

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

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

JANUARY 31, 2018 AND 2017

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Metropolitan New York Synod
of the Evangelical Lutheran Church in America
New York, New York**

We have audited the accompanying consolidated financial statements of Metropolitan New York Synod of the Evangelical Lutheran Church in America which comprise the consolidated statement of financial position as of January 31, 2018 and 2017 and the related consolidated statements of unrestricted revenue, expenses and changes in unrestricted net assets, statements of changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan New York Synod of the Evangelical Lutheran Church in America as of January 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Metropolitan New York Synod
of the Evangelical Lutheran Church in America
New York, New York**

Other Matters – Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of program expenses, budgeted operations, changes in net assets, changes in temporarily and permanently restricted net assets and contributions from congregations 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 consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
April 20, 2018**

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

January 31, 2018 And 2017

	End Of Fiscal Year 2017	End Of Fiscal Year 2016
ASSETS		
Cash	\$ 638,316	\$ 1,285,322
Investments, at value <i>(Note 2)</i>	38,869,787	25,616,282
Accounts receivable	164,879	198,632
Mortgage receivable <i>(Note 3)</i>	2,379,232	2,637,500
Advances and other assets	88,225	69,051
Property, equipment and leasehold improvements <i>(Note 5)</i>	89,076	114,359
Property held by Synod <i>(Note 4)</i>	24,964,500	20,179,500
School property (Leif Ericson Day School), net	<u>172,889</u>	<u>222,770</u>
Total assets	<u>\$ 67,366,904</u>	<u>\$ 50,323,416</u>
LIABILITIES		
Accounts payable and accrued expenses <i>(Note 8)</i>	\$ 699,234	\$ 736,496
Deferred revenue	12,095,000	20,242
Notes payable <i>(Note 8)</i>	<u>32,186</u>	<u>40,114</u>
Total liabilities	<u>12,826,420</u>	<u>796,852</u>
NET ASSETS		
Unrestricted		
Undesignated	290,416	524,562
Designated	52,621,063	47,304,775
Net investment in property, equipment and leasehold improvements	<u>56,890</u>	<u>74,245</u>
Total unrestricted net assets	52,968,369	47,903,582
Temporarily restricted <i>(Note 6)</i>	339,574	207,284
Permanently restricted <i>(Note 6)</i>	<u>1,232,541</u>	<u>1,415,698</u>
Total net assets	<u>54,540,484</u>	<u>49,526,564</u>
Total liabilities and net assets	<u>\$ 67,366,904</u>	<u>\$ 50,323,416</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**CONSOLIDATED STATEMENTS OF UNRESTRICTED REVENUE, EXPENSES AND
CHANGES IN UNRESTRICTED NET ASSETS**

Years Ended January 31, 2018 And 2017

	Fiscal Year 2017	Fiscal Year 2016
Revenue		
Contributions from congregations		
Congregational mission support	\$ 1,086,923	\$ 1,171,321
Designated mission support		
ELCA World Hunger	34,567	41,872
ELCA/Synod designated gifts	80,789	29,689
Gifts transmitted for designated mission support	<u>(115,356)</u>	<u>(71,561)</u>
Total from congregations	1,086,923	1,171,321
Other revenue		
Contributions from individuals and others	64,755	126,534
Investment income		
(including gain on sale of investments of \$2,722,766 in 2018 and \$90,398 in 2017)	3,056,345	328,696
Miscellaneous	<u>162,126</u>	<u>133,234</u>
Total contributions and other revenue	<u>4,370,149</u>	<u>1,759,785</u>
Net assets released from restrictions (Note 6)	<u>106,550</u>	<u>63,084</u>
Total revenue	<u>4,476,699</u>	<u>1,822,869</u>
Expenses		
Synod Services		
Claimed	550,400	258,182
Gathered	2,238,988	2,209,345
Sent	1,056,683	1,067,434
Synod Governance	274,315	271,381
Finance and Administration	<u>536,639</u>	<u>445,065</u>
Total expenses	<u>4,657,025</u>	<u>4,251,407</u>
Deficit of revenue over expenses	(180,326)	(2,428,538)
Other Changes		
Net unrealized gain on long-term investments	1,148,340	1,775,096
Congregations under synodical preservation/agreement (net of expenses of \$1,643,346 and \$1,168,553 in 2018 and 2017) (Note 4)	4,146,654	4,488,447
Change in school property (Leif Ericson Day School)		
Current year operations	(49,881)	(146,842)
Beginning net assets	<u>—</u>	<u>369,612</u>
Increase in unrestricted net assets	<u>\$ 5,064,787</u>	<u>\$ 4,057,775</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended January 31, 2018 And 2017

	Fiscal Year 2017	Fiscal Year 2016
Unrestricted net assets		
Total unrestricted revenue	\$ 4,370,149	\$ 1,759,785
Net assets released from restrictions (<i>Note 6</i>)	106,550	63,084
Total unrestricted expenses	(4,657,025)	(4,251,407)
Other changes	<u>5,245,113</u>	<u>6,486,313</u>
Increase in unrestricted net assets	<u>5,064,787</u>	<u>4,057,775</u>
Temporarily restricted net assets		
Contributions	—	1,500
Investment income	48,822	54,910
Transfer from permanently restricted (<i>Note 6</i>)	190,018	—
Net assets released from restrictions (<i>Note 6</i>)	<u>(106,550)</u>	<u>(63,084)</u>
Increase (decrease) in temporarily restricted net assets	<u>132,290</u>	<u>(6,674)</u>
Permanently restricted net assets		
Contributions	6,861	1,259
Transfers to temporarily restricted (<i>Note 6</i>)	<u>(190,018)</u>	<u>—</u>
Increase (decrease) in permanently restricted net assets	<u>(183,157)</u>	<u>1,259</u>
Increase in net assets	5,013,920	4,052,360
Net assets		
Beginning of year	<u>49,526,564</u>	<u>45,474,204</u>
End of year	<u>\$ 54,540,484</u>	<u>\$ 49,526,564</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended January 31, 2018 And 2017

