



ANNUNCIATION GREEK ORTHODOX CHURCH

OPEN LETTER TO OUR PARISH REGARDING THE IMPACT OF THE COVID-19 CRISIS

April 6, 2020

Dear Fellow Parishioners at Annunciation,

Καλή Ανάσταση (Kali Anastasi)! We hope that this message finds you and your family safe and in good spirits during these trying and unprecedented times. As we all try to navigate our lives through this time, our Parish is continuing to do its best to adapt by offering online ministries and live-streaming Church services. Even though the office is closed, our office staff is still working and conducting business either by coming in to open mail and to process deposits and invoices or by working remotely. Our youth ministries have continued meeting and holding discussions providing a positive outlet for them to voice their concerns, get questions answered and to continue their spiritual growth. In addition, the Greek School has transitioned to an online teaching program and has provided uninterrupted education services to the students. The popularity of live streaming services has been encouraging and is giving us hope, strengthening our resolve.

Needless to say, we are only beginning to understand the financial impacts to individuals in our Annunciation community, the Sacramento region and our country. The Parish Council has been closely evaluating the significant financial impact of the COVID-19 crisis. This letter will review the status of the main Funds of the Parish and summarize the financial impacts for the currently foreseeable future. A lot of information is included here, so please set aside some time, if you are able, to educate yourself regarding our Parish's finances. During this unimaginable time, we ask you to prayerfully consider how you can help to sustain the life-giving work of our Church and its ministries.

+he Build Capital Campaign / Debt Reduction

Currently, the balance of our loan with American River Bank is \$2.49M as of March 2020. Our Capital Campaign account currently has just over \$194,000 in cash. Our current monthly loan payment is \$14,127.59 per month; therefore, we are in a position to cover our loan payments for the remainder of this calendar year.

General Fund

On a positive note, we have started the year on solid ground which allowed us to pay our bills and have little to no backlog of our accounts payable. However, impact to our Parish's sources of revenue will be significant and severe.

- The donations during the Holy Week and Pascha period (including candles) usually bring in approximately \$20,000 (net of any Pascha expenses).
- The Annunciation Hellenic Center has been a great asset for us and the community which has resulted in an almost full hall rental schedule for the remainder of the year. However, a large number of rentals have been canceled and others continue to be scheduled in the medium term, but with the uncertain days ahead of us, those deposits may have to be returned to those canceling reservations. Currently, these deposits total \$7,200.
- By far, the most significant financial impact to the Parish could be the potential postponement or cancellation of the annual Annunciation Greek Festival which provides for approximately \$150,000 to \$175,000 to the General Fund each year. While it is too early to tell, it is reasonable to assume that even if the Festival is held this year, the past financial success will not be matched.
- Arista Pre-School, a valued tenant of our facility, has also been significantly affected. At this time, the pre-school is closed but all indications are that they are ready to open as soon as health guidance allows. Under the current lease terms, Arista rent and common area maintenance reimbursements are approximately \$8,000 per month. We expect that this amount may have to be adjusted depending on the length of the current social distancing guidelines, i.e., we may not receive timely payment of Arista's rent and related common area expenses.

CALL TO ACTION – STEWARDSHIP

With regard to stewardship, our normal monthly average for April through August is around \$30,000 per month. The Parish Council believes that our stewardship levels could be reduced to an amount as low as \$15,000/month given (i) the economic downturn impacting the income of our stewards and (ii) the lack of parishioners present at Church to submit their in-person stewardship payments. Again, it is just too early to tell what the precise impacts to stewardship will be, but we cannot sit idly by; we have to plan for the financial well-being of our Church.

WITH THE ABOVE IN MIND, WE CURRENTLY EXPECT TO HAVE A NEGATIVE CASH FLOW CLOSE TO \$40,000 PER MONTH DURING THE CLOSURE OF THE CHURCH AND THE ANNUNCIATION HELLENIC CENTER. This estimate includes certain reduced expenses due to lower utilization of our facilities (utilities, supplies, service contracts, and other miscellaneous expenses). As a potential worst-case scenario, if we assume our only revenue sources is the reduced stewardship and no rent from the pre-school is received between April and September 2020, we could see an operational loss of \$250,000 for this time period. Note that in this analysis, we assume suspension of our National Ministries Commitment of \$11,250 per month. This obligation would have to be paid at some later time.

WHAT YOU CAN DO

First and foremost, we appeal to our community, our parishioners of Annunciation, to assist in this time of need in order for us to fund the mission of the church, our clergy and our staff. **We do not intend to furlough or layoff any staff during this time.**

We need our parishioners to continue to do the great work they have been doing and contribute their stewardship. **We strongly urge that our stewards establish recurring donations, and consider increasing their commitments to our church, through the following available payment options:**

- **BluePay/CCB** – This system is linked to our donation database and allows for recurring or one-time donations from your credit card or checking account. Please visit this [link](#) for instructions to set up recurring donations. In addition, you can visit the Stewardship

page on our website (<http://www.annunciationsac.org/stewardship/>) where you view more details regarding stewardship the joy of giving!

- **Bill Pay through your Bank**
- **Check and Cash Donations** – Please do not mail any CASH to the Office.

Any of the payment options listed above will result in the crediting of your stewardship account and your quarterly/annual statements. Please consider making a donation today and setting up a recurring donation at this time. This is the most effective way to support the Parish in order to bridge us through this extremely challenging period and our traditionally lean summer months.

- **Stimulus Check.** Many qualify for and will be receiving a one-time stimulus check of \$1,200 per person or \$2,400 per married couple. In addition, families will be receiving \$500 for each dependent child as part of the government support program. As part of the recently enacted CARES Act, the legislation revised the charitable deduction limits to permit an allowance of \$300 “above the line” deduction for charitable contributions in 2020. This is a win-win as you get to deduct the donation and still take the full standard deduction on your taxes even if you don’t itemize. Please consider donating \$300 of your family stimulus check to Annunciation Greek Orthodox Church. We need your support now more than ever.

WHAT WE ARE DOING

With the assistance of the Parish Council, parishioners are reaching out to members of our Annunciation community by making phone calls that aim to provide comfort, hope and fellowship for the most vulnerable members of our Parish.

Lastly, the Parish Council is seeking to secure the potential benefits of recent disaster legislation at the Federal government level. The CARES Act was passed by Congress and signed into law by the President last week. There are some potentially significant benefits to houses of worship and non-profits that we are researching, as long as staffing levels are maintained or exceeded prior to the COVID-19 pandemic. We have already completed and submitted a loan application for consideration under this government program. We will communicate to the Parish any updates or progress related to this matter in the near future.

Above all, the Parish Council prays for you and your family's health and safety. We also pray for the health and safety of our community and our country. If you can support our Church, our beloved Annunciation, at this time, or if you can increase your support, we urge you to please do so.

If you have any questions, ideas, thoughts, or are willing to provide your support in your time, talent or treasures in other ways, please feel free to email one or all of us: Michael Dariotis, President (miked@osf.com), Demetri Romas, Treasurer (demetri@dsrcapitalinc.com), Stella Dariotis, Stewardship Chairperson (sjddd@sbcglobal.net) or Fr. James Retelas (frjames@annunciationsac.org).

In Christ,



Michael Dariotis
President, Parish Council



Demetri Romas
Treasurer, Parish Council



Stella Dariotis
Stewardship Chair