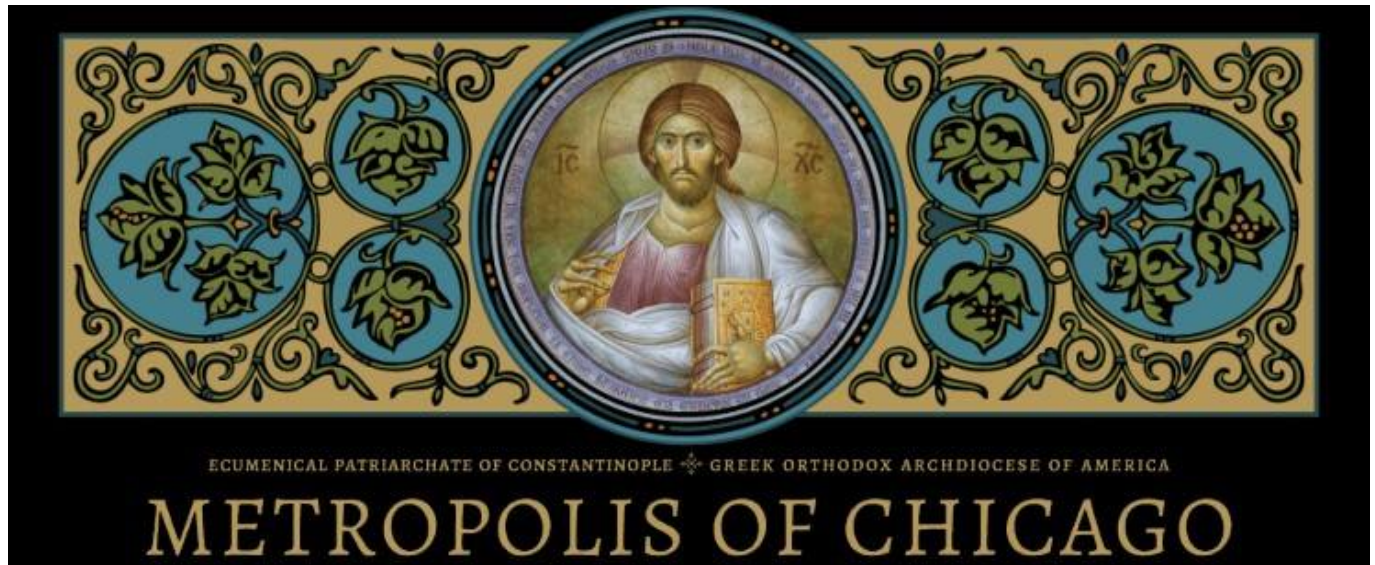


Metropolis of Chicago Concludes 3-Year Audit of Financial Statements



The Greek Orthodox Metropolis of Chicago announced on August 6 the conclusion of an independent audit of its financial statements for the years ending 2015, 2016, and 2017. The audit was requested by His Eminence Metropolitan Nathanael shortly after his enthronement in May 2018 to promote greater transparency, accountability, and professionalism in the Metropolis.

By initiating an audit, the Metropolis sought to assess its overall financial condition, determine whether its financial statements were fairly presented, and improve its accounting procedures and internal controls. Upon completion of the audit on August 2nd, the auditors issued a Disclaimer of Opinion, meaning they were unable to form an opinion due to the limited information available to substantiate the amounts presented in the financial statements. A complete copy of the Audit Report may be accessed online.

“From the onset, we said we would follow the findings and recommendations of the audit, wherever they led us. With a full accounting of our assets and liabilities, we can earnestly make good on our promise to revitalize the Metropolis,” said His Eminence Metropolitan Nathanael. “I am grateful to the many volunteers who selflessly donated countless hours to help the Metropolis meet the needs and expectations of the faithful.”

In the Notes to the Financial Statements, the auditors described a number of inadequacies encountered in the accounting records and supporting data, including

insufficient documentation to support the cash receipts and disbursements. Documents such as receipts, invoices, purchase orders, and payment records for the items the auditors sampled and tested were not available to substantiate the transactions. In addition, the cash receipts and disbursements were not maintained in the accounting records of the Metropolis based on donor restrictions.

The auditors also noted that the Metropolis was unable to substantiate the \$4,909,613 capitalized value of the land, building, and improvements at 40 East Burton Place, the property which has served as the Metropolis Center until last year. The property was originally purchased by the Greek Orthodox Archdiocese of America in the 1960s and later granted to the Metropolis in October 2012. After an extensive search, records detailing the value of the property at the time of purchase or the value of the improvements and depreciation since that time could not be located. The Metropolis' inability to substantiate the capitalized value of the largest asset on its balance sheet will continue to be a problem in future financial statement audits, so long as the Metropolis continues to own the property.

The findings of the audit are consistent with the open letter to the Metropolis, written by His Eminence in June, which described the financial condition of the Metropolis upon his arrival, short- and long-term challenges, and his vision for the future. Since His Eminence's enthronement, the Metropolis has consolidated and streamlined numerous accounts, adopted strong controls on receipts and expenditures, instituted new recordkeeping procedures, published its financial statements and annual budget for the first time, conducted an audit of the St. Iakovos Retreat Center, and begun establishing best practices for accounting records.

Going forward, the Metropolis will publish its financial statements and its budget annually and will have them reviewed or audited by an independent auditing firm. The Metropolis has also requested guidance from its independent auditor to further improve its internal controls and will implement new policies once the recommendations are finalized and received.

The audit was conducted by the independent accounting firm of Michael Silver, which was selected after a Request for Proposal was issued by the Metropolis Council in the third quarter of 2018. The auditors reviewed all books, records, policies, and procedures of the Metropolis and conducted interviews of past and present managers and others charged with governance during that time period. The audit required 10 months to complete due to insufficient accounting records for the 2015-2017 time period.

“As Metropolitan, I see it as one of my primary responsibilities to ensure a higher level of financial accountability, one that fosters confidence and trust among our people. To me, the sobering results of the audit only reaffirm that responsibility,” said His Eminence. “While we cannot determine the direct cause of these shortcomings, we must move forward and rebuild the loss of faith that these failures produced. I am saddened that past omissions, lack of transparency, and absent or inadequate procedures have tainted our faithful’s relationship with their Church. As the spiritual leader of our Metropolis, I vow never to allow — indeed, to prevent at all costs — the Metropolis from operating with such recklessness and carelessness. As Metropolitan, this is the path I want to be on, and I invite our people to join me.”

The Metropolis asks for your continued prayers and support to fulfill its mission. To help make a difference, consider an annual donation to the Metropolis’ Hands of Mercy campaign.

More information is available online: chicago.goarch.org.

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