

**SOUTHEASTERN PENNSYLVANIA SYNOD OF THE  
EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**JANUARY 31, 2023**

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

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## INDEPENDENT AUDITOR'S REPORT

**To the Synod Council of Southeastern Pennsylvania Synod  
of the Evangelical Lutheran Church in America  
Philadelphia, Pennsylvania**

### **Opinion**

We have audited the accompanying financial statements of Southeastern Pennsylvania Synod of the Evangelical Lutheran Church in America (the "Synod") which comprise the statement of financial position as of January 31 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Synod as of January 31 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Synod's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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. Misstatements, including omissions, 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 financial statements.

**Synod Council of Southeastern Pennsylvania Synod  
of the Evangelical Lutheran Church in America  
Philadelphia, Pennsylvania**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Synod'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Synod'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 audit.

**Report on Summarized Comparative Information**

We have previously audited the Synod's January 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements, in our report dated April 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of receipts and disbursements – operating, designated and donor restricted net assets and sale of church properties, are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Philadelphia, Pennsylvania  
April 11, 2023

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**STATEMENT OF FINANCIAL POSITION**

**January 31, 2023 With Summarized Information For 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
<b>ASSETS</b>				
Cash	\$ 167,974	\$ -	\$ 167,974	\$ 274,072
Investments, at market <i>(Note 2)</i>	-	632,510	632,510	250,987
Miscellaneous receivables	7,308	-	7,308	-
Loans receivable	81,274	-	81,274	25,555
Prepaid expenses	<u>14,577</u>	<u>-</u>	<u>14,577</u>	<u>23,034</u>
<b>Total current assets</b>	<u>271,133</u>	<u>632,510</u>	<u>903,643</u>	<u>573,648</u>
<b>OTHER ASSETS</b>				
Investments, at market <i>(Note 2)</i>	8,279,530	899,747	9,179,277	10,496,822
Beneficial interest in perpetual trust	-	2,504,555	2,504,555	2,922,514
Real estate	110,350	-	110,350	110,350
Land, buildings and improvements – Bear Creek Synod	440,004	-	440,004	440,004
Equity in Chapel and Student Synod	<u>484,429</u>	<u>-</u>	<u>484,429</u>	<u>484,429</u>
<b>Total other assets</b>	<u>9,314,313</u>	<u>3,404,302</u>	<u>12,718,615</u>	<u>14,454,119</u>
<b>Total assets</b>	<u>\$ 9,585,446</u>	<u>\$ 4,036,812</u>	<u>\$ 13,622,258</u>	<u>\$ 15,027,767</u>
<b>CURRENT LIABILITIES</b>				
Payables				
Evangelical Lutheran Church in America	\$ 84,726	\$ -	\$ 84,726	\$ 107,358
Other accounts payable and accrued expenses	55,058	-	55,058	44,975
Deferred revenue	<u>2,247</u>	<u>-</u>	<u>2,247</u>	<u>2,247</u>
<b>Total liabilities</b>	<u>142,031</u>	<u>-</u>	<u>142,031</u>	<u>154,580</u>
<b>NET ASSETS <i>(Note 1)</i></b>				
<b>Without donor restrictions</b>				
Operating	<u>722,365</u>	<u>-</u>	<u>722,365</u>	<u>969,105</u>
Designated				
Fund for Mission	6,321,627	-	6,321,627	7,208,622
Edmond Estate	375,891	-	375,891	-
Forward Together in Faith	468,353	-	468,353	540,142
St. Michael's Germantown Cemetery	246,017	-	246,017	295,135
St. John's Quakertown Cemetery				
Restoration Fund	254,471	-	254,471	281,643
Other	<u>19,908</u>	<u>-</u>	<u>19,908</u>	<u>19,908</u>
<b>Total designated</b>	<u>7,686,267</u>	<u>-</u>	<u>7,686,267</u>	<u>8,345,450</u>
Real estate and property	<u>1,034,783</u>	<u>-</u>	<u>1,034,783</u>	<u>1,034,783</u>
<b>Total without donor restrictions</b>	9,443,415	-	9,443,415	10,349,338
<b>With donor restrictions <i>(Note 3)</i></b>	<u>-</u>	<u>4,036,812</u>	<u>4,036,812</u>	<u>4,523,849</u>
<b>Total net assets</b>	<u>9,443,415</u>	<u>4,036,812</u>	<u>13,480,227</u>	<u>14,873,187</u>
<b>Total liabilities and net assets</b>	<u>\$ 9,585,446</u>	<u>\$ 4,036,812</u>	<u>\$ 13,622,258</u>	<u>\$ 15,027,767</u>

