

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.

**COMBINED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2022 AND 2021

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

**To the Metropolis Council
The Greek Orthodox Metropolis of Atlanta, Inc.**

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of The Greek Orthodox Metropolis of Atlanta, Inc. (the "Organization"), which comprise the combined statement of financial position as of December 31, 2022 and 2021, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Combined Financial Statements (Continued)

Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures, in accordance with GAAS. In our opinion, the information is fairly stated in all material respects, in relation to the combined financial statements as a whole.

Smith and Howard

June 19, 2023

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
STATEMENT OF COMBINED FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

| | <u>2022</u> | <u>2021</u> |
|---|---------------------------------|---------------------------------|
| Cash and cash equivalents | \$ 1,709,332 | \$ 1,442,807 |
| Cash held on behalf of affiliated organizations | 268,887 | 277,619 |
| Inventories | 132,123 | 102,747 |
| Prepaid assets | 14,931 | 38,288 |
| Endowment | 1,408,134 | 1,639,763 |
| Archdiocese allocation receivable | 25,407 | 15,852 |
| Other receivables | 3,330 | 7,712 |
| Property and equipment, net | 10,638,168 | 10,856,793 |
| Construction in progress | <u>19,627</u> | <u>19,627</u> |
| Total Assets | <u><u>\$ 14,219,939</u></u> | <u><u>\$ 14,401,208</u></u> |

LIABILITIES AND NET ASSETS

| | | |
|--------------------------------------|---------------------------------|---------------------------------|
| Due to affiliated organizations | \$ 268,887 | \$ 277,619 |
| Accrued expenses | 202,365 | 179,382 |
| Deferred revenue | 302,307 | 220,601 |
| Notes payable | 301,491 | 413,777 |
| Other notes payable | <u>86,470</u> | <u>86,470</u> |
| Total Liabilities | <u>1,161,520</u> | <u>1,177,849</u> |
| Net Assets | | |
| Without Donor Restrictions | 10,744,230 | 10,906,399 |
| With Donor Restrictions | <u>2,314,189</u> | <u>2,316,960</u> |
| Total Net Assets | <u>13,058,419</u> | <u>13,223,359</u> |
| Total Liabilities and Net Assets | <u><u>\$ 14,219,939</u></u> | <u><u>\$ 14,401,208</u></u> |

The accompanying notes are an integral part of these combined financial statements.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
STATEMENT OF COMBINED ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | | | 2021 | | |
|---------------------------------------|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues and Other Support: | | | | | | |
| Allocations from Archdiocese - | | | | | | |
| Noncash Contributions | \$ 958,238 | \$ - | \$ 958,238 | \$ 898,566 | \$ - | \$ 898,566 |
| Contributions | 331,390 | 425,743 | 757,133 | 298,421 | 516,819 | 815,240 |
| Special gifts and contributions | 66,233 | 114,610 | 180,843 | 32,985 | 67,045 | 100,030 |
| Realized gains on investments | - | 39,715 | 39,715 | - | 172,805 | 172,805 |
| Unrealized losses on investments | - | (300,559) | (300,559) | - | (4,814) | (4,814) |
| Interest and dividends | - | 29,233 | 29,233 | - | 25,420 | 25,420 |
| Education, youth, hellenic culture | 794,891 | - | 794,891 | 388,940 | - | 388,940 |
| Camp and retreat ministry | 94,561 | - | 94,561 | 85,503 | - | 85,503 |
| Candle Ministry | 49,076 | - | 49,076 | 67,641 | - | 67,641 |
| Other | - | - | - | 55,954 | - | 55,954 |
| Net assets released from restrictions | 311,513 | (311,513) | - | 354,275 | (354,275) | - |
| Total Revenues and Other Support | 2,605,902 | (2,771) | 2,603,131 | 2,182,285 | 423,000 | 2,605,285 |
| Expenses: | | | | | | |
| Program services | 2,258,048 | - | 2,258,048 | 1,778,651 | - | 1,778,651 |
| Management and general | 510,023 | - | 510,023 | 492,639 | - | 492,639 |
| Total Expenses | 2,768,071 | - | 2,768,071 | 2,271,290 | - | 2,271,290 |
| Change in Net Assets | (162,169) | (2,771) | (164,940) | (89,005) | 423,000 | 333,995 |
| Net Assets: | | | | | | |
| Beginning of year | 10,906,399 | 2,316,960 | 13,223,359 | 10,995,404 | 1,893,960 | 12,889,364 |
| End of year | \$ 10,744,230 | \$ 2,314,189 | \$ 13,058,419 | \$ 10,906,399 | \$ 2,316,960 | \$ 13,223,359 |