	Fiscal Year 2017	Fiscal Year 2016
INCREASE IN CASH		
<i>Net change in net assets</i>	\$ 5,013,920	\$ 4,052,360
<i>Adjustments to reconcile the net change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	25,283	23,062
Gain on sale of investments	(2,722,766)	(90,398)
Net unrealized gains on long-term investments	(1,148,340)	(1,775,096)
Congregations under synodical preservation/agreement	(5,790,000)	(5,657,000)
Change in school property (Leif Ericson Day School)	49,881	(222,770)
(Increase) decrease in		
Advances and other assets	(19,174)	(1,886)
Accounts receivable	33,753	(192,216)
Increase (decrease) in		
Accounts payable and accrued expenses	(37,262)	282,151
Deferred revenue	(20,242)	19,667
Net cash used for operating activities	(4,614,947)	(3,562,126)
<i>Cash flows from investing activities</i>		
Purchase of equipment and leasehold improvements	-	(77,304)
Purchase of investments	(21,792,051)	(7,602,830)
Proceeds from sale of investments	13,253,955	3,245,303
Net change in money market fund	(844,303)	(935,680)
Proceeds from sale of property held under Synodical preservation	13,100,000	9,525,000
Repayment of mortgage receivable	258,268	-
Issuance of mortgage receivable	-	(500,000)
Net cash provided by investing activities	3,975,869	3,654,489
<i>Cash flows from financing activities</i>		
Repayments of notes payable	(7,928)	(31,581)
Issuance of notes payable	-	40,769
Net provided by (cash used) for financing activities	(7,928)	9,188
Net increase (decrease) in cash	(647,006)	101,551
<i>Cash</i>		
Beginning of year	1,285,322	1,183,771
End of year	\$ 638,316	\$ 1,285,322

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

January 31, 2018 And 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Metropolitan New York 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. The financial statements include the operations of the Leif Ericson Day School, an entity for which the Synod is the sole member. In addition, certain property held by the Synod is held in single member limited liability companies with the Synod as the sole member (*See Note 4*).

CONSOLIDATION

The consolidated financial statements include the accounts of the Synod, Lief Ericson Day School and the Limited Liability Companies of certain property held for sale (collectively the “*Synod*”). All intercompany transactions have been eliminated.

ACCOUNTING ESTIMATES

The preparation of the financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

The Synod applies *ASC 958, “Not-for-Profit-Entities,”* which established standards for accounting for certain investments held by not-for-profit organizations and required that investments in securities be recorded at fair market value with the resulting gains and losses reported in the statement of activity.

The fair value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements are recorded at cost. Depreciation is provided for equipment and leasehold improvements on the straight-line method over the estimated useful lives, which are 2 to 10 years.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

CONGREGATIONS UNDER SYNODICAL PRESERVATION/AGREEMENT

Congregations under synodical preservation include property for which the title for such property has been transferred from a congregation generally due to a disbanded congregation or financial difficulties. Upon transfer of the title, the Synod records the property at the estimated fair value when the property is received and records corresponding revenue for those properties in the process of selling. For those properties in process of redevelopment, deferred revenue is recorded as the title for the property may be transferred back to the congregation upon successful completion of the redevelopment. The Synod expenses costs incurred in connection with carrying the property until the property is sold or redeveloped. Also included are congregation expenses for those congregations operating under a support agreement with the Synod.

CONTRIBUTIONS

Contributions and grants that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NET ASSETS

Unrestricted Net Assets – consist of net assets available for current operations.

Temporarily Restricted Net Assets – consist of gifts and contributions for which donor-imposed restrictions have not been met.

Permanently Restricted Net Assets – include gifts and contributions 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.

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.

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

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

(2) INVESTMENTS

Investments are composed of the following at January 31:

<u>2018</u>	<u>Cost</u>	<u>Market</u>
Equities	\$24,329,898	\$27,732,072
Corporate Bonds	3,840,029	3,818,861
U.S. Government Bonds	4,864,792	4,778,197
Foreign Government Bonds	99,790	98,496
Money Market Fund	<u>2,442,161</u>	<u>2,442,161</u>
	<u>\$35,576,670</u>	<u>\$38,869,787</u>

At January 31, 2018, the portfolio of investments had gross unrealized gains of \$3,293,117.

<u>2017</u>	<u>Cost</u>	<u>Market</u>
Equities	\$13,053,916	\$15,239,306
Corporate Bonds	3,386,385	3,395,987
U.S. Government Bonds	5,106,326	5,058,543
Foreign Government Bonds	99,790	99,589
Money Market Fund	1,597,857	1,597,857
Mutual Funds	<u>227,231</u>	<u>225,000</u>
	<u>\$23,471,505</u>	<u>\$25,616,282</u>

At January 31, 2017, the portfolio of investments had gross unrealized gains of \$2,144,777.

Total investment returns on the investments for fiscal years 2017 and 2016 was as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
Interest and dividends, net of fees of \$166,394 and \$133,899 in 2017 and 2016	\$ 382,401	\$ 293,207
Realized gains	2,722,766	90,398
Unrealized gains	<u>1,148,340</u>	<u>1,775,096</u>
	<u>\$4,253,507</u>	<u>\$2,158,701</u>

The Synod has pooled its investments, including designated net assets and permanently restricted net assets. The Synod uses the total return concept in accounting for its pooled investment funds whereby a spending policy was implemented for fiscal year 2011 for annual distributions to the Synod of four percent of the average of the market value of the investments on January 31st for the previous five years. Total distributable earnings under the spending rate were \$622,922 for fiscal year 2017 and \$490,534 for fiscal year 2016.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

FAIR VALUE OF FINANCIAL INSTRUMENTS

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 for identical assets or liabilities that the Synod has the ability to access.

