

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

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

JANUARY 31, 2024

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

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
<i>Statement of Financial Position,</i> January 31, 2024 With Summarized Information For 2023	3
<i>Statement of Activities And Changes In Net Assets,</i> Year Ended January 31, 2024 With Summarized Information For 2023	4
<i>Statements of Cash Flows,</i> Years Ended January 31, 2024 And 2023	5
<i>Notes To Financial Statements</i>	6-15
SUPPLEMENTAL INFORMATION	
<i>Receipts And Disbursements – Operating, Designated And Donor Restricted Net Assets,</i> Year Ended January 31, 2024	16-17

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 2024, 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 2024, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the Synod elected to correct the 2023 financial statements to implement ASU 2016-02 "*Leases (Topic 842)*". Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Synod's January 31, 2023 financial statements, before the restatement disclosed in Note 9, and we expressed an unmodified audit opinion on those audited financial statements, in our report dated April 11, 2023. In our opinion, the summarized comparative information presented before the restatement, herein as of and for the year ended January 31, 2023 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 schedule of receipts and disbursements – operating, designated and donor restricted net assets is 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.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
April 17, 2024

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

STATEMENT OF FINANCIAL POSITION

January 31, 2024 With Summarized Information For 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2024</u>	<u>2023</u>
ASSETS				
Cash	\$ 1,244,366	\$ -	\$ 1,244,366	\$ 167,974
Investments, at market <i>(Note 2)</i>	-	194,579	194,579	632,510
Miscellaneous receivables	-	-	-	7,308
Loans receivable	8,000	-	8,000	81,274
Prepaid expenses	15,532	-	15,532	14,577
Operating right-of-use asset <i>(Note 6)</i>	<u>38,729</u>	<u>-</u>	<u>38,729</u>	<u>37,397</u>
Total current assets	<u>1,306,627</u>	<u>194,579</u>	<u>1,501,206</u>	<u>941,040</u>
OTHER ASSETS				
Investments, at market <i>(Note 2)</i>	8,186,696	2,443,285	10,629,981	9,179,277
Operating right-of-use asset <i>(Note 6)</i>	74,775	-	74,775	113,505
Beneficial interest in perpetual trust	-	2,619,219	2,619,219	2,504,555
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>
Total other assets	<u>9,296,254</u>	<u>5,062,504</u>	<u>14,358,758</u>	<u>12,832,120</u>
Total assets	<u>\$ 10,602,881</u>	<u>\$ 5,257,083</u>	<u>\$ 15,859,964</u>	<u>\$ 13,773,160</u>
CURRENT LIABILITIES				
Payables				
Evangelical Lutheran Church in America	\$ 65,579	\$ -	\$ 65,579	\$ 84,726
Other accounts payable and accrued expenses	46,771	-	46,771	55,058
Deferred revenue	5,997	-	5,997	2,247
Operating lease liability <i>(Note 6)</i>	<u>38,818</u>	<u>-</u>	<u>38,818</u>	<u>36,257</u>
Total current liabilities	<u>157,165</u>	<u>-</u>	<u>157,165</u>	<u>178,288</u>
LONG-TERM LIABILITIES				
Operating lease liability <i>(Note 6)</i>	<u>78,161</u>	<u>-</u>	<u>78,161</u>	<u>116,979</u>
Total liabilities	<u>235,326</u>	<u>-</u>	<u>235,326</u>	<u>295,267</u>