The accompanying notes are an integral part of these combined financial statements.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
STATEMENT OF COMBINED FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | Program Services | | General and Administrative | | Total Functional Expenses | |
|---------------------------|---------------------------|---------------------|----------------------------|-------------------|---------------------------|---------------------|
| | Year Ended December 31 | | Year Ended December 31 | | Year Ended December 31 | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Salaries and benefits | \$ 819,312 | \$ 771,345 | \$ 351,134 | \$ 330,577 | \$ 1,170,446 | \$ 1,101,922 |
| Camp and retreat expenses | 253,526 | 186,304 | - | - | 253,526 | 186,304 |
| Utilities | 104,470 | 102,771 | 7,966 | 9,226 | 112,436 | 111,997 |
| Repairs and maintenance | 89,489 | 85,161 | 15,004 | 17,014 | 104,493 | 102,175 |
| Insurance | 55,905 | 56,067 | 986 | 1,090 | 56,891 | 57,157 |
| Office and supplies | 21,255 | 30,112 | 10,862 | 11,106 | 32,117 | 41,218 |
| Candle ministry | 42,793 | 10,350 | - | - | 42,793 | 10,350 |
| Depreciation | 331,844 | 344,140 | 34,062 | 35,494 | 365,906 | 379,634 |
| Interest | 13,303 | 21,346 | - | - | 13,303 | 21,346 |
| Grants and contributions | 107,000 | 56,475 | - | - | 107,000 | 56,475 |
| Archangel Michael | 29,415 | - | - | - | 29,415 | - |
| Travel | 43,028 | 35,263 | 11,570 | 8,557 | 54,598 | 43,820 |
| Professional services | - | - | 43,925 | 38,536 | 43,925 | 38,536 |
| Technology | 15,252 | 12,868 | 14,120 | 11,894 | 29,372 | 24,762 |
| Bank fees | 898 | 1,415 | 546 | 529 | 1,444 | 1,944 |
| Hellenic Dance Festival | 273,818 | 1,448 | - | - | 273,818 | 1,448 |
| Postage and printing | 2,743 | 4,648 | 2,684 | 4,536 | 5,427 | 9,184 |
| Other | 17,737 | 25,702 | 15,464 | 21,420 | 33,201 | 47,122 |
| Food | 34,561 | 30,575 | - | - | 34,561 | 30,575 |
| Meetings | 448 | 2,122 | 448 | 2,122 | 896 | 4,244 |
| Publications | 1,251 | 539 | 1,252 | 538 | 2,503 | 1,077 |
| | <u>\$ 2,258,048</u> | <u>\$ 1,778,651</u> | <u>\$ 510,023</u> | <u>\$ 492,639</u> | <u>\$ 2,768,071</u> | <u>\$ 2,271,290</u> |

The accompanying notes are an integral part of these combined financial statements.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
STATEMENT OF COMBINED CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$ (164,940) | \$ 333,995 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and amortization | 365,906 | 379,634 |
| Contributions restricted for capital purposes | (352,243) | (319,614) |
| Contributions restricted for debt payment | (73,500) | (147,205) |
| Net realized and unrealized (gains) losses | 260,844 | (167,991) |
| Changes in operating assets and liabilities: | | |
| Cash held on behalf of affiliated organizations | 8,732 | (5,193) |
| Inventories | (29,376) | (62,330) |
| Prepaid assets | 23,357 | (38,288) |
| Other receivables | (5,173) | (7,712) |
| Due from/to affiliated organizations | (8,732) | 5,193 |
| Accrued expenses | 22,983 | 179,382 |
| Deferred revenue | 81,706 | 220,601 |
| Net Cash Provided by Operating Activities | <u>129,564</u> | <u>370,472</u> |
| Cash Flows from Investing Activities: | | |
| Purchases of property and equipment, net | (147,281) | (174,969) |
| Sale (purchase) of investments, net | <u>(29,215)</u> | <u>24,592</u> |
| Net Cash Required by Investing Activities | <u>(176,496)</u> | <u>(150,377)</u> |
| Cash Flows from Financing Activities: | | |
| Contributions restricted for capital purposes | 352,243 | 319,614 |
| Contributions restricted for debt payment | 73,500 | 147,205 |
| Principal payments under notes payable, net | <u>(112,286)</u> | <u>(166,546)</u> |
| Net Cash Provided by Financing Activities | <u>313,457</u> | <u>300,273</u> |
| Net Change in Cash and Cash Equivalents | 266,525 | 520,368 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,442,807</u> | <u>922,439</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,709,332</u> | <u>\$ 1,442,807</u> |
| <u>Supplemental Disclosure of Cash Flow Information:</u> | | |
| Cash paid for interest | <u>\$ 13,303</u> | <u>\$ 21,346</u> |