*See notes to financial statements.*

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS***

**Year Ended January 31, 2023 With Summarized Information For 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
<b>Operating Support and Revenue</b>				
<b>Support</b>				
Contributions from congregations				
Partnership support	\$ 1,591,698	\$ -	\$ 1,591,698	\$ 1,662,489
Other contributions	888,556	34,358	922,914	407,263
<b>Total support</b>	<u>2,480,254</u>	<u>34,358</u>	<u>2,514,612</u>	<u>2,069,752</u>
<b>Revenue</b>				
Investment income	495,478	21,102	516,580	842,150
Income from outside trusts	-	83,659	83,659	74,711
Registration fees	27,991	-	27,991	41,324
Remittance to designated agencies	-	(21,270)	(21,270)	(25,976)
Other	27,600	-	27,600	29,500
<b>Total revenue</b>	<u>551,069</u>	<u>83,491</u>	<u>634,560</u>	<u>961,709</u>
<b>Net assets released from restrictions (Note 3)</b>	<u>130,670</u>	<u>(130,670)</u>	<u>-</u>	<u>-</u>
<b>Total operating support and revenue</b>	<u>3,161,993</u>	<u>(12,821)</u>	<u>3,149,172</u>	<u>3,031,461</u>
<b>Expenses (Note 4)</b>				
Evangelical Lutheran Church in America				
Apportionment and other gifts	795,849	-	795,849	831,244
Budgeted operating expenses and disbursements	1,446,013	-	1,446,013	1,278,981
Distributions to beneficiary agencies	92,227	-	92,227	91,700
Grants to organizations	213,379	-	213,379	202,834
<b>Total expenses</b>	<u>2,547,468</u>	<u>-</u>	<u>2,547,468</u>	<u>2,404,759</u>
<b>Excess of operating support and     Revenue over expenses</b>	<u>614,525</u>	<u>(12,821)</u>	<u>601,704</u>	<u>626,702</u>
<b>Nonoperating Changes in Net Assets</b>				
Unrealized (loss) gain on investments	(1,502,514)	(56,257)	(1,558,771)	156,617
Realized gain on investments	26,878	-	26,878	10,612
Change in beneficial interest in perpetual trusts	-	(417,959)	(417,959)	304,688
Maintenance expenses for closed churches	(44,812)	-	(44,812)	(128,614)
Proceeds from sale of Church property – net (Note 7)	-	-	-	530,169
<b>Total nonoperating changes</b>	<u>(1,520,448)</u>	<u>(474,216)</u>	<u>(1,994,664)</u>	<u>873,472</u>
<b>Changes in net assets</b>	(905,923)	(487,037)	(1,392,960)	1,500,174
<b>Net assets</b>				
Beginning of year	10,349,338	4,523,849	14,873,187	13,373,013
<b>End of year</b>	<u>\$ 9,443,415</u>	<u>\$ 4,036,812</u>	<u>\$ 13,480,227</u>	<u>\$ 14,873,187</u>

*See notes to financial statements.*

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**STATEMENTS OF CASH FLOWS**

**Years Ended January 31, 2023 And 2022**

	<u>2023</u>	<u>2022</u>
<b>DECREASE IN CASH</b>		
<i>Change in net assets</i>	\$(1,392,960)	\$ 1,500,174
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Dividends reinvested	(498,675)	(824,432)
Net realized and unrealized loss (gains) on investments	1,531,893	(167,229)
Change in beneficial interest in perpetual trust	417,959	(304,688)
(Increase) decrease in		
Miscellaneous receivables	(7,308)	(20,728)
Loan receivable	(55,719)	
Prepaid expenses	8,457	18,387
Increase (decrease) in		
ELCA payable	(22,632)	(3,150)
Accounts payable and other accrued expenses	10,083	16,786
Deferred revenue	-	(1,278)
<b>Net cash (used for) provided by operating activities</b>	<u>(8,902)</u>	<u>213,842</u>
<i>Cash flows from investing activities</i>		
Purchase of long-term investments	-	(1,591,051)
Proceeds from sales of long-term investments	284,327	1,149,478
Changes in short-term investments	<u>(381,523)</u>	<u>96,617</u>
<b>Net cash used in investing activities</b>	<u>(97,196)</u>	<u>(344,956)</u>
<b>Net decrease in cash</b>	(106,098)	(131,114)
<i>Cash</i>		
Beginning of year	<u>274,072</u>	<u>405,186</u>
<b>End of year</b>	<u>\$ 167,974</u>	<u>\$ 274,072</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***NOTES TO FINANCIAL STATEMENTS***

**January 31, 2023 And 2022**

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**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***ORGANIZATION AND PURPOSE***

The Southeastern Pennsylvania Synod of the Evangelical Lutheran Church in America (“*Synod*”) is one of sixty-five geographical synodical units of the Evangelical Lutheran Church in America (“*ELCA*”). The Synod lies within Region 7 of the ELCA.

***BASIS OF ACCOUNTING***

The financial statements have been prepared on the accrual basis of accounting. Contributions from congregations received by the Synod represent calendar year (January through December) giving by congregations. These contributions are remitted to and support the fiscal year operations of the Synod.

***ACCOUNTING ESTIMATES***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities as of January 31, 2023 and 2022, and the reported amounts of revenues and expenses for the years then ended. Actual results may differ from those estimates.

***CASH AND CASH EQUIVALENTS***

Cash and cash equivalents consist of amounts held in highly liquid securities with maturities less than three months at the time of purchase are stated at cost, which approximates fair value.