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 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Synod's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

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

January 31, 2018	Total	Level 1	Level 2	Level 3
Investments				
Equities	\$27,732,072	\$27,732,072	\$ –	\$ –
Corporate Bonds	3,818,861	–	3,818,861	–
U.S. Government Bonds	4,778,197	–	4,778,197	–
Foreign Government Bonds	98,496	–	98,496	–
Money Market Fund	<u>2,442,161</u>	<u>2,442,161</u>	<u>–</u>	<u>–</u>
	<u>\$38,869,787</u>	<u>\$30,174,233</u>	<u>\$ 8,695,554</u>	<u>\$ –</u>
Property				
Property held by Synod	<u>\$23,699,500</u>	<u>\$ –</u>	<u>\$23,699,500</u>	<u>\$ –</u>
January 31, 2017	Total	Level 1	Level 2	Level 3
Investments				
Equities	\$15,239,306	\$15,239,306	\$ –	\$ –
Corporate Bonds	3,395,987	–	3,395,987	–
U.S. Government Bonds	5,058,543	–	5,058,543	–
Foreign Government Bonds	99,589	–	99,589	–
Money Market Fund	1,597,857	1,597,857	–	–
Mutual Funds	<u>225,000</u>	<u>225,000</u>	<u>–</u>	<u>–</u>
	<u>\$25,616,282</u>	<u>\$17,062,163</u>	<u>\$ 8,554,119</u>	<u>\$ –</u>
Property				
Property held by Synod	<u>\$20,179,500</u>	<u>\$ –</u>	<u>\$20,179,500</u>	<u>\$ –</u>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2018 and 2017.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

(3) MORTGAGE RECEIVABLE

In June 2012, the Synod sold Bethlehem Lutheran Church in Brooklyn. In connection with the sale, a mortgage was issued by the Synod and secured by the premises in the amount of \$1,900,000. Commencing on August 1, 2012, monthly payments of interest only of \$8,313 are due at an interest rate of 5.25%. On July 1, 2017, the interest rate increased to 6% and monthly payments of \$13,612 were due and payable beginning August 1, 2017. On July 1, 2020, the remaining outstanding principal and unpaid interest shall become due and payable. As of January 31, 2018 and 2017, the mortgage receivable was \$1,879,232 and \$1,900,000, respectively.

In October 2013, the Synod sold St. Luke's Church in the Bronx. In connection with the sale, a mortgage was issued by the Synod and secured by the premises in the amount of \$237,500. Commencing on December 1, 2013, monthly payments of interest only of \$990 are due at an interest rate of 5%. On October 1, 2017, the remaining outstanding principal and unpaid interest was repaid. As of January 31, 2017, the mortgage receivable was \$237,500.

In August 2016, the Synod sold Reformation Lutheran Church in Brooklyn. In connection with the sale, a mortgage was issued by the Synod and secured by the premises in the amount of \$500,000. Commencing on September 29, 2016, monthly payments of interest only of \$2,500 are due at an interest rate of 5%. On August 29, 2018, the remaining outstanding principal and unpaid interest shall become due and payable. As of January 31, 2018 and 2017, the mortgage receivable was \$500,000.

(4) PROPERTY HELD BY SYNOD

Property held by the Synod and under synodical preservation consist of the following:

	January 31, 2018	January 31, 2017
Properties in process of selling:		
Bethany Lutheran Church, Brooklyn (a)	\$ 3,180,000	\$ 3,180,000
First Lutheran Church, Jeffersonville (b)	87,500	87,500
Zion Lutheran Church, Brooklyn (c)	5,152,000	5,152,000
Bethlehem Lutheran Church, Bronx (d)	–	550,000
Lutheran Church of the Messiah, Brooklyn (e) *	3,540,000	3,540,000
Southwest Queens Project (f)		
Christ Evangelical Lutheran Church, Ozone Park	–	1,570,000
St. Luke's Lutheran Church, Woodhaven	–	2,200,000
Evangelical Lutheran Church of the Messiah, Flushing (g)	–	3,900,000
All Saints Lutheran Church, Bronx (k) *	910,000	–
Properties in process of selling	12,869,500	20,179,500
Properties in process of redevelopment:		
Church of The Holy Redeemer, Brooklyn (h)(l) *	4,600,000	–
Evangelical Lutheran Church of the Transfiguration, Manhattan (i)(l)	5,000,000	–
Trinity Lutheran Church, Queens (j)(l)	1,230,000	–
Transfiguration Lutheran Church, Bronx (l) *	1,265,000	–
Properties in process of redevelopment	12,095,000	–
Total property held by Synod	\$24,964,500	\$20,179,500

* *Limited Liability Company*

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

- (a) For the year ended January 31, 2018, the Synod recorded net expenses of \$15,151.
- (b) For the year ended January 31, 2018, the Synod recorded net expenses of \$21,760.
- (c) In December 2015, the Synod entered into a contract with Fifth Avenue Committee, a non-profit developer, to sell the property for the purposes of building a multi-use facility that will include affordable senior housing, plus 16,000 sq. ft. of community space that the Synod will provide certain construction costs and continue to own. The Synod is in the process of negotiating a lease with the New York City School Construction Authority to house five UPK classrooms in the Synod-owned space. The closing on this property has been extended to September 1, 2018. For the year ended January 31, 2018, the Synod recorded net expenses of \$112,202.
- (d) For the year ended January 31, 2018, the Synod sold the property for a net loss of \$67,507, reflecting the closing costs on the transaction.
- (e) For the year ended January 31, 2018, the Synod recorded net expenses of \$33,248.
- (f) For the year ended January 31, 2018, the Synod sold both of the properties, Christ Evangelical Lutheran Church and St. Luke's Lutheran Church and recorded a net gain of \$890,772 on the sale of the properties. The net gain resulted from an increase in fair value of \$1,280,000 less closing and other costs of \$389,228.
- (g) For the year ended January 31, 2018, the Synod sold the property and recognized a gain of \$3,104,647 on the sale of the property reflecting the increased fair value of \$3,600,000 less closing costs plus additional expenses incurred of \$495,353.
- (h) For the year ended January 31, 2018 the Synod recorded net expenses of \$49,281.
- (i) For the year ended January 31, 2018, the Synod recorded net expenses of \$36,837.
- (j) For the year ended January 31, 2018, the Synod recorded net expenses of \$42,253.
- (k) For the year ended January 31, 2018, the Synod recorded net revenue of \$899,969 reflecting the acquisition of the property of \$910,000 less expenses incurred of \$10,031.
- (l) These churches are in discussion with the Synod regarding redevelopment of the properties. The fair value of the properties has been recorded in deferred revenue as the title to the properties may be granted back to the congregation upon successful completion of the redevelopment.