The accompanying notes are an integral part of these combined financial statements.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Greek Orthodox Metropolis of Atlanta, Inc. (the “Metropolis”), a not-for-profit corporation established under the Laws of the State of Georgia, operates as a religious organization. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a public charity.

The Organization is an ecclesiastical see of the Greek Orthodox Archdiocese of America (the “Archdiocese”), which is the Eparchy of the Ecumenical Throne in the United States that serves as the administrative body of the Greek Orthodox Church in the United States of America. The Metropolis serves the Greek Orthodox community and parishes in the southeastern United States of America and performs all the functions of a Metropolis as set forth in the Regulations of the Greek Orthodox Archdiocese of America. The parishes are supported through contributions from their members and through other donations. The Metropolis is supported primarily through allocations from the Archdiocese that come from the parishes and through voluntary contributions from parishes, parishioners and other donors.

Affiliated Organizations

The combined financial statements of the Metropolis include the financial statements of the Greek Orthodox Metropolis of Atlanta Diakonia Retreat Center, Inc. (“DRC”), the Hellenic Dance Festival (“HDF”), Emergency Relief Fund (“ERF”) and Clergy-Laity Assemblies (“CLA”), entities over which the Metropolis has a controlling financial interest. All inter-entity balances and transactions have been eliminated in combination and are combined (the “Organization”).

Along with the parishes and certain monasteries within the Organization, the Organization is affiliated with, but does not have a controlling financial interest over several ministries of the church. The financial statements of these organizations are not combined in the accompanying combined financial statements. Those organizations included the following for the years ended December 31, 2022 and 2021:

- Atlanta Metropolis Philoptochos
- Sisterhood of Presvyteres
- Family Life Ministry

Reclassifications

Reclassifications have been made to the 2021 financial statements to conform with the 2022 presentation.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

New Accounting Policy Adopted

The Organization adopted Accounting Standards Update (“ASU”) 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU 2020-07 was issued to address certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity’s programs and other activities. The Organization applied ASU 2020-07 on a retrospective basis. There was no material impact on adoption of this ASU.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. Cash and cash equivalents held in investment accounts and trust funds are reported as endowments in the combined financial statements if they are part of the Organization’ investment portfolio. At times, cash and cash equivalents may exceed federally insured limits. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying combined financial statements. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk related to cash.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments consist of various marketable securities, including corporate debt securities, stocks, mutual funds and other investment securities. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statement of activities. Gains and losses are included in the combined statement of activities.

Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying combined financial statements.

Property and Equipment

Property and equipment are stated at cost, or if acquired by gift, at the estimated fair market value at the date of the gift. Depreciation is calculated on the straight-line method over the estimated useful years of life of the assets, as follows:

| | |
|----------------------------|------|
| Buildings and improvements | 5-40 |
| Furniture | 5-15 |
| Computers and Equipment | 3-10 |
| Vehicles | 3 |

Property and equipment includes iconography which was recorded at cost with an indefinite useful life.

Deferred revenue

Deferred revenue consists of funds received for the Hellenic Dance Festival for which the total at December 31, 2022 and 2021 will be recognized in 2023 and 2022, respectively.