NET ASSETS <i>(Notes 1 and 9)</i>				
Without donor restrictions				
Operating	<u>772,908</u>	<u>-</u>	<u>772,908</u>	<u>720,031</u>
Designated				
Fund for Mission	7,177,216	-	7,177,216	6,321,627
Edmond Estate	221,329	-	221,329	375,891
Forward Together in Faith	526,002	-	526,002	468,353
St. Michael's Germantown Cemetery	252,941	-	252,941	246,017
St. John's Quakertown Cemetery	-	-	-	-
Restoration Fund	275,465	-	275,465	254,471
Trinity South Philadelphia Cemetery	87,003	-	87,003	-
Other	<u>19,908</u>	<u>-</u>	<u>19,908</u>	<u>19,908</u>
Total designated	<u>8,559,864</u>	<u>-</u>	<u>8,559,864</u>	<u>7,686,267</u>
Real estate and property	<u>1,034,783</u>	<u>-</u>	<u>1,034,783</u>	<u>1,034,783</u>
Total without donor restrictions	10,367,555	-	10,367,555	9,441,081
With donor restrictions <i>(Note 3)</i>	<u>-</u>	<u>5,257,083</u>	<u>5,257,083</u>	<u>4,036,812</u>
Total net assets	<u>10,367,555</u>	<u>5,257,083</u>	<u>15,624,638</u>	<u>13,477,893</u>
Total liabilities and net assets	<u>\$ 10,602,881</u>	<u>\$ 5,257,083</u>	<u>\$ 15,859,964</u>	<u>\$ 13,773,160</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, 2024 With Summarized Information For 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2024</u>	<u>2023</u>
Operating Support and Revenue				
Support				
Contributions from congregations				
Partnership support	\$ 1,501,378	\$ -	\$ 1,501,378	\$ 1,591,698
Other contributions	426,297	1,138,415	1,564,712	922,914
Total support	<u>1,927,675</u>	<u>1,138,415</u>	<u>3,066,090</u>	<u>2,514,612</u>
Revenue				
Investment income	426,521	18,348	444,869	516,580
Income from outside trusts	-	73,084	73,084	83,659
Registration fees	58,558	-	58,558	27,991
Remittance to designated agencies	-	(21,190)	(21,190)	(21,270)
Other	29,600	-	29,600	27,600
Total revenue	<u>514,679</u>	<u>70,242</u>	<u>584,921</u>	<u>634,560</u>
Net assets released from restrictions (Note 3)	<u>132,902</u>	<u>(132,902)</u>	<u>-</u>	<u>-</u>
Total operating support and revenue	<u>2,575,256</u>	<u>1,075,755</u>	<u>3,651,011</u>	<u>3,149,172</u>
Expenses (Note 4)				
Evangelical Lutheran Church in America				
Apportionment and other gifts	750,689	-	750,689	795,849
Budgeted operating expenses and disbursements	1,668,159	-	1,668,159	1,448,347
Distributions to beneficiary agencies	91,517	-	91,517	92,227
Grants to organizations	202,092	-	202,092	213,379
Total expenses	<u>2,712,457</u>	<u>-</u>	<u>2,712,457</u>	<u>2,549,802</u>
(Deficit) excess of operating support and Revenue over expenses	<u>(137,201)</u>	<u>1,075,755</u>	<u>938,554</u>	<u>599,370</u>
Nonoperating Changes in Net Assets				
Unrealized gain (loss) on investments	1,199,205	29,852	1,229,057	(1,558,771)
Realized (loss) gain on investments	(51,495)	-	(51,495)	26,878
Change in beneficial interest in perpetual trusts	-	114,664	114,664	(417,959)
Maintenance expenses for closed churches	(184,035)	-	(184,035)	(44,812)
Proceeds from sale of Church property – net (Note 7)	100,000	-	100,000	-
Total nonoperating changes	<u>1,063,675</u>	<u>144,516</u>	<u>1,208,191</u>	<u>(1,994,664)</u>
Changes in net assets	926,474	1,220,271	2,146,745	(1,395,294)
Net assets				
Beginning of year (Note 9)	<u>9,441,081</u>	<u>4,036,812</u>	<u>13,477,893</u>	<u>14,873,187</u>
End of year	<u>\$10,367,555</u>	<u>\$5,257,083</u>	<u>\$15,624,638</u>	<u>\$13,477,893</u>