***CONCENTRATION OF CREDIT RISK***

The Synod occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“*ASC*”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

***INVESTMENTS***

Investments are stated at market value with gains and losses, both realized and unrealized included in the statement of activities. The fair value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing Program Services and Supporting Services have been summarized on a functional basis in footnote 4. Accordingly, certain costs have been allocated among Program Services and Supporting Services as follows:

*Program Services* – Certain expenses are charged to Program Services that benefit directly from the expenditure. Salaries, employee benefits, and payroll taxes directly related to programs are charged to Program Services. Office and occupancy expenses are allocated based on square footage of the Synod’s facility. All other program costs are allocated to the programs based on a predetermined percentage.

*Supporting Services* – These expenses comprise general and administrative expenses attributable to the general operations of the Synod. These expenses also included fundraising costs incurred to generate contributions for the Synod.



SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

January 31, 2023 And 2022

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***REAL ESTATE***

Real estate held consists of property of active congregations acquired by the Synod and is recorded at cost.

***LEASEHOLD IMPROVEMENTS AND EQUIPMENT***

Equipment and furniture are carried at cost. Depreciation is provided on a straight-line basis over their useful lives, which is 3-7 years. Leasehold improvements are carried at cost and amortization of such costs is provided over the term of the lease.

***NET ASSETS***

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

*Net assets without donor restrictions* include the following:

- ◆ ***Operations*** – Undesignated net assets include the revenues and expenses associated with the principal mission.
- ◆ ***Designated for Fund for Mission*** – The Fund for Mission shall serve as a vehicle for providing financial support for specific mission initiatives and strategies of the Synod, in its efforts to equip the saints and congregations for the work of ministry for building up of the body of Christ.
- ◆ ***Edmond Estate*** – An estate gift which can be used for general purposes of the Synod.
- ◆ ***Designated for Forward Together in Faith*** – The vision encompasses:
  - ◆ ***Equipping*** our congregations' lay and rostered leaders for innovative risk-taking to reach out beyond their walls and making the Congregational Assessment Tool (CAT) available to all who want it.
  - ◆ ***Innovating*** the birth of new ministries through the Synod and through congregations listening to their neighborhoods.
  - ◆ ***Communicating*** our stories more effectively by improving Synod technologies that link congregational leaders and equipping congregations in social media, web and electronic communications.
  - ◆ ***Networking*** lay and rostered leaders in new ways, using results of the CAT and by supporting local initiatives to partner with church and community groups.
- ◆ ***Designated for St. Michael's Germantown Cemetery*** – for perpetual care of St. Michael's Germantown Cemetery.
- ◆ ***Designated for St. John's Quakertown Cemetery Restoration Fund*** – for perpetual care of St. John's Quakertown Cemetery.
- ◆ ***Designated for Other*** – includes various other designations by Synod Council.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***NOTES TO FINANCIAL STATEMENTS – (Continued)***

**January 31, 2023 And 2022**

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***Net assets with donor restrictions*** include gifts for which donor-imposed restrictions have not been met. Also included in this category are gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. In conjunction with net asset held in perpetuity, accumulated net gains on long-term investments from such net assets includes a time restriction which can be designated for use in future periods.

***REVENUE AND REVENUE RECOGNITION***

The Synod recognizes contributions when cash, securities or other assets, and unconditional promise to give is received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the Synod is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The Synod recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “***net assets released from restrictions***.” The Synod records unconditional promises to give (pledges) as a receivable and revenue in the year pledged. Additionally, the Synod recognizes revenue from registration fees at the time of the event.

***TAX-EXEMPT STATUS***

The Internal Revenue Service (“***IRS***”) has determined the Synod to be an “association of churches” and, therefore, exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The IRS has further determined that contributions made to the Synod are deductible by the donors to the extent allowed by law.

Management has reviewed the tax positions and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

***PRIOR YEAR SUMMARIZED INFORMATION***

The financial statements include certain prior year summarized comparative information, in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements of the Synod, as of, and for the year ended, January 31, 2022, from which the summarized information was derived.

***NEW ACCOUNTING PRONOUNCEMENTS ADOPTED***

***Leases***

In February 2016, the FASB issued ASU 2016-02 “*Leases (Topic 842)*.” The primary objective of the standard is to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset. The standard is effective for fiscal years beginning after December 15, 2021. This ASU was adopted by the Synod for the year ended January 31, 2023 and did not have a material effect on the statement of financial position or results of operations.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2023 And 2022**

**(2) INVESTMENTS**

Investments at January 31 were as follows:

	2023		2022	
	Cost	Market Value	Cost	Market Value
<b>Short-Term Investments</b>				
Savings and Certificates	\$ 181,571	\$ 181,571	\$ 250,987	\$ 250,987
Money market funds	450,939	450,939	-	-
<b>Total Short-Term Investments</b>	632,510	632,510	250,987	250,987
<b>Long-Term Investments</b>				
Mission Development Certificates – ELCA	300,000	300,000	300,000	300,000
Pooled Funds – ELCA Endowment	178,394	192,546	178,394	212,273
Mutual Funds – Equity	8,343,163	8,686,731	8,101,937	9,984,549
<b>Total Long-Term Investments</b>	8,821,557	9,179,277	8,580,331	10,496,822
<b>Total – Pooled Investment Funds</b>	\$ 9,454,067	\$ 9,811,787	\$ 8,831,318	\$ 10,747,809
<b>Equity in Pooled Investment Funds is allocated as follows:</b>				
Without donor restrictions		\$ 8,279,530		\$ 9,146,474
With donor restrictions		1,532,257		1,601,335
		\$ 9,811,787		\$ 10,747,809

At January 31, 2023 and 2022, gross unrealized gains on investments were \$357,720 and \$1,916,491, respectively.