Contributed Services

Contributed services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization records contributed services relating to salaries and benefits. The Organization recognizes contributed service revenue and corresponding expense in an amount approximating the fair value at the time of the donation. Fair value is estimated based on the salaries and benefits paid to clergy and staff of the Organization by the Greek Orthodox Archdiocese of America as reported to the Organization. During the years ended December 31, 2022 and 2021, the Organization recorded \$958,238 and \$898,566, respectively, as salaries and benefits paid by the Greek Orthodox Archdiocese of America.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The statement of functional expenses presents the functional basis of expense by natural classification. Accordingly, certain costs have been allocated between program services and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include salaries and benefits, utilities, repairs and maintenance and depreciation. Salaries and benefits are allocated on the basis of estimates of time and effort and utilities, repairs and maintenance and depreciation are allocated based on the estimated space usage of the functions.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying combined financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. The Organization believes it is no longer subject to tax examinations for tax years ending before December 31, 2019.

Use of Estimates

The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Endowment Funds

Accounting standards require the following combined financial statement disclosures for the Organization:

- Classification of Net Assets

The Greek Orthodox Metropolis of Atlanta Endowment Trust Fund (Endowment) is used to account for investments based on the existence or absence of donor-imposed restrictions.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds (Continued)

- Interpretation of Relevant Law

The Endowment Board of Trustees (“Endowment Board”) has interpreted the Georgia Prudent Management of Institutional Funds Act (GA-PMIFA), an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies net assets with donor restriction as the original value of gifts donated to the donor restricted endowment, and any subsequent gifts and accumulations if also donor restricted.

- Return Objectives and Risk Parameters

The Endowment Board has adopted investment and spending policies the Endowment assets that attempt to provide a predictable stream of funding to programs supported by the Endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, the Endowment assets are invested in a manner that is intended to produce results that exceed a benchmark that is structured to reflect the return objectives and risk parameters for the asset base. This is a long term objective (five to ten years) and the actual comparative returns in any given year may vary from this amount.

- Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Endowment Board targets a diversified asset allocation that balances the need for long-term growth using equity-based investments and the need for near-term capital preservation using more stable fixed income products to achieve its long-term return objectives within prudent risk constraints. The current policy states that Endowment investments are to be in highly rated equity and fixed income investments. No more than 50% of invested assets are to be in corporate bonds and no more than 75% of invested assets are to be invested in public equity securities. The Endowment Board also places restrictions on concentrations of no more than 5% a particular issuer, and no more than 25% in a particular industry.

- Spending Policy

Income may be accumulated or distributed at amounts and frequencies as delegated to the Investment Committee of the Endowment. At no time is the corpus allowed to be distributed.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds (Continued)

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Endowment net assets, December 31, 2020 | \$ - | \$ 1,496,364 | \$ 1,496,364 |
| Distributions | - | (50,000) | (50,000) |
| Investment return: | | | |
| Interest and dividends | - | 25,408 | 25,408 |
| Realized gains | - | 172,805 | 172,805 |
| Unrealized losses | - | (4,814) | (4,814) |
| Endowment net assets, December 31, 2021 | - | 1,639,763 | 1,639,763 |
| Investment return: | | | |
| Interest and dividends | - | 29,215 | 29,215 |
| Realized gains | - | 39,715 | 39,715 |
| Unrealized losses | - | (300,559) | (300,559) |
| Endowment net assets, December 31, 2022 | <u>\$ -</u> | <u>\$ 1,408,134</u> | <u>\$ 1,408,134</u> |

From time to time, the fair value of invested assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2022 and 2021.

Fair Values Measured on Recurring Basis

The Financial Accounting Standards Board ("FASB") establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy are described below:

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The table below represents fair value measurement hierarchy of the investments at fair value as of December 31:

| | 2022 | | | |
|----------------------------------|---------------------|----------------|----------------|---------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Cash and Cash Equivalents | | | | |
| Money Market | \$ 115,872 | \$ - | \$ - | \$ 115,872 |
| Equities | | | | |
| Exchange Traded Funds | <u>1,292,262</u> | <u>-</u> | <u>-</u> | <u>1,292,262</u> |
| | <u>\$ 1,408,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,408,134</u> |
| | 2021 | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Cash and Cash Equivalents | | | | |
| Money Market | \$ 82,119 | \$ - | \$ - | \$ 82,119 |
| Equities | | | | |
| Common Stocks | 97,607 | - | - | 97,607 |
| Exchange Traded Funds | <u>1,379,152</u> | <u>-</u> | <u>-</u> | <u>1,379,152</u> |
| | <u>1,476,759</u> | <u>-</u> | <u>-</u> | <u>1,476,759</u> |
| Fixed Income | | | | |
| Corporate | <u>80,885</u> | <u>-</u> | <u>-</u> | <u>80,885</u> |
| | <u>\$ 1,639,763</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,639,763</u> |

**THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Fair Value Measurement (Continued)

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the combined financial statements were available to be issued.

NOTE 2 – RECEIVABLES

At December 31, 2022 and 2021, respectively, the Organization was owed \$25,407 and \$15,852 from the Archdiocese, which is derivative of an amount received from all the parishes in the Organization by the Archdiocese over the expenses which are allocated to the Organization.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

| | <u>2022</u> | <u>2021</u> |
|------------------------------------|-----------------------------|-----------------------------|
| Land | \$ 885,984 | \$ 885,984 |
| Iconography | 685,377 | 685,377 |
| Buildings and improvements | 12,236,024 | 12,109,404 |
| Furniture, equipment and computers | 1,362,752 | 1,342,092 |
| Vehicles | <u>94,779</u> | <u>94,779</u> |
| | 15,264,916 | 15,117,636 |
| Less accumulated depreciation | <u>(4,626,748)</u> | <u>(4,260,843)</u> |
| | <u>\$ 10,638,168</u> | <u>\$ 10,856,793</u> |

Depreciation expense was \$365,906 and \$379,634 for the years ended December 31, 2022 and 2021, respectively.

NOTE 4 – AFFILIATED ORGANIZATIONS

The organizations which the Metropolis does not have a controlling interest in, described in Note 1, have bank accounts which are in the name of the Metropolis. The Organization does not record the activity in these accounts from these organizations within its combined financial statements and net assets. These funds are included in cash held on behalf of affiliated organizations and an offsetting obligation is included as a due to affiliated organization in the accompanying combined statement of financial position.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – NOTES PAYABLE

The Organization has a note payable with a fixed rate of 3.69% per annum with monthly principal and interest payments of \$4,341 to be paid over 10 years with a balloon payment at maturity in July 2030. The note is collateralized by property and equipment owned by the DRC. The note is guaranteed by the Metropolis and contains certain covenants to provide annual financial information for which the DRC was in compliance. During 2022 and 2021, the repayments followed the agreed upon terms. During 2022 and 2021, additional principal payments above and beyond the principal due were raised and used to pay down the loan balance.

As of December 31, 2022, future maturities of the notes payable are as follows:

| | |
|------------|--------------------------|
| 2023 | \$ 41,651 |
| 2024 | 43,190 |
| 2025 | 44,840 |
| 2026 | 46,526 |
| 2027 | 48,274 |
| Thereafter | <u>77,010</u> |
| | <u><u>\$ 301,491</u></u> |

NOTE 6 – OTHER NOTES PAYABLE

During 2018, the DRC entered into a noninterest bearing note payable for \$71,470 to be repaid in a lump sum on or before December 31, 2020. During 2020, the maturity date was extended and an additional \$15,000 noninterest bearing note payable was entered into to be repaid in a lump sum with the entirety due on or before December 31, 2023.

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, subject to expenditure for a specified purpose, consist of the following at December 31:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| Net assets restricted for purpose: | | |
| Panagia Chapel construction | \$ 431,906 | \$ 197,074 |
| Soccer field and Lodge fund | 6,300 | 6,300 |
| Ropes course | 3,030 | 3,030 |
| DRC Village Fund | 250,000 | 250,000 |
| Philoxenia House Fund | 90,100 | 90,100 |
| Clergy insurance | 50,000 | 50,000 |
| Various other | 74,719 | 80,693 |
| | <u>906,055</u> | <u>677,197</u> |
| Accumulated endowment earnings including original amount to be held in perpetuity of \$580,000 at December 31, 2022 and 2021, respectively | <u>1,408,134</u> | <u>1,639,763</u> |
| | <u><u>\$ 2,314,189</u></u> | <u><u>\$ 2,316,960</u></u> |