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS

Years Ended January 31, 2024 And 2023

	<u>2024</u>	<u>2023</u>
INCREASE (DECREASE) IN CASH		
<i>Change in net assets</i>	\$ 2,146,745	\$(1,395,294)
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Dividends reinvested	(410,610)	(498,675)
Net realized and unrealized (gains) loss on investments	(1,177,562)	1,531,893
Change in beneficial interest in perpetual trust	(114,664)	417,959
Amortization of right-of-use asset	37,398	36,153
Interest on lease liability	4,734	5,979
Operating lease liability payments	(40,991)	(39,798)
(Increase) decrease in		
Miscellaneous receivables	7,308	(7,308)
Loan receivable	73,274	(55,719)
Prepaid expenses	(955)	8,457
Increase (decrease) in		
ELCA payable	(19,147)	(22,632)
Accounts payable and other accrued expenses	(8,287)	10,083
Deferred income	<u>3,750</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>500,993</u>	<u>(8,902)</u>
<i>Cash flows from investing activities</i>		
Purchase of long-term investments	(134,001)	-
Proceeds from sales of long-term investments	437,931	284,327
Changes in short-term investments	<u>271,469</u>	<u>(381,523)</u>
Net cash provided by (used in) investing activities	<u>575,399</u>	<u>(97,196)</u>
Net increase (decrease) in cash	1,076,392	(106,098)
<i>Cash</i>		
Beginning of year	<u>167,974</u>	<u>274,072</u>
End of year	<u>\$ 1,244,366</u>	<u>\$ 167,974</u>
<u>SUPPLEMENTAL INFORMATION</u>		
Right-of-use asset received in exchange for operating lease liability	<u>\$ -</u>	<u>\$ 187,055</u>

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

NOTES TO FINANCIAL STATEMENTS

January 31, 2024 And 2023

(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, 2024 and 2023, 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, 2024 And 2023

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.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

- ◆ ***Designated for Trinity South Philadelphia Cemetery*** – for perpetual care of Trinity South Philadelphia Cemetery.
- ◆ ***Designated for Other*** – includes various other designations by Synod Council.

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, 2023, from which the summarized information was derived.

LEASES

Operating leases are included in operating lease right-of-use (“***ROU***”) assets and ROU operating lease liabilities in the statement of financial position. The Synod determines whether an agreement is or contains a lease at lease inception.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

ROU assets represent the Synod’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Synod’s leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

RECLASSIFICATIONS

Certain reclassifications were made to the 2023 financial statements to conform to the 2024 presentation.

(2) INVESTMENTS

Investments at January 31 were as follows:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Short-Term Investments				
Savings and Certificates	\$ 114,566	\$ 114,566	\$ 181,571	\$ 181,571
Money market funds	<u>80,013</u>	<u>80,013</u>	<u>450,939</u>	<u>450,939</u>
Total Short-Term Investments	<u>194,579</u>	<u>194,579</u>	<u>632,510</u>	<u>632,510</u>
Long-Term Investments				
Mission Development Certificates – ELCA	300,000	300,000	300,000	300,000
Pooled Funds – ELCA Endowment	178,394	200,617	178,394	192,546
Mutual Funds – Equity	<u>8,564,810</u>	<u>10,129,364</u>	<u>8,343,163</u>	<u>8,686,731</u>
Total Long-Term Investments	<u>9,043,204</u>	<u>10,629,981</u>	<u>8,821,557</u>	<u>9,179,277</u>
Total – Pooled Investment Funds	<u>\$9,237,783</u>	<u>\$10,824,560</u>	<u>\$9,454,067</u>	<u>\$9,811,787</u>
Equity in Pooled Investment Funds is allocated as follows:				
Without donor restrictions		\$ 8,186,696		\$ 8,279,530
With donor restrictions		<u>2,637,864</u>		<u>1,532,257</u>
		<u>\$10,824,560</u>		<u>\$9,811,787</u>

At January 31, 2024 and 2023, gross unrealized gains on investments were \$1,586,777 and \$357,720, 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.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

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.