In addition, there are several other congregations under synodical preservation or with a support agreement where the Synod has not taken title to the property. The Synod has recorded \$370,495 of net expenses related to these congregations for the year ended January 31, 2018.

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

(5) PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

The costs of such assets were as follows:

	January 31, 2018	January 31, 2017
Equipment and furniture	\$ 295,949	\$ 295,949
Leasehold improvements	<u>754,602</u>	<u>754,602</u>
	1,050,551	1,050,551
Less accumulated depreciation	<u>961,475</u>	<u>936,192</u>
Net value	<u>\$ 89,076</u>	<u>\$ 114,359</u>

(6) NET ASSETS

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of January 31:

	2018	2017
Funds for Grants to Congregations and Ministries	\$ 212,689	\$ 74,121
Funds for Ministerial Student Aid	13,224	3,802
Fund for Support of Companion Synod – ELCT	78,898	69,751
Women Leaders Fund	6,890	6,890
Women and Children in Poverty	594	10,594
Urban Empowerment Fund	5,878	5,878
Hurricane Sandy Relief	–	14,847
Other	<u>21,401</u>	<u>21,401</u>
	<u>\$ 339,574</u>	<u>\$ 207,284</u>

Net assets released by satisfying the donor restrictions were as follows:

	Fiscal Year 2017	Fiscal Year 2016
Funds for Grants to Congregations and Ministries	\$ 35,000	\$ 23,000
Funds for Ministerial Student Aid	12,000	–
Fund for Support of Companion Synod – ELCT	34,702	32,426
Urban Empowerment Fund	–	3,000
Hurricane Sandy Relief	14,848	–
Women and Children	10,000	–
Other programs	<u>–</u>	<u>4,658</u>
	<u>\$ 106,550</u>	<u>\$ 63,084</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the principal amounts of gifts and bequests accepted with the donor stipulation that the principal be retained intact. Income from such funds is available for spending or distribution as the terms of the individual fund provide and is classified as temporarily restricted net assets. When the restriction on income for spending or distribution expires, temporarily restricted net assets are reclassified to unrestricted net assets. Income on the Tanzania Educational Endowment Fund was reinvested until the fund reached a goal of \$1 million.

Permanently restricted net assets are available for the following purposes as of January 31:

	<u>2018</u>	<u>2017</u>
Funds for Grants to Congregations and Missions	\$ 124,272	\$ 292,868
Funds for Ministerial Student Aid	–	21,422
Tanzania Educational Endowment Fund	<u>1,108,269</u>	<u>1,101,408</u>
	<u>\$ 1,232,541</u>	<u>\$ 1,415,698</u>

Fiscal Year 2017 Endowment Net Asset Composition by Type of Fund as of January 31:

	<u>2018</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ –	\$93,718	\$ 1,232,541	\$ 1,326,259
Board-designated endowment funds	<u>62,180</u>	<u>–</u>	<u>–</u>	<u>62,180</u>
Total funds	<u>\$ 62,180</u>	<u>\$93,718</u>	<u>\$ 1,232,541</u>	<u>\$ 1,388,439</u>

	<u>2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ –	\$ 147,674	\$ 1,415,698	\$ 1,563,372
Board-designated endowment funds	<u>59,891</u>	<u>–</u>	<u>–</u>	<u>59,891</u>
Total funds	<u>\$ 59,891</u>	<u>\$ 147,674</u>	<u>\$ 1,415,698</u>	<u>\$ 1,623,263</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

Changes in Endowment Net Assets for the Years Ended January 31:

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, Beginning of year	\$ 59,891	\$ 147,674	\$ 1,415,698	\$ 1,623,263
Investment return	2,289	48,821	–	51,110
Contributions	–	–	6,861	6,861
Appropriation of endowment assets for expenditure	–	(39,703)	–	(39,703)
Release of small endowment funds	–	(63,074)	(190,018)	(253,092)
Endowment net assets, End of year	<u>\$ 62,180</u>	<u>\$ 93,718</u>	<u>\$ 1,232,541</u>	<u>\$ 1,388,439</u>

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, Beginning of year	\$ 58,501	\$ 148,190	\$ 1,414,439	\$ 1,621,130
Investment return	2,240	54,910	–	57,150
Contributions	–	–	1,259	1,259
Appropriation of endowment assets for expenditure	(850)	(55,426)	–	(56,276)
Transfer between Funds	–	–	–	–
Endowment net assets, End of year	<u>\$ 59,891</u>	<u>\$ 147,674</u>	<u>\$ 1,415,698</u>	<u>\$ 1,623,263</u>

In connection with the rules permissible in the State of New York with regard to UPMIFA and small endowment funds, the Synod transferred \$190,018 of net assets previously classified as permanently restricted net assets to temporarily restricted net assets during the year ended January 31, 2018 and will expend such net assets for similar purposes as to which the endowment income was designated. The reclassification of \$190,018 is reflected on the statement of changes in assets as transfers from permanently restricted net assets.