The Synod utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

- Level 1 – Unadjusted quoted prices in active markets at the measurement date for identical assets and/or liabilities. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes contracts traded on active exchange markets valued using unadjusted prices quoted directly from the exchange.
  
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
  
- Level 3 – Assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost benefit constraints.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**January 31, 2023 And 2022**

The summary of inputs used to value the Synod’s investments as of January 31, 2023 are as follows:

	<u>2023</u>				
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>	<u>Net Asset Value</u>
Savings, Certificates and Loans	\$ 181,571	\$ 181,571	\$ -	\$ -	\$ -
Mission Development Certificates	300,000	300,000	-	-	-
Money market funds	450,939	450,939	-	-	-
Pooled Funds	192,546	-	-	-	192,546
Mutual Funds - Equity	<u>8,686,731</u>	<u>8,686,731</u>	-	-	-
	<u>\$ 9,811,787</u>	<u>\$ 9,619,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,546</u>
Beneficial interest in perpetual Trusts	<u>\$ 2,504,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,504,555</u>	<u>\$ -</u>

The summary of inputs used to value the Synod’s investments as of January 31, 2022 are as follows:

	<u>2022</u>				
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>	<u>Net Asset Value</u>
Savings, Certificates and Loans	\$ 250,987	\$ 250,987	\$ -	\$ -	\$ -
Mission Development Certificates	300,000	300,000	-	-	-
Pooled Funds	212,273	-	-	-	212,273
Mutual Funds - Equity	<u>9,984,549</u>	<u>9,984,549</u>	-	-	-
	<u>\$ 10,747,809</u>	<u>\$ 10,535,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,273</u>
Beneficial interest in perpetual Trusts	<u>\$ 2,922,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,922,514</u>	<u>\$ -</u>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2023 and 2022.

The changes in the beneficial interest in perpetual trusts measured at fair value for which the Synod used Level 3 inputs to determine fair value are as follows:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 2,922,514	\$ 2,617,826
Realized/unrealized gains – net/change in valuation	<u>(417,959)</u>	<u>304,688</u>
Ending balance	<u>\$ 2,504,555</u>	<u>\$ 2,922,514</u>

The beneficial interest in perpetual trusts is measured at the fair value of the underlying investments. Since the Synod does not have access to the underlying investments, the fair value measurement is Level 3.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**January 31, 2023 And 2022**

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**(3) NET ASSETS**

Net assets with donor restrictions are available for the following purposes at January 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for a specific purpose:		
Urban Philadelphia Conference	\$ 13,654	\$ 14,819
Youth Ministry	21,431	21,071
Auxiliary Pastor	34,697	34,697
University/Incarnation Air Rights	106,549	106,549
Companion Synod Reserve	5,277	11,262
Candidacy Bequest	132,599	136,599
Grace Norristown Fund	112,783	149,313
Stewardship Extravaganza	4,603	16,993
World Hunger	14,486	16,486
Saints United – Inner City Ministries	26,737	26,737
St. John’s Quakertown – Cemetery Restoration	95,157	92,968
Blessed to be a Blessing (COVID-19)	4,236	4,356
Other	<u>31,567</u>	<u>28,686</u>
Total subject to expenditure for a specific purpose:	<u>603,776</u>	<u>660,536</u>
Subject to the passage of time:		
Accumulated gains on endowment	<u>14,152</u>	<u>33,879</u>
Total subject to the passage of time:	<u>14,152</u>	<u>33,879</u>
Perpetual in nature:		
Beneficial interest in perpetual trust	2,504,555	2,922,514
St. John’s Quakertown Cemetery Restoration	178,394	178,394
Investment in perpetuity	<u>735,935</u>	<u>728,526</u>
Total perpetual in nature:	<u>3,418,884</u>	<u>3,829,434</u>
	<u>\$4,036,812</u>	<u>\$4,523,849</u>

Income generated on the investment in perpetuity is separated into income reinvested in perpetuity, income remitted to beneficiary agencies and income which is expendable to support any activities of the Synod.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Total net assets used in various synodical programs totaled \$130,670 for the year ended January 31, 2023.

As of January 31, 2023, the Synod held title to one church which had closed, the value of which was not included in the net assets of the Synod. The church, Bethany, Roxborough is for sale. The Synod did not hold title to any churches as of January 31, 2022.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**January 31, 2023 And 2022**

The Synod classifies the original value of gifts received with donor stipulations that require them to be held in perpetuity as net assets with donor restrictions. Interest and dividend income earned on such gifts was classified as without donor restriction except for those endowment gifts for which the donor had designated the income to be reinvested in perpetuity or to be remitted to beneficiary agencies. Cumulative net unrealized gains on net assets with donor restrictions - perpetual endowment funds were classified as net assets with donor restrictions – time/purpose since the Synod had not adopted a total return investment policy in accordance with Commonwealth of Pennsylvania law.

