091	2,114	2,100	2,163	103%
Parishes	3,805	3,856	5,216	5,880	155%
GOA & Metropolises	530	1,611	1,783	1,840	347%
Others	60	60	60	65	108%
Total Revenue	6,486	7,641	9,159	9,948	153%
Increase since 2018		1,155	2,687	3,474	
Less expenditures:					
ABO	256			292	
Ancillary benefits	1007			1000	
Consultants & other	480			500	
Subtotal	1743			1792	
Net to Pension Plan	4,743			8,156	172%
Net to Pension Plan, excluding Participant contributions	2,652			5,993	226%

Pension Benefits Funding - 2022



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SAN FRANCISCO

- 2020 Clergy-Laity Congress approved increase to benefits funding equal to 3% of 2021 TC budget; translates to \$665,618 increase for 2022 across Archdiocese
- San Francisco increase of \$97,939 based on table shown
- Why 6% increase from 2021 including cushion vs. more or less for other Metropolises?
 - Function of amount of cushion built into calculations
 - Function of number of parishes, number of clergy, amount of TC per parish
- Pension benefit funding will be a TC deduction in 2022 for 2023 TC allocations

2022 Benefits Funding Approved August 9-10, 2021

	2021 Budget Allocation	2021 Funding with Cushion	% Paid vs. Budget as of 6/30/21	2022 Increase if applied rateably based on 2021 Benefits allocation	Benefits Allocation Total for 2022	% increase from Budget	% increase from 2021 including Cushion
District	676,867	714,600	59%	88,104	764,971	13%	7%
New Jersey	597,149	635,720	57%	77,727	674,876	13%	6%
Chicago	568,765	619,923	63%	74,033	642,798	13%	4%
Boston	521,651	543,386	56%	67,900	589,551	13%	8%
San Francisco	752,430	805,136	62%	97,939	850,369	13%	6%
Atlanta	697,687	790,830	65%	90,814	788,501	13%	0%
Pittsburgh	488,738	509,103	59%	63,616	552,354	13%	8%
Detroit	360,949	394,098	63%	46,983	407,932	13%	4%
Denver	449,452	468,180	58%	58,502	507,954	13%	8%
6/30/2021	5,113,688	5,480,977	60%	665,618	5,779,306	13%	5%
	Target		58%				

3% of TC increase for 2022= $22,187,250 \times .03 = 665,618$ increase.



New Pension Benefits Funding Process - FAQ

- **What is the "pension benefits funding" process?**
 - 2020 and prior, every participating parish contributed \$700/month/priest (\$8,400/year) to the Archdiocesan defined benefit pension plan; this flat contribution was replaced with an allocation approach as of 2021.
- **What was wrong with the prior approach?**
 - The flat approach did not allocate benefits funding in an equitable fashion. Smaller, less financially strong, parishes have been providing a greater share over larger parishes with greater financial abilities by contributing the same monthly amount.
- **How does the allocation work again?**
 - The new approach as of 2021 bases the Metropolis pension allocation on the unfunded pension liability of our Metropolis as a whole (in relation to the entire Archdiocese) and the proportion of current year costs for admin and benefits costs based on pensionable earnings for plan participants of the Metropolis as related to the whole of the Archdiocese.



METROPOLIS OF
SAN FRANCISCO

New Pension Benefits Funding Process - FAQ

- **How will these Metropolis allocations be distributed to parishes?**
 - Each parish will be allocated: (1) a flat \$1,500 per participant to cover annual plan admin and ancillary benefit costs; (2) an allocation of the overall Metropolis benefit allocation applied as a percentage of TC, which covers the balance of ancillary benefit costs, current year pension costs, and a portion of the unfunded pension liability.
 - Parish results are being reviewed by the Metropolis Finance Committee, our Chancellor, and our Metropolitan. Proposed allocations will be sent back to joint task force 10/22; joint task force will align across entire Archdiocese and send final numbers back to Metropolises by 10/31; Metropolis will provide allocations to parishes the week of 11/1; an appeal process will be made available, the same as within the TC process.
- **So the parishes are on the hook for the past decisions of the Archdiocese, right?**
 - The Archbishop has committed to fundraising or finding major donors to address the \$65+ million unfunded liability. This allocation process is not intended to address all of that and it would have happened regardless of whether the plan was underfunded, flat, or overfunded. The allocation process makes the pension benefit funding going forward more equitable across parishes.
 - There is a small component of the allocation that addresses the unfunded component because we have a fiduciary responsibility to “stop the clock” and not make the underfunding any larger and to try to even reduce it if possible.