

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

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

JANUARY 31, 2025

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Metropolitan New York Synod of the Evangelical Lutheran Church in America (the “*Synod*”) (a nonprofit organization), which comprise the statement of financial position as of January 31, 2025 and the related statements of activities, functional expenses 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, 2025, 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 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.

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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Synod's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Synod's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Synod's 2024 financial statements, and our report dated May 30, 2024, expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2024 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 consolidated financial statements as a whole. The accompanying Summary of Changes in Net Assets, Summary of Changes in Net Assets with Donor Restrictions, and Contributions from Congregations Summarized by Conference, on pages 21-23, are presented for purposes of additional analysis and are 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 16, 2025

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

January 31, 2025 And 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,620,105	\$ 7,194,377
Accounts receivable	158,782	229,998
Dividends & interest receivable	113,116	100,282
Other Loans receivable <i>(Note 3)</i>	10,250	29,379
Mortgage receivable <i>(Note 4)</i>	500,000	500,000
Prepays and other assets	178,428	150,955
Investments, at fair value <i>(Note 2)</i>	68,234,298	47,413,495
Deposits with developer <i>(Note 5)</i>	-	3,452,052
Right of Use Asset <i>(Note 9)</i>	185,858	480,432
Property, equipment and leasehold improvements, net <i>(Note 6)</i>	3,606,719	323,289
Property held by Synod <i>(Note 5)</i>	<u>22,315,000</u>	<u>21,150,000</u>
Total assets	<u>\$96,922,556</u>	<u>\$ 81,024,259</u>
LIABILITIES		
Accounts payable and accrued expenses <i>(Note 10)</i>	\$ 632,402	\$ 451,355
Right of Use Liability <i>(Note 9)</i>	190,198	486,162
Deferred revenue	<u>8,049,224</u>	<u>7,267,241</u>
Total liabilities	<u>8,871,824</u>	<u>8,204,758</u>
NET ASSETS		
Without donor restrictions <i>(Note 7)</i>		
Undesignated	-	-
Designated	<u>85,462,602</u>	<u>70,530,031</u>
Total without donor restrictions	85,462,602	70,530,031
With donor restrictions <i>(Note 7)</i>	<u>2,588,130</u>	<u>2,289,470</u>
Total net assets	<u>88,050,732</u>	<u>72,819,501</u>
Total liabilities and net assets	<u>\$96,922,556</u>	<u>\$ 81,024,259</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended January 31, 2025 With Summarized Information For 2024