During the year ended January 31, 2023 the Synod adopted an endowment policy in accordance with PA Act 141. Under this policy realized and unrealized gains on Synod endowment assets may be expended for the purposes stipulated by the donors only to the extent that the total of such expenditures, including dividends and interest and less fees, do not exceed 7% of the average of the three most recent fiscal years' fair values of the net assets with donor restriction held in perpetuity. Realized and unrealized gains in excess of the annual limitation would be included in the statement of activities as increases in the net assets with donor restriction. Such restricted amounts may be released to net assets without donor restriction in future years based on authorization of the Synod only to the extent of the 7% limitation applicable to the year in which they are to be released.

During the years ended January 31, 2023 and 2022, only investment income was withdrawn for operations.

Changes in endowment net assets for the year ended January 31, 2023 and 2022:

	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 31, 2022	\$ -	\$ 940,799	\$ 940,799
Investment income (loss), net	-	(4,613)	(4,613)
Endowment income designated for current operations	-	(7,705)	(7,705)
Endowment net assets, January 31, 2023	<u>\$ -</u>	<u>\$ 928,481</u>	<u>\$ 928,481</u>

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 31, 2021	\$ -	\$ 919,713	\$ 919,713
Investment income, net	-	28,355	28,355
Endowment income designated for current operations	-	(7,269)	(7,269)
Endowment net assets, January 31, 2022	<u>\$ -</u>	<u>\$ 940,799</u>	<u>\$ 940,799</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2023 And 2022**

**(4) EXPENSES BY NATURE AND FUNCTION**

	Program Activities						Program Activities Subtotal
	Youth And Young Adult Ministries	ELCA Proportionate	Ministry And Agency Support	Global	Candidacy And Deans	Missions	
Salaries & Benefits	\$104,624	\$ -	\$ -	\$ 6,000	\$ 138,034	\$ 55,871	\$ 304,529
Distributions to agencies	-	795,849	93,500	-	-	-	889,349
Ecumenical distributions	-	-	26,900	1,000	-	-	27,900
ELCA grant distributions	-	-	173,000	-	-	-	173,000
Forward Together grants	-	-	19,959	-	-	-	19,959
Trust Fund distributions	-	-	143,159	-	-	-	143,159
Grants to organizations	-	-	75,566	-	-	-	75,566
Supplies & Travel	4,190	-	-	-	1,713	255	6,158
Services & Professional	-	-	-	-	1,500	-	1,500
Office & Occupancy	5,063	-	-	-	3,797	-	8,860
Events	<u>2,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,764</u>
<b>Total Expenses</b>	<b><u>\$116,641</u></b>	<b><u>\$ 795,849</u></b>	<b><u>\$ 532,084</u></b>	<b><u>\$ 7,000</u></b>	<b><u>\$ 145,044</u></b>	<b><u>\$ 56,126</u></b>	<b><u>\$ 1,652,744</u></b>

	Supporting Activities				2022 Total Expenses
	Management And General	Fund- Raising	Supporting Activities Subtotal	2023 Total Expenses	
Salaries & Benefits	\$ 602,627	\$ 22,228	\$ 624,855	\$ 929,384	\$ 810,625
Distributions to agencies	-	-	-	889,349	922,944
Ecumenical distributions	-	-	-	27,900	64,254
ELCA distributions	-	-	-	173,000	56,000
Forward Together grants	-	-	-	19,959	87,004
Trust Fund distributions	-	-	-	143,159	133,488
Grants to organizations	-	-	-	75,566	71,263
Supplies & Travel	66,586	197	66,783	72,941	51,792
Services & Professional	102,713	-	102,713	104,213	90,431
Office & Occupancy	45,566	1,266	46,832	55,692	68,485
Events	<u>34,763</u>	<u>18,778</u>	<u>53,541</u>	<u>56,305</u>	<u>48,473</u>
<b>Total Expenses</b>	<b><u>\$ 852,255</u></b>	<b><u>\$ 42,469</u></b>	<b><u>\$ 894,724</u></b>	<b><u>\$ 2,547,468</u></b>	<b><u>\$ 2,404,759</u></b>

**(5) PENSIONS**

The Synod participates in pension plans administered by Portico Benefit Services of the ELCA for all eligible employees. Contributions made on behalf of such employees are accumulated in separate accounts and, upon retirement, pension benefits are provided based on the balance in the separate account of the participant. The Synod's policy is to fund all pension costs on a current basis. Contributions to the pension plan for the years ended January 31, 2023 and 2022 were \$68,976 and \$60,206, respectively.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***NOTES TO FINANCIAL STATEMENTS – (Continued)***

**January 31, 2023 And 2022**

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**(6) LEASE COMMITMENTS**

The Synod entered into a lease agreement on May 15, 2008 with Lutheran Theological Seminary at Philadelphia (the “*Seminary*”) to occupy space in the basement of the Chapel on the Seminary’s Synodus. In connection with the lease agreement, the Synod would contribute \$1.5 million to cover one-half the cost of renovating the area for the Synod’s use to be borrowed from the Synod’s Fund for Mission. This payment would constitute payment of rent in advance for a term of 17 years. On January 15, 2009, this agreement was amended due to the economic conditions delaying the raising of necessary funds by the Seminary to complete the project, which was postponed. As of January 31, 2009, the Synod had advanced \$696,061 of prepaid rent to the Seminary to be expensed over the term of the original lease. Effective June 30, 2013 the rental agreement was extended to December 31, 2018 and the monthly rent reduced. Currently, the Synod is paying cash rent of \$3,300 on a month-to-month basis.