(7) PENSION PLAN

Substantially all employees of the Synod are enrolled in the defined contribution pension plans made available and administered by Portico Benefit Services of the ELCA. The full current employer cost provided for under the plans was approximately \$96,800 and \$94,000 for fiscal years 2017 and 2016, respectively. No actuarial valuation is needed to determine the required reserves for future pension benefits because the contributions made on behalf of employees are carried on an accumulation basis by Portico Benefit Services of the ELCA. Upon retirement, pension benefits are provided by the money-purchase method. Consequently, such accumulations constitute the reserves from which benefits will be provided.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2018 And 2017

(8) COMMITMENTS AND CONTINGENCIES

The Synod leases office equipment under a capital lease expiring in 2021. The related property is included at a cost of \$40,769 at January 31, 2018. Total accumulated depreciation at January 31, 2018 was \$8,833. The minimum lease payments as of January 31, 2018 under this lease, together with the present value of the net minimum lease payments are as follows:

<u>Fiscal Year</u>	
2018	\$ 8,460
2019	8,460
2020	8,460
2021	<u>7,755</u>
	33,135
Less: Amount representing interest	<u>(949)</u>
Present value of minimum lease payments	<u>\$32,186</u>

The Synod signed a new five-year lease for approximately 8,000 square feet of office space in the Interchurch Center in New York City expiring June 30, 2020 with monthly rent of \$15,184, exclusive of future escalations. Total rent expense for fiscal years 2017 and 2016 was approximately \$191,700 and \$187,300, respectively. Total minimum lease commitments are as follows:

<u>Fiscal Year</u>	
2018	\$ 186,792
2019	186,792
2020	<u>77,830</u>
	<u>\$451,414</u>

The Synod has guaranteed an outstanding note payable, secured by a real estate mortgage, in the amount of \$4.3 million to a related congregation. The note matures on January 1, 2043. The estimated fair value of the guarantee as of January 31, 2018 is \$175,528 and has been recorded in accounts payable and accrued expenses on the statement of financial position.

At January 31, 2018, the Synod is a party to certain lawsuits in the ordinary course of business. While any litigation has an element of uncertainty, after reviewing these actions with legal counsel, management is of the opinion that the liability, if any, resulting from these actions will not have a material effect on the consolidated financial condition of the Synod.

(9) SUBSEQUENT EVENTS

Subsequent events after the consolidated statement of financial position date through the date that the consolidated financial statements were available for issuance, April 20, 2018, have been evaluated in the preparation of the consolidated financial statements and management has determined that there are no subsequent events that would require disclosure or adjustment to the consolidated financial statements.