Net assets released from restrictions consist of the following for the years ended December 31:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|--------------------------|--------------------------|
| Accumulated endowment earnings | \$ - | \$ 50,000 |
| Panagia Chapel construction | 117,411 | 122,540 |
| Soccer field and Lodge fund | - | 685 |
| Patri/Arch 100 fund | 76,825 | - |
| Debt payment fund | 73,500 | 147,205 |
| Various other restricted | 43,777 | 33,845 |
| | <u><u>\$ 311,513</u></u> | <u><u>\$ 354,275</u></u> |

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

For purposes of analyzing resources available to meet general expenditures, the Organization considers financial assets of cash and receivables that will be collected and available in the following year. The Organization financial assets available within one year of the combined financial statement date to meet general expenditures are as follows:

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | \$ 1,709,332 | \$ 1,442,807 |
| Archdiocese allocation receivable | 25,407 | \$ 15,852 |
| Other receivables | <u>3,330</u> | <u>7,712</u> |
| Total financial assets available | 1,738,069 | 1,466,371 |
| Less: | | |
| Donor restricted funds | <u>(906,055)</u> | <u>(677,197)</u> |
| Financial assets available to meet general expenditures within one year | <u><u>\$ 832,014</u></u> | <u><u>\$ 789,174</u></u> |

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by resources with donor restrictions.

SUPPLEMENTARY INFORMATION

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

| | <u>Metropolis</u> | <u>DRC</u> | <u>HDF</u> | <u>Other *</u> | <u>Eliminations</u> | <u>Combined</u> |
|---|---------------------|---------------------|-------------------|------------------|---------------------|----------------------|
| Cash and cash equivalents | \$ 474,916 | \$ 731,483 | \$ 485,635 | \$ 17,298 | \$ - | \$ 1,709,332 |
| Cash held on behalf of affiliated organizations | 268,887 | - | - | - | - | 268,887 |
| Inventories | - | 132,123 | - | - | - | 132,123 |
| Prepaid and other assets | 29,399 | - | 14,931 | - | (29,399) | 14,931 |
| Endowment | 1,408,134 | - | - | - | - | 1,408,134 |
| Archdiocese allocation receivable | 25,407 | - | - | - | - | 25,407 |
| Other receivables | 3,330 | - | - | - | - | 3,330 |
| Property and equipment, net | 1,698,201 | 8,939,967 | - | - | - | 10,638,168 |
| Construction in progress | - | 19,627 | - | - | - | 19,627 |
| | <u>\$ 3,908,274</u> | <u>\$ 9,823,200</u> | <u>\$ 500,566</u> | <u>\$ 17,298</u> | <u>\$ (29,399)</u> | <u>\$ 14,219,939</u> |
| Total Assets | | | | | | |

LIABILITIES AND NET ASSETS

| | | | | | | |
|----------------------------------|---------------------|---------------------|-------------------|------------------|--------------------|----------------------|
| Due to affiliated organizations | \$ 268,887 | \$ 29,399 | \$ - | \$ - | \$ (29,399) | \$ 268,887 |
| Accrued expenses | 134,580 | 67,785 | - | - | - | 202,365 |
| Deferred revenue | - | - | 302,307 | - | - | 302,307 |
| Notes payable | - | 301,491 | - | - | - | 301,491 |
| Other notes payable | - | 86,470 | - | - | - | 86,470 |
| | <u>403,467</u> | <u>485,145</u> | <u>302,307</u> | <u>-</u> | <u>(29,399)</u> | <u>1,161,520</u> |
| Total Liabilities | | | | | | |
| Net Assets | | | | | | |
| Without Donor Restrictions | 2,021,954 | 8,506,719 | 198,259 | 17,298 | - | 10,744,230 |
| With Donor Restrictions | 1,482,853 | 831,336 | - | - | - | 2,314,189 |
| Total Net Assets | <u>3,504,807</u> | <u>9,338,055</u> | <u>198,259</u> | <u>17,298</u> | <u>-</u> | <u>13,058,419</u> |
| | <u>\$ 3,908,274</u> | <u>\$ 9,823,200</u> | <u>\$ 500,566</u> | <u>\$ 17,298</u> | <u>\$ (29,399)</u> | <u>\$ 14,219,939</u> |
| Total Liabilities and Net Assets | | | | | | |