**(7) REAL ESTATE SALES**

In connection with the sale of properties, the Synod records the net proceeds as follows: 15% to the general operating budget, reimbursement for the Synod’s expenses related to the church properties under management is deducted from the net proceeds and the remaining net proceeds, if any, to the Fund for Mission. No churches were sold during the year ended January 31, 2023.

During the year ended January 31, 2022, Grace, Norristown, was sold for a net sales price, after closing costs, of \$530,169, which was transferred to the Synod, of which \$387,091 was recorded in the Fund for Mission and the remainder in operations for the 15% share the general operating budget and as reimbursement for expenses incurred in managing the various church properties.

**(8) CONTINGENCIES**

In December 2019, a novel strain of the coronavirus (“COVID-19”) was reported in China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern”. This outbreak has affected virtually every industry and has created volatility in the stock markets throughout the world. Many federal and state governments have implemented numerous restrictions, mandated various closures and quarantine requirements in connection with the COVID-19 outbreak. The extent of the impact of COVID-19 on the Synod’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the Synod’s funders, donors, employees and investments, all of which are uncertain and cannot be predicted.



**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2023 And 2022**

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**(9) FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The following table reflects the Synod's financial assets as of January 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual and/or donor restrictions. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions and assets designated by the Synod Council.

Financial Assets	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 167,974	\$ 274,072
Investments	9,811,787	10,747,809
Miscellaneous receivable	7,308	-
Loans receivable	<u>81,274</u>	<u>25,555</u>
Total financial assets	10,068,343	11,047,436
Less:		
Designated by the Synod Council	(7,686,267)	(8,345,450)
Net assets with donor restrictions	<u>(1,532,257)</u>	<u>(1,601,335)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 849,819</u>	<u>\$ 1,100,651</u>

The Synod strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in mission development certificates, money market funds and savings accounts. The Synod can spend from the designated funds of approximately \$7.7 million and \$8.3 million as of January 31, 2023 and 2022, respectively, with the approval of the Synod Council.

**(10) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 11, 2023 the date which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**RECEIPTS AND DISBURSEMENTS –  
OPERATING, DESIGNATED AND DONOR RESTRICTED NET ASSETS**

**Year Ended January 31, 2023**

	<b>Balance January 31, 2022</b>	<b>Including Interfund Transfers</b>		<b>Balance January 31, 2023</b>
		<b>Receipts</b>	<b>Disbursements</b>	
<b>Undesignated</b>				
General operating	\$ 969,105	\$ 706,115	\$ 952,855	\$ 722,365
<b>Designated net assets</b>				
<b>Fund for Mission</b>	\$ 7,208,622	\$ 541,548	\$ 1,428,543	\$ 6,321,627
<b>Edmond Estate</b>	_____	375,891	-	375,891
<b>Forward Together in Faith</b>	540,142	24,113	95,902	468,353
<b>St. Michael's Germantown - Cemetery</b>	295,135	19,536	68,654	246,017
<b>St. John's Quakertown Fund</b>	281,643	19,154	46,326	254,471
<b>Other</b>				
Educational Ministry	4,479	-	-	4,479
Salary Sustainment	7,458	-	-	7,458
Youth Ministry	7,891	-	-	7,891
Other	80	-	-	80
<b>Total other</b>	19,908	-	-	19,908
<b>Total designated net assets</b>	\$ 8,345,450	\$ 980,242	\$ 1,639,425	\$ 7,686,267
<b>Net Assets with donor restrictions</b>				
Urban Philadelphia Conference	\$ 14,819	\$ 2,785	\$ 3,950	\$ 13,654
Blessed to be a Blessing (COVID-19)	4,356	300	420	4,236
Fisher Trust Income for Churches (Bucks)	-	10,678	10,678	-
Stewardship Extravaganza	16,993	6,388	18,778	4,603
Youth Ministry	21,071	720	360	21,431
Auxiliary Pastor	34,697	-	-	34,697
University/Incarnation Air Rights Fund	106,549	5,988	5,988	106,549
Comp Synod Reserve	11,262	15	6,000	5,277
Candidacy Bequest	136,599	-	4,000	132,599
Grace, Norristown	149,313	-	36,530	112,783
World Hunger	16,486	-	2,000	14,486
Saints United – Inner City Ministries	26,737	-	-	26,737
St. John's Quakertown	92,968	7,705	5,516	95,157
St. John's Cemetery Perpetual Care Fund	212,273	-	19,727	192,546
Other	28,686	2,881	-	31,567
<b>Total net assets</b>				
<b>With donor restrictions*</b>	\$ 872,809	\$ 37,460	\$ 113,947	\$ 796,322