SUPPLEMENTAL INFORMATION

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

PROGRAM EXPENSES

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
CLAIMED			
Faith Formation			
Staff	\$ 58,015	\$ 62,049	\$ 103,654
Total Faith Formation	<u>58,015</u>	<u>62,049</u>	<u>103,654</u>
Family Ministries			
Staff	16,922	18,098	4,437
Youth Ministries	-	576	474
Children, Youth & Family Ministries	<u>5,000</u>	<u>4,071</u>	<u>3,102</u>
Total Family Ministries	<u>21,922</u>	<u>22,745</u>	<u>8,013</u>
Communications			
Staff	22,964	24,561	29,615
Website Services	4,200	2,999	3,134
Lutheran New Yorker	<u>40,000</u>	<u>26,500</u>	<u>-</u>
Total Communications	<u>67,164</u>	<u>54,060</u>	<u>32,749</u>
Education/Internship Grants			
Lutheran Ministries in Higher Education	43,370	43,370	43,370
Lutheran Schools Association-Assessment	20,650	20,650	18,900
Student Christian Center at SUNY New Paltz	<u>15,000</u>	<u>15,000</u>	<u>13,000</u>
Total Education/Internship Grants	<u>79,020</u>	<u>79,020</u>	<u>75,270</u>
Strategic Plan			
Staff	22,964	24,561	10,367
Strategic Planning/Support	35,000	25,740	26,809
Communications Enhancement Programs	10,000	10,000	-
Website Grants to Congregations	40,000	1,618	906
500 th Anniversary of the Reformation	<u>40,000</u>	<u>270,607</u>	<u>414</u>
Total Strategic Plan	<u>147,964</u>	<u>332,526</u>	<u>38,496</u>
TOTAL CLAIMED	<u>\$ 374,085</u>	<u>\$ 550,400</u>	<u>\$ 258,182</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
GATHERED			
Mission Resources			
Staff	\$ 41,139	\$ 49,832	\$ 37,233
Stewardship & Mission Support Table	2,500	–	–
Special Events	–	1,942	–
Ascension Table Ministry Fund	–	2,128	206
Two or Three Project Ministry Fund	–	–	270
Total Mission Resources	<u>43,639</u>	<u>53,902</u>	<u>37,709</u>
Congregational Grants			
Staff	88,155	106,782	62,055
Partnership Grants	600,000	493,493	442,368
Salam Ministry Fund	–	–	140,000
Epiphany Brooklyn Grant	150,000	150,000	50,000
Other Grants	75,000	55,000	28,450
Ministerial Education Grants	–	6,000	–
Trexler Grants	5,000	5,000	–
Total Congregational Grants	<u>918,155</u>	<u>816,275</u>	<u>722,873</u>
Congregational Consultations			
Staff	199,819	242,039	310,273
Congregational Resources	–	–	772
Total Congregational Consultations	<u>199,819</u>	<u>242,039</u>	<u>311,045</u>
Communications			
Staff	29,385	35,594	31,027
Total Communications	<u>29,385</u>	<u>35,594</u>	<u>31,027</u>
Leadership Formation			
Staff	141,048	170,851	142,724
Candidacy Expense	20,000	11,677	19,777
Ministerium & Other Evaluation Events	5,000	277	2,116
Urban Leaders Institute	5,000	–	3,323
Diaconate	5,000	3,265	–
Special Events / Retreats	–	–	4,173
Deans' Retreat	3,750	3,130	3,716
Staff Retreat	3,500	5,572	2,945
Bishop's Retreat	25,000	21,156	19,107
Bishop's Discretionary Fund	–	21,667	900
Total Leadership Formation	<u>208,298</u>	<u>237,595</u>	<u>198,781</u>
Education/Internship Grants			
Staff	5,877	7,119	–
Philadelphia Seminary Grant	65,000	65,000	65,000
Horizon Internships	12,000	12,000	12,000
Total Education/Internship Grants	<u>82,877</u>	<u>84,119</u>	<u>77,000</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
Strategic Plan			
Staff	\$ 82,279	\$ 99,663	\$ 37,233
Strategic Support	35,000	26,520	31,993
Strategic Initiatives	–	–	2,000
Pastoral Care	5,000	–	135
Shared Ministry Initiative	–	–	–
The Sower’s Project	75,000	20,000	57,500
Leadership Development Grants	100,000	82,047	59,863
Capital Grants to Congregations	800,000	462,720	519,520
Real Estate Surveys	25,000	–	6,000
Congregational Financial Review	30,000	7,500	–
Congregational Workshops	30,000	34,814	–
Congregational Consulting Support	150,000	200	–
Strategic Initiatives – Pilot Projects	<u>200,000</u>	<u>36,000</u>	<u>116,666</u>
Total Strategic Plan	<u>1,532,279</u>	<u>769,464</u>	<u>830,910</u>
TOTAL GATHERED	<u>\$ 3,014,452</u>	<u>\$ 2,238,988</u>	<u>\$ 2,209,345</u>
SENT			
Companion Synods			
Staff	47,430	47,951	46,765
Companion Synod Teacher Salaries/Benefits	50,000	30,694	25,766
Travel & Hospitality (Tanzania)	15,000	4,009	6,660
Flow Through Grants (Tanzania)	–	–	4,658
Total Companion Synods	<u>112,430</u>	<u>82,654</u>	<u>83,849</u>
Committees/Commissions			
Staff	27,900	28,207	34,458
Synod Committees/Commissions	<u>5,000</u>	<u>928</u>	<u>4,005</u>
Total Committees/Commissions	<u>32,900</u>	<u>29,135</u>	<u>38,463</u>
Multicultural Ministries			
Staff	72,540	73,337	95,990
Multicultural Ministries	<u>10,000</u>	<u>6,716</u>	<u>7,367</u>
Total Multicultural Ministries	<u>82,540</u>	<u>80,053</u>	<u>103,357</u>
Social Ministry Organizations			
Staff	19,530	19,745	19,690
SMO Agency Events	<u>19,000</u>	<u>20,567</u>	<u>4,175</u>
Total Social Ministry Organizations	<u>38,530</u>	<u>40,312</u>	<u>23,865</u>
Communications			
Staff	<u>39,060</u>	<u>39,489</u>	<u>24,613</u>
Total Communications	<u>39,060</u>	<u>39,489</u>	<u>24,613</u>
ELCA Mission Support	<u>612,000</u>	<u>554,331</u>	<u>591,517</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
Strategic Plan			
Staff	\$ 72,541	\$ 73,337	\$ 24,614
Strategic Planning/Support	35,000	25,740	24,611
Wider Church Grants	125,000	125,000	122,000
Strategic Initiatives	28,000	–	–
Community Outreach Initiatives	60,000	–	–
Immigration Initiatives	10,000	352	–
Anti-Racism Training	<u>32,000</u>	<u>6,280</u>	<u>30,545</u>
Total Strategic Plan	<u>362,541</u>	<u>230,709</u>	<u>201,770</u>
TOTAL SENT	<u>\$ 1,280,001</u>	<u>\$ 1,056,683</u>	<u>\$ 1,067,434</u>
SYNOD GOVERNANCE			
Synod Assembly			
Staff	50,295	55,605	48,336
Synod Assembly	<u>75,000</u>	<u>62,458</u>	<u>89,116</u>
Total Synod Assembly	<u>125,295</u>	<u>118,063</u>	<u>137,452</u>
Synod Council			
Staff	72,089	79,701	72,505
Synod Council	8,000	9,812	6,886
Synod Council Committees	2,500	6,672	1,645
Synod Archives	<u>12,000</u>	<u>4,620</u>	<u>9,671</u>
Total Synod Council	<u>94,589</u>	<u>100,805</u>	<u>90,707</u>
Synod Events			
Staff	45,265	50,045	30,210
Region 7 Coordinating Council	7,500	–	7,500
Worship Events & Ordinations	<u>4,000</u>	<u>5,402</u>	<u>5,512</u>
Total Synod Events	<u>56,765</u>	<u>55,447</u>	<u>43,222</u>
TOTAL SYNOD GOVERNANCE	<u>\$ 276,649</u>	<u>\$ 274,315</u>	<u>\$ 271,381</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
FINANCE AND ADMINISTRATION			
General Office Management			
Staff	\$ 13,493	\$ 16,355	\$ 18,825
Telephone	17,000	16,891	16,988
Professional Services - IT	3,500	3,996	2,717
Computer Equipment Expense	5,000	10,932	204
Database/Software	20,000	20,055	16,231
Office Supplies	9,000	7,968	12,949
Postage & Shipping	8,000	6,033	6,932
Other Expense	1,397	–	–
Office Hospitality	<u>5,000</u>	<u>6,512</u>	<u>5,492</u>
Total General Office Management	<u>82,390</u>	<u>88,742</u>	<u>80,338</u>
General Accounting			
Staff	42,728	51,791	32,943
Payroll Service Fees	4,600	4,980	4,533
Bank and Credit Card Fees	<u>3,000</u>	<u>4,001</u>	<u>2,771</u>
Total General Accounting	<u>50,328</u>	<u>60,772</u>	<u>40,247</u>
Facility			
Staff	2,249	2,726	1,882
Rent & Facility Management	194,813	194,816	188,770
Maintenance and Repair	6,500	12,784	7,009
Depreciation Expense	<u>15,000</u>	<u>25,283</u>	<u>23,062</u>
Total Facility	<u>218,562</u>	<u>235,609</u>	<u>220,723</u>
Audit/Legal			
Staff	47,226	57,242	35,768
Professional Services - Audit	23,000	23,000	22,750
Legal Fees	<u>15,000</u>	<u>25,183</u>	<u>4,000</u>
Total Audit/Legal	<u>85,226</u>	<u>105,425</u>	<u>62,518</u>
Insurance			
Staff	6,747	8,177	4,706
ELCA Shared Risk Assessment	1,650	–	–
Insurance	1,650	1,928	1,800
Worker's Comp/NYS Unemployment Insurance	8,000	9,137	7,846
D&O Insurance	13,500	13,491	13,451
Property & Liability Insurance	<u>13,500</u>	<u>13,358</u>	<u>13,436</u>
Total Insurance	<u>45,047</u>	<u>46,091</u>	<u>41,239</u>
TOTAL FINANCE AND ADMINISTRATION	<u>\$ 481,553</u>	<u>\$ 536,639</u>	<u>\$ 445,065</u>
Total Expenses before Properties	<u>\$ 5,426,740</u>	<u>\$ 4,657,025</u>	<u>\$ 4,251,407</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2017</u>	<u>Actual Expenses Fiscal Year 2016</u>
PROPERTIES UNDER SYNOD MANAGEMENT			
Salaries, Pension & Benefits	\$ 150,000	\$ 91,653	\$ 96,081
Non-Staff Compensation	–	25,499	23,063
Travel & Hospitality	–	2,714	503
Synod Archives	–	12,000	–
Rent & Facility Management	–	4,020	28,229
Maintenance & Repairs	–	51,286	56,185
Property & Liability Insurance	–	92,827	93,414
Utilities	–	53,696	41,391
Violations and Fines	–	23,514	16,400
Real Estate Taxes	–	24,584	(2,591)
General Administrative Expense	–	2,075	6,597
Administrative and Other Professional Services	–	27,102	4,372
Professional Fees – Appraisers	–	9,850	12,000
Professional Fees – Architects/Engineers	–	26,719	49,040
Real Estate Broker Fees	–	655,000	476,250
Real Estate Surveys	–	27,410	–
Computer Equipment	–	1,804	–
Title Fees	–	60,791	54,407
Legal Fees	–	326,428	229,922
Guarantee Expense	–	175,528	–
Synodically-Owned Properties (Budget only)	<u>200,000</u>	<u>–</u>	<u>–</u>
Total Properties under Synod Management	<u>350,000</u>	<u>1,694,500</u>	<u>1,185,263</u>
Total Expenses	<u>\$ 5,776,740</u>	<u>\$ 6,351,525</u>	<u>\$ 5,436,670</u>
NET PROPERTY EXPENSES			
Expenses from above		\$ 1,694,500	\$ 1,185,263
Less: Other income from properties		<u>(51,154)</u>	<u>(16,710)</u>
Net property expenses		<u>\$ 1,643,346</u>	<u>\$ 1,168,553</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