The summary of inputs used to value the Synod’s investments as of January 31, 2024 are as follows:

	<u>2024</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	\$ 114,566	\$ 114,566	\$ -	\$ -	\$ -
Mission Development Certificates	300,000	300,000	-	-	-
Money market funds	80,013	80,013	-	-	-
Pooled Funds	200,617	-	-	-	200,617
Mutual Funds - Equity	<u>10,129,364</u>	<u>10,129,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$10,824,560</u>	<u>\$10,623,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$200,617</u>
Beneficial interest in perpetual Trusts	<u>\$ 2,619,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,619,219</u>	<u>\$ -</u>

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>-</u>	<u>-</u>	<u>-</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>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2024 and 2023.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

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>2024</u>	<u>2023</u>
Beginning balance	\$ 2,504,555	\$ 2,922,514
Realized/unrealized gains (losses) – net/change in valuation	<u>114,664</u>	<u>(417,959)</u>
Ending balance	<u>\$ 2,619,219</u>	<u>\$ 2,504,555</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.

(3) NET ASSETS

Net assets with donor restrictions are available for the following purposes at January 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for a specific purpose:		
Urban Philadelphia Conference	\$ 12,279	\$ 13,654
Lily Grant – Thriving Congregations Initiative	1,070,392	-
Urban Ministry Task Force	3,828	-
Youth Ministry	21,468	21,431
Auxiliary Pastor	34,697	34,697
University/Incarnation Air Rights	106,549	106,549
Companion Synod Reserve	15	5,277
Candidacy Bequest	132,599	132,599
Grace Norristown Fund	134,564	112,783
Stewardship Extravaganza	12,000	4,603
World Hunger	9,486	14,486
Saints United – Inner City Ministries	25,487	26,737
St. John’s Quakertown – Cemetery Restoration	96,014	95,157
Blessed to be a Blessing (COVID-19)	2,825	4,236
Other	<u>34,512</u>	<u>31,567</u>
Total subject to expenditure for a specific purpose:	<u>1,696,715</u>	<u>603,776</u>
Subject to the passage of time:		
Accumulated gains on endowment	<u>22,223</u>	<u>14,152</u>
Total subject to the passage of time:	<u>22,223</u>	<u>14,152</u>
Perpetual in nature:		
Beneficial interest in perpetual trust	2,619,219	2,504,555
St. John’s Quakertown Cemetery Restoration	178,394	178,394
Investment in perpetuity	<u>740,532</u>	<u>735,935</u>
Total perpetual in nature:	<u>3,538,145</u>	<u>3,418,884</u>
	<u>\$ 5,257,083</u>	<u>\$ 4,036,812</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 \$132,902 for the year ended January 31, 2024.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

During the year ended January 31, 2024 the Synod received a grant from the Lily Foundation of approximately \$1,070,000 to be spent over 5 years to help congregations evolve from institutional churches built on programs and resources into mission churches built on relationships and service.

As of January 31, 2024, the Synod held title to two churches which had closed, the value of which was not included in the net assets of the Synod. The churches, Bethany, Roxborough and Trinity, South Philadelphia are under agreements for sale and scheduled to settle in May 2024.

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 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.

The Synod has 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, 2024 and 2023, only investment income was withdrawn for operations.

Changes in endowment net assets for the year ended January 31, 2024 and 2023:

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 31, 2023	\$ -	\$ 928,481	\$ 928,481
Investment income, net	-	20,352	20,352
Endowment income designated for current operations	-	(7,684)	(7,684)
Endowment net assets, January 31, 2024	<u>\$ -</u>	<u>\$ 941,149</u>	<u>\$ 941,149</u>
	<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 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>