\* Excludes Investment in Perpetuity of \$735,935 and \$728,526 as of January 31, 2023 and 2022, respectively and Beneficial Interest in Perpetual Trusts of \$2,504,555 and \$2,922,514 as of January 31, 2023 and 2022, respectively.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***RECEIPTS AND DISBURSEMENTS – SALE OF CHURCH PROPERTIES***

**Years Ended January 31, 2023 And 2022**

	<u>January 31,</u> <u>2023</u>	<u>January 31,</u> <u>2022</u>	<u>Total</u>
Proceeds from Sale of Church Property			
Grace, Norristown	\$ -	\$ 530,169	\$ 530,169
<b>Total Proceeds</b>	<u>-</u>	<u>530,169</u>	<u>530,169</u>
Reimbursement of Property Management Expenses for closed churches	-	(63,553)	(63,553)
Operating Income for the Synod	-	(79,525)	(79,525)
Transfer to Fund for Mission	-	(387,091)	(387,091)
<b>Total Disbursements</b>	<u>-</u>	<u>(530,169)</u>	<u>(530,169)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2023

	2022		2023		2023 Forecast	2024 Budget
	YTD Actual	Forecast	Variance	Budget		
<b>01 - Unrestricted Revenues</b>						
00 - Other Income	68,639	318,018	(249,379)	291,991	479,047	475,602
21 - Bishop/Director of Operations	675	400	275	400	1,350	1,350
31 - Candidacy	2,600	6,500	(3,900)	6,500	6,500	6,500
51 - Congregations/Mission Support	1,591,698	1,650,000	(58,302)	1,700,000	1,600,000	1,600,000
<b>Total Revenues</b>	<b>1,663,612</b>	<b>1,974,918</b>	<b>(311,306)</b>	<b>1,998,891</b>	<b>2,086,897</b>	<b>2,083,452</b>
<b>Expenses</b>						
21 - Bishop/Director of Operations	320,005	325,771	5,766	330,771	344,410	342,910
22 - Administration	175,134	157,339	(17,795)	181,212	258,040	273,267
23 - Deans	64,113	66,750	2,637	68,750	68,750	68,750
24 - Communications	211,800	214,123	2,323	213,123	215,114	215,614
25 - Finance	133,384	133,690	306	133,690	138,473	138,473
27 - Stewardship/Development	197	2,000	1,803	4,000	2,000	2,000
31 - Candidacy	94,612	102,845	8,233	103,845	109,923	109,923
51 - Congregations/Mission Support	907,076	942,000	34,924	970,000	918,000	918,000
52 - Ecumenical Organizations/Agency	10,400	10,400	-	10,400	10,400	10,400
<b>Total Expenses</b>	<b>1,916,721</b>	<b>1,954,918</b>	<b>38,197</b>	<b>2,015,791</b>	<b>2,065,110</b>	<b>2,079,336</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(253,109)</b>	<b>20,000</b>	<b>(273,109)</b>	<b>(16,899)</b>	<b>21,787</b>	<b>4,116</b>
<b>02 - Temporarily Restricted Revenues</b>						
00 - Other Income	(31,920)	12,045	(43,965)	12,045	9,940	10,493
21 - Bishop/Director of Operations	24,186	26,450	(2,264)	26,450	52,250	52,250
22 - Administration	(46,769)	46,200	(92,969)	46,200	42,000	44,940
26 - Special Events	5,137	34,890	(29,753)	34,890	5,500	5,500
27 - Stewardship/Development	6,388	15,000	(8,612)	-	15,000	15,000
41 - Congregations	378,976	2,500	376,476	2,500	2,300	2,300
42 - Global Vision	15	1,000	(985)	1,000	100	100
45 - Youth, Young Adult & Spiritual Formation Programming	713	52,000	(51,287)	52,000	20,000	9,000