	<u>Net Assets Without Donor Restrictions</u>			<u>Net Assets With Donor Restrictions</u>	<u>2025</u>	<u>2024</u>
	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>			
Revenue and operating support						
Contributions from congregations						
Congregational mission support	\$ 790,581	\$ -	\$ 790,581	\$ -	\$ 790,581	\$ 910,729
Other mission support						
ELCA World Hunger	14,992	-	14,992	-	14,992	19,651
ELCA other gifts	15,122	-	15,122	-	15,122	22,660
Less: Transfer of other mission support	(30,114)	-	(30,114)	-	(30,114)	(42,311)
Synod designated gifts	<u>2,658</u>	<u>-</u>	<u>2,658</u>	<u>-</u>	<u>2,658</u>	<u>3,137</u>
Total from congregations	793,239	-	793,239	-	793,239	913,866
Other revenue						
Contributions from individuals and others	115,004	79,092	194,096	93,052	287,148	206,087
Investment income designated for operations	1,670,145	-	1,670,145	82,508	1,752,653	1,650,922
Other Income	<u>81,027</u>	<u>1,737,286</u>	<u>1,818,313</u>	<u>-</u>	<u>1,818,313</u>	<u>265,738</u>
Total contributions and other revenue	2,659,415	1,816,378	4,475,793	175,560	4,651,353	3,036,613
Net assets released from restrictions (Note 7)	<u>53,166</u>	<u>-</u>	<u>53,166</u>	<u>(53,166)</u>	<u>-</u>	<u>-</u>
Total revenue and operating support	<u>2,712,581</u>	<u>1,816,378</u>	<u>4,528,959</u>	<u>122,394</u>	<u>4,651,353</u>	<u>3,036,613</u>
Expenses						
Program expenses						
Strategies						
Evangelism	157,082	-	157,082	-	157,082	163,070
Leadership	511,222	-	511,222	-	511,222	517,274
Congregation	1,145,310	60,420	1,205,730	-	1,205,730	1,180,076
Advocacy	329,336	-	329,336	-	329,336	315,435
Vision 2025	821,204	9,999	831,203	-	831,203	571,612
Mission support to ELCA	<u>395,291</u>	<u>-</u>	<u>395,291</u>	<u>-</u>	<u>395,291</u>	<u>455,365</u>
Total program expenses	<u>3,359,445</u>	<u>70,419</u>	<u>3,429,864</u>	<u>-</u>	<u>3,429,864</u>	<u>3,202,832</u>
Supporting expenses						
Synod Governance	310,192	-	310,192	-	310,192	908,240
Finance and Administration	<u>927,066</u>	<u>131,043</u>	<u>1,058,109</u>	<u>-</u>	<u>1,058,109</u>	<u>915,838</u>
Total supporting expenses	<u>1,237,258</u>	<u>131,043</u>	<u>1,368,301</u>	<u>-</u>	<u>1,368,301</u>	<u>1,824,078</u>
Total operating expenses	<u>4,596,703</u>	<u>201,462</u>	<u>4,798,165</u>	<u>-</u>	<u>4,798,165</u>	<u>5,026,910</u>
Change in net assets from operating activities before transfers	(1,884,122)	1,614,916	(269,206)	122,394	(146,812)	(1,990,297)
Transfers	<u>1,884,122</u>	<u>(1,884,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets from operating activities	-	(269,206)	(269,206)	122,394	(146,812)	(1,990,297)
Non-operating activities						
Investment return in excess of amounts designated for operations	-	6,647,975	6,647,975	176,266	6,824,241	3,455,748
Congregations under synodical preservation/ agreement – Revenue, gains(losses) and expenses (Note 5)	<u>-</u>	<u>8,553,802</u>	<u>8,553,802</u>	<u>-</u>	<u>8,553,802</u>	<u>8,431,160</u>
Increase/(decrease) in net assets	-	14,932,571	14,932,571	298,660	15,231,231	9,896,611
Net assets, beginning of year	<u>-</u>	<u>70,530,031</u>	<u>70,530,031</u>	<u>2,289,470</u>	<u>72,819,501</u>	<u>62,922,890</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 85,462,602</u>	<u>\$ 85,462,602</u>	<u>\$ 2,588,130</u>	<u>\$ 88,050,732</u>	<u>\$ 72,819,501</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended January 31, 2025 With Summarized Information For 2024

	Program Services						Total Program Services	Supporting Services		Total Supporting Services	2025 Total	2024 Total
	Evangelism	Leadership	Congregation	Advocacy	Vision 2025	Mission Support To ELCA		Synod Governance	Finance & Administration			
Staff	\$157,082	\$ 337,127	\$ 509,775	\$ 120,595	\$ 279,864	\$ -	\$1,404,443	\$211,632	\$ 409,493	\$ 621,125	\$2,025,568	\$1,970,613
Grants	-	40,532	691,038	80,000	474,171	-	1,285,741	-	-	-	1,285,741	1,096,575
ELCA Mission Support	-	-	-	-	-	395,291	395,291	-	-	-	395,291	455,365
Program Support	-	53,504	4,886	128,741	10,655	-	197,786	-	-	-	197,786	129,691
Rent	-	-	-	-	-	-	-	-	184,268	184,268	184,268	219,627
Synod Assembly	-	-	-	-	-	-	-	6,670	-	6,670	6,670	532,569
Communications	-	4,535	-	-	928	-	5,463	11,730	-	11,730	17,193	26,785
Workshops/Retreats	-	61,400	-	-	-	-	61,400	-	-	-	61,400	99,671
Professional Services	-	-	-	-	50,085	-	50,085	38,908	147,946	186,854	236,939	217,329
Office Expense	-	4,158	31	-	15,500	-	19,689	25,420	106,416	131,836	151,525	138,392
Travel and Meetings	-	9,966	-	-	-	-	9,966	2,496	-	2,496	12,462	33,063
Insurance	-	-	-	-	-	-	-	-	40,864	40,864	40,864	36,687
Website Services	-	-	-	-	-	-	-	13,136	-	13,136	13,136	37,406
Miscellaneous Expense	-	-	-	-	-	-	-	200	500	700	700	2,182
Depreciation	-	-	-	-	-	-	-	-	168,622	168,622	168,622	30,955
	<u>\$157,082</u>	<u>\$ 511,222</u>	<u>\$ 1,205,730</u>	<u>\$ 329,336</u>	<u>\$ 831,203</u>	<u>\$ 395,291</u>	<u>\$ 3,429,864</u>	<u>\$ 310,192</u>	<u>\$1,058,109</u>	<u>\$ 1,368,301</u>	<u>\$ 4,798,165</u>	<u>\$ 5,026,910</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended January 31, 2025 And 2024