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

(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	\$105,681	\$ -	\$ -	\$ 6,000	\$ 131,543	\$ 55,960	\$ 299,184
Distributions to agencies	-	750,689	239,500	-	-	-	990,189
Ecumenical distributions	-	-	32,900	1,000	-	-	33,900
ELCA grant distributions	-	-	149,380	-	-	-	149,380
Forward Together grants	-	-	25,001	-	-	-	25,001
Trust Fund distributions	-	-	123,084	-	-	-	123,084
Grants to organizations	-	-	112,773	-	-	-	112,773
Supplies & Travel	5,014	-	-	6,000	1,917	836	13,767
Services & Professional	-	-	-	-	9,760	-	9,760
Office & Occupancy	5,324	-	-	-	3,993	-	9,317
Events	<u>20,774</u>	-	-	-	-	-	<u>20,774</u>
Total Expenses	<u>\$136,793</u>	<u>\$ 750,689</u>	<u>\$ 682,638</u>	<u>\$13,000</u>	<u>\$ 147,213</u>	<u>\$ 56,796</u>	<u>\$ 1,787,129</u>

	Supporting Activities				
	Management And General	Fund- Raising	Supporting Activities Subtotal	2024 Total Expenses	2023 Total Expenses
Salaries & Benefits	\$ 619,483	\$ 23,548	\$ 643,031	\$ 942,215	\$ 929,384
Distributions to agencies	-	-	-	990,189	889,349
Ecumenical distributions	-	-	-	33,900	27,900
ELCA distributions	-	-	-	149,380	173,000
Forward Together grants	-	-	-	25,001	19,959
Trust Fund distributions	-	-	-	123,084	143,159
Grants to organizations	-	-	-	112,773	75,566
Supplies & Travel	65,939	-	65,939	79,706	72,941
Services & Professional	98,510	-	98,510	108,270	104,213
Office & Occupancy	47,921	1,331	49,252	58,569	58,026
Events	<u>56,492</u>	<u>12,104</u>	<u>68,596</u>	<u>89,370</u>	<u>56,305</u>
Total Expenses	<u>\$ 888,345</u>	<u>\$ 36,983</u>	<u>\$ 925,328</u>	<u>\$ 2,712,457</u>	<u>\$ 2,549,802</u>

(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, 2024 and 2023 were \$71,570 and \$68,976, respectively.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

(6) OPERATING LEASES

On December 17, 2021 the Synod signed a lease for office space at the United Lutheran Seminary. The lease is for 5 years and will expire in November 2026. The Synod can extend the lease for one additional five-year period; however, the Synod currently does not expect to exercise this option. The lease calls for initial monthly payments of \$3,300 with a 3% increase in monthly rent on each anniversary date.

The following is quantitative data related to the Synod’s operating leases for the years ended January 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating Lease Amounts:		
Right-of-use asset	\$ 113,504	\$ 150,902
Lease liability	116,979	153,236
Other Information:		
Operating outgoing cash flows for operating leases	\$ 40,991	\$ 39,798
Weighted-average remaining lease term	2.83 years	3.83 years
Weighted average discount rate	3.55%	3.55%

Lease cost information for the years ended January 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	<u>\$42,132</u>	<u>\$42,132</u>

Aggregate minimum annual rentals for the future years at January 31, 2024 are as follows:

<u>Years Ending January 31,</u>	
2025	\$ 42,222
2026	43,488
2027	<u>37,140</u>
Total undiscounted cash flows	122,850
Less: present value adjustment	<u>(5,871)</u>
Lease liability	<u>\$ 116,979</u>

Rent expense for the office lease for the years ended January 31, 2024 and 2023 was \$42,132.

(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.

During the year ended January 31, 2024, there was an agreement in place to sell Bethany, Roxborough. The buyer terminated the agreement and was contractually obligated to forfeit its deposit of \$100,000 which was used to reimburse expenses incurred to maintain the property.

No properties were sold during the year ended January 31, 2023.

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

NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2024 And 2023

(8) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects the Synod’s financial assets as of January 31, 2024 and 2023, 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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,244,366	\$ 167,974
Investments	10,824,560	9,811,787
Miscellaneous receivable	-	7,308
Loans receivable	<u>8,000</u>	<u>81,274</u>
Total financial assets	12,076,926	10,068,343
Less:		
Designated by the Synod Council	(8,559,864)	(7,686,267)
Net assets with donor restrictions	<u>(2,637,864)</u>	<u>(1,532,257)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 879,198</u>	<u>\$ 849,819</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 \$8.6 million and \$7.7 million as of January 31, 2024 and 2023, respectively, with the approval of the Synod Council.