	2022		2023		2023		2024	
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget	Forecast	Budget
51 - Congregational Support	91,448	72,250	19,198	72,250	74,750	74,750	74,750	74,750
<b>Total Revenues</b>	<b>428,174</b>	<b>262,335</b>	<b>165,839</b>	<b>247,335</b>	<b>221,840</b>	<b>214,333</b>	<b>221,840</b>	<b>214,333</b>
<b>Expenses</b>								
00 - Other Income	4,485	3,000	(1,485)	3,000	2,000	2,000	2,000	2,000
21 - Bishop/Director of Operations	22,186	24,450	2,264	24,450	48,490	48,490	48,490	48,490
22 - Administration	26,527	25,000	(1,527)	25,000	34,500	22,500	34,500	22,500
25 - Finance	5,988	-	(5,988)	-	-	-	-	-
26 - Concovation	5,137	34,890	29,753	34,890	5,500	5,500	5,500	5,500
27 - Stewardship/Development	18,778	31,000	12,222	-	15,000	15,000	15,000	15,000
41 - Congregations	6,370	24,331	17,961	20,000	25,186	21,300	25,186	21,300
42 - Global Vision	6,000	7,000	1,000	6,262	5,362	100	5,362	100
44 - Transformational Ministry	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
45 - Youth, Young Adult & Spiritual Formation Programming	360	57,000	56,640	57,000	21,500	10,500	21,500	10,500
51 - Congregational Support	91,448	81,295	(10,153)	81,295	74,750	74,750	74,750	74,750
<b>Total Expenses</b>	<b>187,279</b>	<b>292,966</b>	<b>105,687</b>	<b>256,897</b>	<b>237,288</b>	<b>205,140</b>	<b>237,288</b>	<b>205,140</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>240,895</b>	<b>(30,631)</b>	<b>271,526</b>	<b>(9,562)</b>	<b>(15,448)</b>	<b>9,193</b>	<b>(15,448)</b>	<b>9,193</b>
<b>03 - Mission Revenues</b>								
00 - Other (includes investment income & property sales)	(623,789)	469,251	(1,093,040)	469,251	1,186,979	1,228,930	1,186,979	1,228,930
01 - Forward Together in Faith	(51,830)	42,084	(93,914)	42,084	32,785	35,080	32,785	35,080
02 - St. Petri-Hope Fund for Mission	(57,498)	34,750	(92,248)	34,750	33,334	35,667	33,334	35,667
43 - Mission Developers and DEM Support	142,900	30,000	112,900	30,000	140,400	140,400	140,400	140,400
53 - New Start Congregations	64,000	12,000	52,000	12,000	38,000	22,000	38,000	22,000
<b>Total Revenues</b>	<b>(526,218)</b>	<b>588,085</b>	<b>(1,114,303)</b>	<b>588,085</b>	<b>1,431,498</b>	<b>1,462,077</b>	<b>1,431,498</b>	<b>1,462,077</b>
<b>Expenses</b>								
01 - Forward Together in Faith	19,959	85,000	65,041	45,000	25,000	25,000	25,000	25,000
02 - St. Petri-Hope Fund for Mission	19,000	28,000	9,000	28,000	20,000	20,000	20,000	20,000
26 - Special Events (RME 2)	2,000	2,000	-	2,000	2,000	2,000	2,000	2,000
41 - Congregations	12,520	7,350	(5,170)	7,350	18,350	18,350	18,350	18,350
42 - Global Vision	1,000	1,000	-	7,000	8,000	7,000	8,000	7,000
43 - Mission Developers and DEM Salary & Benefits	165,126	82,016	(83,110)	87,766	169,968	169,968	169,968	169,968
44 - Vitality Outreach	1,500	5,000	3,500	5,000	5,000	5,000	5,000	5,000
45 - Youth, YA & Spiritual Formation Salary & Benefits	103,874	127,548	23,674	132,294	104,625	104,625	104,625	104,625
46 - Youth, Young Adult & Spiritual Formation Programming	6,594	25,250	18,656	25,250	21,650	22,650	21,650	22,650

	2022		2023		2023 Forecast	2024 Budget
	YTD Actual	Forecast	Variance	Budget		
53 - New Start Congregations	100,995	34,500	(66,495)	34,500	51,000	35,000
<b>Total Expenses</b>	<b>432,569</b>	<b>397,664</b>	<b>(34,905)</b>	<b>374,160</b>	<b>425,593</b>	<b>409,593</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(958,786)</b>	<b>190,421</b>	<b>(1,149,207)</b>	<b>213,925</b>	<b>1,005,905</b>	<b>1,052,484</b>
<b>NET DEFICIT w/o investment income and property sales</b>	<b>(161,304)</b>	<b>(214,014)</b>	<b>191,792</b>	<b>(222,619)</b>	<b>(176,443)</b>	<b>(176,443)</b>
(the 2023 forecast includes a transfer from the Fund for Mission for \$176,443 to cover the Mission fund deficit)						
(the 2024 budget includes a transfer from the Fund for Mission for \$176,443 to cover the Mission fund deficit)						
<b>04 - Permanently Restricted</b>						
<b>Revenues</b>						
00 - Other Income	(417,959)	60,000	(477,959)	60,000	60,000	60,000
51 - Congregational Support	72,981	60,000	12,981	60,000	60,000	60,000
<b>Total Revenues</b>	<b>(344,978)</b>	<b>120,000</b>	<b>(464,978)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Expenses</b>						
31 - Candidacy	4,000	9,000	5,000	9,000	9,000	9,000
51 - Congregational Support	72,981	60,000	(12,981)	60,000	60,000	60,000
<b>Total Expenses</b>	<b>76,981</b>	<b>69,000</b>	<b>(7,981)</b>	<b>69,000</b>	<b>69,000</b>	<b>69,000</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(421,959)</b>	<b>51,000</b>	<b>(472,959)</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>
<b>TOTAL ALL FUNDS</b>	<b>(1,392,960)</b>	<b>230,790</b>	<b>(1,623,750)</b>	<b>238,464</b>	<b>1,063,244</b>	<b>1,116,793</b>
<b>TOTAL TRANSFERS</b>	1,130,321	(205,790)	1,336,110	(243,464)	(1,039,657)	(1,098,978)
<b>TOTAL ALL FUNDS AFTER TRANSFERS</b>	<b>(262,639)</b>	<b>25,000</b>	<b>(287,639)</b>	<b>(5,000)</b>	<b>23,587</b>	<b>17,815</b>