* Includes the Emergency Relief Fund and Clergy-Laity Assemblies

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

| | <u>Metropolis</u> | <u>DRC</u> | <u>HDF</u> | <u>Other *</u> | <u>Eliminations</u> | <u>Combined</u> |
|---|---------------------|---------------------|-------------------|------------------|---------------------|----------------------|
| Cash and cash equivalents | \$ 528,876 | \$ 579,905 | \$ 316,728 | \$ 17,298 | \$ - | \$ 1,442,807 |
| Cash held on behalf of affiliated organizations | 277,619 | - | - | - | - | 277,619 |
| Inventories | - | 102,747 | - | - | - | 102,747 |
| Prepaid and other assets | 29,399 | - | 38,288 | - | (29,399) | 38,288 |
| Endowment | 1,639,763 | - | - | - | - | 1,639,763 |
| Archdiocese allocation receivable | 15,852 | - | - | - | - | 15,852 |
| Other receivables | 7,712 | - | - | - | - | 7,712 |
| Property and equipment, net | 1,699,404 | 9,157,389 | - | - | - | 10,856,793 |
| Construction in progress | - | 19,627 | - | - | - | 19,627 |
| | <u>\$ 4,198,625</u> | <u>\$ 9,859,668</u> | <u>\$ 355,016</u> | <u>\$ 17,298</u> | <u>\$ (29,399)</u> | <u>\$ 14,401,208</u> |
| Total Assets | | | | | | |

LIABILITIES AND NET ASSETS

| | | | | | | |
|----------------------------------|---------------------|---------------------|-------------------|------------------|--------------------|----------------------|
| Due to affiliated organizations | \$ 277,619 | \$ 29,399 | \$ - | \$ - | \$ (29,399) | \$ 277,619 |
| Accrued expenses | 117,072 | 62,310 | - | - | - | 179,382 |
| Deferred revenue | - | - | 220,601 | - | - | 220,601 |
| Notes payable | - | 413,777 | - | - | - | 413,777 |
| Other notes payable | - | 86,470 | - | - | - | 86,470 |
| | <u>394,691</u> | <u>591,956</u> | <u>220,601</u> | <u>-</u> | <u>(29,399)</u> | <u>1,177,849</u> |
| Total Liabilities | | | | | | |
| Net Assets | | | | | | |
| Without Donor Restrictions | 2,083,478 | 8,671,208 | 134,415 | 17,298 | - | 10,906,399 |
| With Donor Restrictions | <u>1,720,456</u> | <u>596,504</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,316,960</u> |
| Total Net Assets | <u>3,803,934</u> | <u>9,267,712</u> | <u>134,415</u> | <u>17,298</u> | <u>-</u> | <u>13,223,359</u> |
| | <u>\$ 4,198,625</u> | <u>\$ 9,859,668</u> | <u>\$ 355,016</u> | <u>\$ 17,298</u> | <u>\$ (29,399)</u> | <u>\$ 14,401,208</u> |
| Total Liabilities and Net Assets | | | | | | |