(9) RESTATEMENT

The financial statements for the year ended January 31, 2023 were restated due to the Synod not appropriately adopting ASU 2016-02 “Leases (Topic 842)” as of February 1, 2022. The effect of restating the 2023 financial statements resulted in budgeting operating expenses increasing \$2,334, changes in net assets decreasing \$2,334 and net assets without donor restrictions decreasing \$2,334. In addition, a right-of-use asset of \$150,902 and an operating lease liability of \$153,236 were recorded.

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 17, 2024 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, 2024

	<u>Balance January 31, 2023</u>	<u>Including Interfund Transfers</u>	<u>Receipts</u> <u>Disbursements</u>	<u>Balance January 31, 2024</u>
Undesignated				
General operating	\$ 720,031	\$ 2,071,711	\$ 2,018,834	\$ 772,908
Designated net assets				
Fund for Mission	\$ 6,321,627	\$ 1,292,515	\$ 436,926	\$ 7,177,216
Edmond Estate				
Urban Ministry Task Force	-	100,000	-	100,000
Care for Creation	-	10,000	-	10,000
Hospitality Team	-	10,000	-	10,000
Retired Pastors Gatherings	-	5,000	-	5,000
Upper Montgomery Conference	-	5,000	-	5,000
Lower Montgomery Conference	-	5,000	-	5,000
Chester Conference	-	5,000	-	5,000
Northeast/West Conference	-	5,000	-	5,000
Bishop Transition Expenses	-	5,000	-	5,000
Bishops Fund	-	79,128	12,690	66,438
Other	375,891	-	371,000	4,891
	<u>375,891</u>	<u>229,128</u>	<u>383,690</u>	<u>221,329</u>
Forward Together in Faith	468,353	82,650	25,001	526,002
St. Michael's Germantown - Cemetery	246,017	20,165	13,241	252,941
St. John's Quakertown Fund	254,471	34,294	13,300	275,465
Trinity South Philadelphia - Cemetery	-	92,503	5,500	87,003
Other				
Educational Ministry	4,479	-	-	4,479
Salary Sustentation	7,458	-	-	7,458
Youth Ministry	7,891	-	-	7,891
Other	80	-	-	80
Total other	<u>19,908</u>	<u>-</u>	<u>-</u>	<u>19,908</u>
Total designated net assets	<u>\$ 7,686,267</u>	<u>\$ 1,751,255</u>	<u>\$ 877,658</u>	<u>\$ 8,559,864</u>

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

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

Year Ended January 31, 2024

	Balance January 31, 2023	Including Interfund Transfers		Balance January 31, 2024
		Receipts	Disbursements	
Net Assets with donor restrictions				
Urban Philadelphia Conference	\$ 13,654	\$ 3,160	\$ 4,535	\$ 12,279
Lily Grant – Thriving Congregations Initiative	-	1,070,392	-	1,070,392
Urban Ministry Task Force	-	3,828	-	3,828
Fisher Trust Income for Churches (Bucks)	-	9,842	9,842	-
Blessed to be a Blessing (COVID-19)	4,236	300	1,711	2,825
Stewardship Extravaganza	4,603	19,500	12,103	12,000
Youth Ministry	21,431	4,253	4,216	21,468
Auxiliary Pastor	34,697	-	-	34,697
University/Incarnation Air Rights Fund	106,549	6,067	6,067	106,549
Comp Synod Reserve	5,277	-	5,262	15
Candidacy Bequest	132,599	-	-	132,599
Grace, Norristown	112,783	21,781	-	134,564
World Hunger	14,486	-	5,000	9,486
Saints United – Inner City Ministries	26,737	-	1,250	25,487
St. John’s Quakertown	95,157	7,684	6,827	96,014
St. John’s Cemetery Perpetual Care Fund	192,546	8,071	-	200,617
Other	<u>31,567</u>	<u>15,792</u>	<u>12,847</u>	<u>34,512</u>
Total net assets				
With donor restrictions*	<u>\$ 796,322</u>	<u>\$ 1,170,670</u>	<u>\$ 69,660</u>	<u>\$ 1,897,332</u>

* Excludes Investment in Perpetuity of \$740,532 and \$735,935 as of January 31, 2024 and 2023, respectively and Beneficial Interest in Perpetual Trusts of \$2,619,219 and \$2,504,555 as of January 31, 2024 and 2023, respectively.