	<u>2025</u>	<u>2024</u>
<i>Cash flows from operating activity</i>		
<i>Change in net assets</i>	\$ 15,231,231	\$ 9,896,611
<i>Adjustments to reconcile the change in net assets to net cash used for operating activities</i>		
Depreciation	168,622	30,955
Realized gains on investments	(3,705,620)	(2,568,726)
Net unrealized (gains) losses on investments	(4,190,552)	(1,968,779)
Amortization of right of use asset, net of payments on operating lease	(1,390)	1,475
Gain on sales of property held under Synodical preservation	(3,470,000)	(1,464,778)
Acquisition of properties under synodical preservation and subsequent impairment of value, net	(7,395,000)	(8,570,000)
(Increase) decrease in		
Accounts receivable	71,216	(31,301)
Dividend & Interest receivable	(12,834)	(21,349)
Other Loan Receivables	19,129	(9,967)
Prepays and other assets	(27,473)	(33,265)
Increase (decrease) in		
Accounts payable and accrued expenses	181,047	(62,195)
Deferred Revenue	<u>781,983</u>	<u>1,064,990</u>
Net cash used for operating activities	<u>(2,349,641)</u>	<u>(3,736,329)</u>
<i>Cash flows from investing activities</i>		
Purchase of property, equipment and leasehold improvements	(3,452,052)	-
Purchase of investments	(21,924,178)	(8,732,355)
Proceeds from sale of investments	10,156,924	7,904,890
Net change in money market fund	(1,157,377)	279,649
Proceeds from sale of property held under Synodical preservation	9,700,000	9,829,778
Return of deposit with developer	<u>3,452,052</u>	<u>614,323</u>
Net cash provided by/(used for) investing activities	<u>(3,224,631)</u>	<u>9,896,285</u>
Net increase (decrease) in cash	(5,574,272)	6,159,956
Cash, beginning of year	<u>7,194,377</u>	<u>1,034,421</u>
Cash, end of year	<u>\$ 1,620,105</u>	<u>\$ 7,194,377</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

January 31, 2025 And 2024

(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. 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 5*).

CONSOLIDATION

The consolidated financial statements include the accounts of the Synod 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 25 years.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

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.

REVENUE RECOGNITION

In accordance with ASC-958 Not-For-Profit-entities, contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. These contributions are recognized when cash or ownership of donated assets is unconditionally received by the Synod. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities, as net assets released from restriction.

NET ASSETS

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

Without Donor Restrictions – resources that are available for the general support of the MNYS's operations. The Synod Council of the Metropolitan New York Synod approved the establishment of a long-term investment policy for operating reserves (designated fund) to ensure the stability of the mission, programs, employment, and ongoing operations of the Synod and to provide a source of internal funds for organization priorities.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Synod or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts; pledges; and investment returns on "true" endowment funds. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Synod, including gifts wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily gifts for endowment) and that only the income be made available for operations or other purposes.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the Synod's various programs and supporting services has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

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.

(2) INVESTMENTS

Investments are composed of the following at January 31, 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equities	\$39,083,369	\$57,272,964	\$25,293,689	\$39,221,010
Corporate Bonds	2,498,485	2,454,892	2,076,571	2,017,160
U.S. Government Bonds	7,231,121	6,908,530	5,969,841	5,734,790
Money Market Fund	<u>1,597,912</u>	<u>1,597,912</u>	<u>440,535</u>	<u>440,535</u>
	<u>\$50,410,887</u>	<u>\$68,234,298</u>	<u>\$33,780,636</u>	<u>\$47,413,495</u>

As of January 31, 2025 and 2024, the portfolio of investments had accumulated net unrealized gains of \$17,823,411 and \$13,632,859, respectively.

Return on investments for years ending January 31, 2025 and 2024 consists of the following::

	<u>2025</u>	<u>2024</u>
Interest and dividends, net of fees of \$343,835 in 2025 and \$303,919 in 2024	\$ 680,722	\$ 569,165
Realized gains	3,705,620	2,568,726
Unrealized gains/(losses)	<u>4,190,552</u>	<u>1,968,779</u>
Net return on investments	<u>\$8,576,894</u>	<u>\$5,106,670</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 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 \$1,670,145 for 2025 and \$1,575,019 for 2024.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

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.