BUDGETED OPERATIONS

Years Ended January 31, 2018 And 2017

	<u>Budget Provision</u>	<u>Actual Fiscal Year 2017</u>	<u>Actual Fiscal Year 2016</u>
BUDGETED OPERATIONS			
Income			
Congregational Mission Support	\$ 1,200,000	\$ 1,086,923	\$ 1,171,321
Grants – ELCA	11,000	10,000	12,950
Investment Income	608,108	571,811	434,207
Loan Interest	144,387	144,481	124,125
Contributions from Individuals and Others	25,000	54,755	108,906
Other Income	–	–	1,465
Reimbursement from Wider Church Fund	–	–	122,000
Released from designations			
Metro New York Synod Fund	430,500	430,500	660,087
Mission Redevelopment Fund	2,837,245	1,899,110	1,417,280
Other Funds	<u>170,500</u>	<u>207,939</u>	<u>210,105</u>
Total Income before Properties	5,426,740	4,405,519	4,262,446
Reimbursement from properties	<u>350,000</u>	<u>1,694,500</u>	<u>1,185,263</u>
Total Income	<u>5,776,740</u>	<u>6,100,019</u>	<u>5,447,709</u>
Expenses			
Claimed	374,085	550,400	258,182
Gathered	3,014,452	2,238,988	2,209,345
Sent	1,280,001	1,056,683	1,067,434
Synod Governance	276,649	274,315	271,381
Finance and Administrative	<u>481,553</u>	<u>536,639</u>	<u>445,065</u>
Total Expenses before Properties	5,426,740	4,657,025	4,251,407
Properties under Synod Management	<u>350,000</u>	<u>1,694,500</u>	<u>1,185,263</u>
Total Expenses	<u>5,776,740</u>	<u>6,351,525</u>	<u>5,436,670</u>
Excess (Deficit) of Income over Expenses	<u>\$ –</u>	<u>\$ (251,506)</u>	<u>\$ 11,039</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