Southeastern Pennsylvania Synod
Income Statement
 January 31, 2024

	2023		2024		2025	
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
01 - Unrestricted Revenues						
00 - Other Income	576,569	479,047	97,522	475,602	752,567	555,640
21 - Bishop/Director of Operations	-	1,350	(1,350)	1,350	1,350	1,350
31 - Candidacy	4,600	6,500	(1,900)	6,500	6,500	6,500
51 - Congregations/Mission Support	1,501,378	1,600,000	(98,622)	1,600,000	1,500,000	1,500,000
Total Revenues	2,082,548	2,086,897	(4,349)	2,083,452	2,260,417	2,063,490
Expenses						
21 - Bishop/Director of Operations	322,184	344,410	22,226	342,910	347,446	345,446
22 - Administration	313,050	258,040	(55,010)	273,267	317,167	257,005
23 - Deans	62,817	68,750	5,933	68,750	96,000	93,000
24 - Communications	209,206	215,114	5,908	215,614	222,595	224,095
25 - Finance	138,013	138,473	460	138,473	148,243	149,616
27 - Stewardship/Development	-	2,000	2,000	2,000	2,000	2,000
31 - Candidacy	103,951	109,923	5,973	109,923	113,928	113,928
51 - Congregations/Mission Support	867,207	918,000	50,793	918,000	868,000	868,000
52 - Ecumenical Organizations/Agency	10,400	10,400	-	10,400	10,400	10,400
Total Expenses	2,026,828	2,065,110	38,282	2,079,336	2,125,779	2,063,490
NET SURPLUS/(DEFICIT)	55,720	21,787	33,932	4,116	134,637	0

**Southeastern Pennsylvania Synod
Income Statement
January 31, 2024**

	2023		2024		2025	
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
02 - Temporarily Restricted Revenues						
00 - Other Income	21,833	7,940	13,893	10,493	11,420	12,077
21 - Bishop/Director of Operations	59,602	52,250	7,352	52,250	75,449	75,449
22 - Administration	158,723	42,000	116,723	44,940	458,334	166,334
26 - Special Events	6,003	5,500	503	5,500	5,000	5,000
27 - Stewardship/Development	19,500	15,000	4,500	15,000	15,000	15,000
41 - Congregations	1,077,680	4,300	1,073,380	2,300	2,300	2,300
42 - Global Vision	-	100	(100)	100	-	-
44 - Transformational Ministry	945	-	945	-	-	-
45 - Youth, Young Adult & Spiritual Formation Programing	12,053	20,000	(7,947)	9,000	9,000	20,000
51 - Congregational Support	72,470	74,750	(2,280)	74,750	72,500	72,500
Total Revenues	1,428,809	221,840	1,206,969	214,333	649,003	368,660
Expenses						
00 - Other Income	-	2,000	2,000	2,000	2,000	2,000
21 - Bishop/Director of Operations	56,940	48,490	(8,450)	48,490	92,701	73,449
22 - Administration	25,567	34,500	8,933	22,500	56,000	56,000
25 - Finance	6,067	-	(6,067)	-	-	-
26 - Concovation	8,201	5,500	(2,701)	5,500	5,000	5,000
27 - Stewardship/Development	12,104	15,000	2,896	15,000	15,000	15,000
41 - Congregations	158,496	25,186	(133,310)	21,300	137,261	266,873
42 - Global Vision	5,262	5,362	100	100	-	-
44 - Transformational Ministry	-	5,000	5,000	5,000	5,000	5,000
45 - Youth, Young Adult & Spiritual Formation Programing	12,017	21,500	9,484	10,500	18,000	21,500
51 - Congregational Support	81,032	74,750	(6,282)	74,750	72,500	72,500
Total Expenses	365,685	237,288	(128,397)	205,140	403,462	517,322
NET SURPLUS/(DEFICIT)	1,063,124	(15,448)	1,078,572	9,193	245,541	(148,662)