* Includes the Emergency Relief Fund and Clergy-Laity Assemblies

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

| | <u>Metropolis</u> | <u>DRC</u> | <u>HDF</u> | <u>Other *</u> | <u>Eliminations</u> | <u>Combined</u> |
|------------------------------------|---------------------|---------------------|-------------------|------------------|---------------------|----------------------|
| Revenues and Other Support: | | | | | | |
| Allocations from Archdiocese - | | | | | | |
| Noncash Contributions | \$ 958,238 | \$ - | \$ - | \$ - | \$ - | \$ 958,238 |
| Contributions | 104,863 | 714,792 | - | - | (62,522) | 757,133 |
| Special gifts and contributions | 180,843 | - | - | - | - | 180,843 |
| Realized gains on investments | 39,715 | - | - | - | - | 39,715 |
| Unrealized losses on investments | (300,559) | - | - | - | - | (300,559) |
| Interest and dividends | 29,215 | - | 18 | - | - | 29,233 |
| Education, youth, hellenic culture | 457,508 | - | 337,383 | - | - | 794,891 |
| Camp and retreat ministry | - | 248,121 | - | - | (153,560) | 94,561 |
| Candle Ministry | - | 49,076 | - | - | - | 49,076 |
| Total Revenues and Other Support | <u>1,469,823</u> | <u>1,011,989</u> | <u>337,401</u> | <u>-</u> | <u>(216,082)</u> | <u>2,603,131</u> |
| Expenses: | | | | | | |
| Program services | 1,341,346 | 859,227 | 273,557 | - | (216,082) | 2,258,048 |
| Management and general | <u>427,604</u> | <u>82,419</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>510,023</u> |
| Total Expenses | <u>1,768,950</u> | <u>941,646</u> | <u>273,557</u> | <u>-</u> | <u>(216,082)</u> | <u>2,768,071</u> |
| Change in Net Assets | <u>(299,127)</u> | <u>70,343</u> | <u>63,844</u> | <u>-</u> | <u>-</u> | <u>(164,940)</u> |
| Net Assets: | | | | | | |
| Beginning of year | <u>3,803,934</u> | <u>9,267,712</u> | <u>134,415</u> | <u>17,298</u> | <u>-</u> | <u>13,223,359</u> |
| End of year | <u>\$ 3,504,807</u> | <u>\$ 9,338,055</u> | <u>\$ 198,259</u> | <u>\$ 17,298</u> | <u>\$ -</u> | <u>\$ 13,058,419</u> |

* Includes the Emergency Relief Fund and Clergy-Laity Assemblies

THE GREEK ORTHODOX METROPOLIS OF ATLANTA, INC.
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

| | <u>Metropolis</u> | <u>DRC</u> | <u>HDF</u> | <u>Other *</u> | <u>Eliminations</u> | <u>Combined</u> |
|------------------------------------|---------------------|---------------------|-------------------|------------------|---------------------|----------------------|
| Revenues and Other Support: | | | | | | |
| Allocations from Archdiocese - | | | | | | |
| Noncash Contributions | \$ 898,566 | \$ - | \$ - | \$ - | \$ - | \$ 898,566 |
| Contributions | 89,440 | 788,322 | - | - | (62,522) | 815,240 |
| Special gifts and contributions | 100,030 | - | - | - | - | 100,030 |
| Realized gains on investments | 172,805 | - | - | - | - | 172,805 |
| Unrealized losses on investments | (4,814) | - | - | - | - | (4,814) |
| Interest and dividends | 25,407 | - | 13 | - | - | 25,420 |
| Education, youth, hellenic culture | 388,940 | - | - | - | - | 388,940 |
| Camp and retreat ministry | - | 194,438 | - | - | (108,935) | 85,503 |
| Candle Ministry | - | 67,641 | - | - | - | 67,641 |
| Other | 8,788 | 47,166 | - | - | - | 55,954 |
| Total Revenues and Other Support | <u>1,679,162</u> | <u>1,097,567</u> | <u>13</u> | <u>-</u> | <u>(171,457)</u> | <u>2,605,285</u> |
| Expenses: | | | | | | |
| Program services | 1,118,963 | 829,197 | 1,948 | - | (171,457) | 1,778,651 |
| Management and general | 414,021 | 78,593 | - | 25 | - | 492,639 |
| Total Expenses | <u>1,532,984</u> | <u>907,790</u> | <u>1,948</u> | <u>25</u> | <u>(171,457)</u> | <u>2,271,290</u> |
| Change in Net Assets | <u>146,178</u> | <u>189,777</u> | <u>(1,935)</u> | <u>(25)</u> | <u>-</u> | <u>333,995</u> |
| Net Assets: | | | | | | |
| Beginning of year | <u>3,657,756</u> | <u>9,077,935</u> | <u>136,350</u> | <u>17,323</u> | <u>-</u> | <u>12,889,364</u> |
| End of year | <u>\$ 3,803,934</u> | <u>\$ 9,267,712</u> | <u>\$ 134,415</u> | <u>\$ 17,298</u> | <u>\$ -</u> | <u>\$ 13,223,359</u> |

* Includes the Emergency Relief Fund and Clergy-Laity Assemblies