SUMMARY OF CHANGES IN NET ASSETS

Year Ended January 31, 2018

	<u>Balance, January 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, January 31, 2018</u>
UNRESTRICTED				
Undesignated				
General operating	\$ 524,562	\$ 4,506,496	\$ 4,740,642	\$ 290,416
Designated				
Metropolitan New York Synod Fund – General	289,374	2,482,244	430,500	2,341,118
Unrealized gains (losses) on investments	<u>2,144,777</u>	<u>1,148,340</u>	<u>–</u>	<u>3,293,117</u>
	2,434,151	3,630,584	430,500	5,634,235
Congregations Under Synodical Preservation				
Property Value	20,179,500	5,790,000	13,100,000	12,869,500
Youth Ministry Fund	(401)	1,774	–	1,373
Bishop Rudolph P. F. Ressmeyer Fund	27,726	1,077	–	28,803
William and Helen Heinemann Memorial Fund	364,969	–	–	364,969
Winston Bone Scholarship Fund	32,165	1,212	–	33,377
Salam Ministry Fund	854,059	–	–	854,059
Bishop's Discretionary Fund	28,234	9,917	21,667	16,484
Mission Redevelopment Fund	2,323,628	–	1,899,112	424,516
Support for the Wider Church	75,523	–	75,500	23
Musical Instruments Fund	14,015	–	–	14,015
MNYS Legacy	20,728,409	11,456,654	–	32,185,063
Ministry Among Guyanese Fund	16,619	3,543	1,942	18,220
School property (Leif Ericson Day School)	222,770	–	49,881	172,889
Other	<u>3,408</u>	<u>2,257</u>	<u>2,128</u>	<u>3,537</u>
Total designated	<u>47,304,775</u>	<u>20,897,018</u>	<u>15,580,730</u>	<u>52,621,063</u>
Property and equipment fund	<u>74,245</u>	<u>7,928</u>	<u>25,283</u>	<u>56,890</u>
Total unrestricted	<u>47,903,582</u>	<u>25,411,442</u>	<u>20,346,655</u>	<u>52,968,369</u>
TEMPORARILY RESTRICTED				
Endowment income	147,674	48,821	102,777	93,718
Grants to Congregations and Ministries	–	227,869	30,000	197,869
Ministerial Student Aid	–	25,224	12,000	13,224
Women Leaders Fund	6,890	–	–	6,890
Women and Children in Poverty	10,594	–	10,000	594
Urban Empowerment Fund	5,878	–	–	5,878
Hurricane Sandy Relief	14,847	–	14,847	–
Other	<u>21,401</u>	<u>–</u>	<u>–</u>	<u>21,401</u>
Total temporarily restricted	<u>207,284</u>	<u>301,914</u>	<u>169,624</u>	<u>339,574</u>
PERMANENTLY RESTRICTED				
Total net assets	<u>1,415,698</u>	<u>6,861</u>	<u>190,018</u>	<u>1,232,541</u>
	<u>\$ 49,526,564</u>	<u>\$ 25,720,217</u>	<u>\$ 20,706,297</u>	<u>\$ 54,540,484</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

SUMMARY OF CHANGES IN TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (ENDOWMENT)

Year Ended January 31, 2018

	<u>PERMANENTLY RESTRICTED</u>				<u>TEMPORARILY RESTRICTED</u>			
	<u>PRINCIPAL</u>				<u>INCOME</u>			
	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>	<u>Beginning</u>	<u>Allocated</u>	<u>Expenses</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>	<u>Balance</u>	<u>Income</u>	<u>And</u>	<u>Balance</u>
							<u>Transfers</u>	
Funds for Grants to Congregations and Ministries								
Samuel Trexler Fellowship Fund	\$ 124,272	\$ -	\$ -	\$ 124,272	\$ 14,849	\$ 4,971	\$ 5,000	\$ 14,820
Kling/Kreider/Weiskotten Mission Support Fund	44,041	-	44,041	-	16,643	-	16,643	-
Bishop James Graefe Fund	59,458	-	59,458	-	21,968	-	21,968	-
Magda Bratland Fund	65,097	-	65,097	-	20,661	-	20,661	-
Funds for Ministerial Student Aid								
Stechman/Berwager Ministerial Education	21,422	-	21,422	-	3,802	-	3,802	-
Fund for Support of Companion Synod								
Tanzania Educational Endowment Fund	<u>1,101,408</u>	<u>6,861</u>	<u>-</u>	<u>1,108,269</u>	<u>69,751</u>	<u>43,850</u>	<u>34,703</u>	<u>78,898</u>
	<u>\$1,415,698</u>	<u>\$6,861</u>	<u>\$ 190,018</u>	<u>\$ 1,232,541</u>	<u>\$147,674</u>	<u>\$ 48,821</u>	<u>\$102,777</u>	<u>\$ 93,718</u>

**METROPOLITAN NEW YORK SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

CONTRIBUTIONS FROM CONGREGATIONS SUMMARIZED BY CONFERENCE

Year Ended January 31, 2018

	Fiscal Year 2017					Fiscal Year
	Total	Mission	ELCA World	ELCA Other	Synod Other	2016
	Contributions	Support	Hunger	Designated	Designated	Mission
						Support
Hudson	\$ 131,077	\$ 108,516	\$ 3,626	\$ 14,313	\$ 4,622	\$ 109,965
Delaware Hudson	73,952	60,363	3,572	6,208	3,809	54,308
Tappan Zee	140,027	129,947	1,545	160	8,375	141,214
Eastern Nassau	80,409	68,853	7,295	4,261	–	94,479
Western Nassau	38,508	37,293	–	1,215	–	39,310
Southwest Nassau	76,346	70,194	2,864	–	3,288	68,432
Peconic	85,064	73,293	2,460	7,661	1,650	80,749
Western Suffolk	124,400	117,128	3,705	3,336	231	130,728
Manhattan	186,752	174,608	4,814	4,665	2,665	179,020
Bronx	23,429	21,427	249	665	1,088	23,320
Staten Island	43,461	39,114	1,878	53	2,416	45,895
Southeast Queens	26,512	24,869	–	255	1,388	28,656
Southwest Queens	17,083	15,219	1,127	–	737	23,542
Northeast Queens	11,269	10,770	295	–	204	11,700
Northwest Queens	52,230	39,399	200	12,292	339	40,915
Brooklyn Bridges	29,100	29,100	–	–	–	30,900
South Shore Brooklyn	30,439	27,206	650	2,276	307	27,988
Southwest Brooklyn	51,143	39,624	287	11,131	101	40,200
TOTAL	\$ 1,221,201	\$ 1,086,923	\$ 34,567	\$ 68,491	\$ 31,220	\$ 1,171,321