**Southeastern Pennsylvania Synod
Income Statement
January 31, 2024**

	2023		2024		2025	
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
03 - Mission Revenues						
00 - Other (includes investment income & property sales)	1,062,945	1,186,979	(124,034)	1,228,930	1,653,017	1,122,788
01 - Forward Together in Faith	82,650	32,785	49,865	35,080	35,111	36,867
02 - St. Petri-Hope Fund for Mission	47,721	33,334	14,387	35,667	35,667	35,667
43 - Mission Developers and DEM Support	143,648	140,400	3,248	140,400	136,417	136,417
53 - New Start Congregations	38,200	38,000	200	22,000	26,850	12,000
Total Revenues	1,375,164	1,431,498	(56,334)	1,462,077	1,887,062	1,343,738
Expenses						
01 - Forward Together in Faith	25,001	25,000	(1)	25,000	50,000	50,000
02 - St. Petri-Hope Fund for Mission	6,300	20,000	13,700	20,000	25,000	25,000
26 - Special Events (RME 2)	2,000	2,000	-	2,000	2,000	2,000
41 - Congregations	11,650	18,350	6,700	18,350	14,350	14,350
42 - Global Vision	7,738	8,000	262	7,000	13,400	7,000
43 - Mission Developers and DEM Salary & Benefits	167,198	169,968	2,770	169,968	181,262	181,262
44 - Vitality Outreach	125	5,000	4,875	5,000	1,000	1,000
45 - Youth, YA & Spiritual Formation Salary & Benefits	105,681	104,625	(1,056)	104,625	107,634	107,634
46 - Youth, Young Adult & Spiritual Formation Programming	13,772	21,650	7,878	22,650	25,150	24,650
53 - New Start Congregations	122,462	51,000	(71,462)	35,000	40,850	26,000
Total Expenses	461,927	425,593	(36,334)	409,593	460,646	438,896
NET SURPLUS/(DEFICIT)	913,237	1,005,905	(92,668)	1,052,484	1,426,416	904,843
NET DEFICIT w/o investment income and property sales	(223,500)	(176,443)	(785,074)	(176,443)	(197,279)	(190,379)
(the 2024 forecast includes a transfer from the Fund for Mission for \$197,279 to cover the Mission fund deficit)						
(the 2025 budget includes a transfer from the Fund for Mission for \$190,379 to cover the Mission fund deficit)						

Southeastern Pennsylvania Synod

Income Statement

January 31, 2024

	2023		2024		2025	
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
04 - Permanently Restricted						
Revenues						
00 - Other Income	114,664	60,000	54,664	60,000	60,000	60,000
51 - Congregational Support	63,242	60,000	3,242	60,000	60,000	60,000
Total Revenues	177,906	120,000	57,906	120,000	120,000	120,000
Expenses						
31 - Candidacy	-	9,000	9,000	9,000	9,000	9,000
51 - Congregational Support	63,242	60,000	(3,242)	60,000	60,000	60,000
Total Expenses	63,242	69,000	5,758	69,000	69,000	69,000
NET SURPLUS/(DEFICIT)	114,664	51,000	63,664	51,000	51,000	51,000
TOTAL ALL FUNDS	2,146,745	1,063,244	1,083,500	1,116,793	1,857,595	807,181
TOTAL TRANSFERS	(2,095,975)	(1,039,658)	(1,056,318)	(1,098,978)	(1,727,809)	(807,141)
TOTAL ALL FUNDS AFTER TRANSFERS	50,770	23,587	27,183	17,815	129,786	40