A description of the valuation techniques applied to the Synod's investments is as follows:

Equity Securities for which the primary market is on an exchange are valued at the last sales price and are categorized in level 1 of the fair value hierarchy.

Investments in Money Market Funds, are valued at their respective net asset values and are categorized in level 1 of the fair value hierarchy.

Debt Securities (Corporate and US Government) are valued by pricing services using quotations from dealers and brokers, market transactions data from quotation services, offering and various relationships between securities and are categorized in level 2 of the fair value hierarchy.

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.

<u>January 31, 2025</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Equities	\$57,272,964	\$57,272,964	\$ —	\$ —
Corporate Bonds	2,454,892	—	2,454,892	—
U.S. Government Bonds	6,908,530	—	6,908,530	—
Money Market Fund	<u>1,597,912</u>	<u>1,597,912</u>	<u>—</u>	<u>—</u>
	<u>\$68,234,298</u>	<u>\$58,870,876</u>	<u>\$9,363,422</u>	<u>\$ —</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

<u>January 31, 2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Equities	\$39,221,010	\$39,221,010	\$ –	\$ –
Corporate Bonds	2,017,160	–	2,017,160	–
U.S. Government Bonds	5,734,790	–	5,734,790	–
Money Market Fund	<u>440,535</u>	<u>440,535</u>	<u>–</u>	<u>–</u>
	<u>\$47,413,495</u>	<u>\$39,661,545</u>	<u>\$7,751,950</u>	<u>\$ –</u>

(3) OTHER LOANS RECEIVABLE

	<u>2025</u>	<u>2024</u>
COVID-19 Financial Assistance and Employee Loans		
Various principal amounts at 0% interest		
with various maturity dates through January 2028	<u>\$ 10,250</u>	<u>\$ 29,379</u>

Total maturities of loans receivable for the years ending January 31 are as follows:

<u>Fiscal Year</u>	
2026	\$ 5,000
2027	5,000
2028	<u>250</u>
	<u>\$10,250</u>

(4) MORTGAGE RECEIVABLE

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. Outstanding principal and interest was due on August 29, 2018. As of January 31, 2025, the \$500,000 was outstanding. The property went to auction on April 3, 2025, at which time the property was sold for approximately \$1 million to a third party. The sale is scheduled to close within 30 days of that date.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

(5) PROPERTY HELD BY SYNOD

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

	<u>2025</u>	<u>2024</u>
Properties in process of selling:		
Christ Evangelical Lutheran Church, Little Neck	\$ -	\$1,650,000
Christ Evangelical Lutheran Church, Suffern*	-	1,100,000
Church of The Holy Redeemer, Brooklyn*	4,600,000	-
Evangelical Lutheran Church of the Transfiguration, Manhattan*	3,150,000	3,150,000
Fordham Evangelical Lutheran Church, Bronx	-	5,570,000
Grace Lutheran Church, Uniondale	2,150,000	-
Holy Cross Lutheran Church, Commack	2,585,000	-
Lutheran Church of the Messiah, Brooklyn	-	3,480,000
New Hope Lutheran Church, Valley Stream	2,660,000	-
Zion Lutheran Church, Brooklyn (a)	-	-
Properties in process of selling	<u>15,145,000</u>	<u>14,950,000</u>
Properties in process of redevelopment (b):		
Church of The Holy Redeemer, Brooklyn*	-	4,600,000
Fordham Evangelical Lutheran Church, Bronx	5,570,000	-
Transfiguration Lutheran Church, Bronx*	<u>1,600,000</u>	<u>1,600,000</u>
Properties in process of redevelopment	<u>7,170,000</u>	<u>6,200,000</u>
Total property held by Synod	<u>\$ 22,315,000</u>	<u>\$ 21,150,000</u>

* *Limited Liability Company*

- (a) The property was sold in 2019 to a developer for the construction of low-income housing and a condominium unit containing a community facility of approximately 15,000 square feet and limited common elements of approximately 1,200 square feet which would be owned by the Synod. From the proceeds of the sale of the property, the Synod retained a mortgage receivable of \$1,514,883 from the developer and made an additional deposit of \$1,937,169 for the Synod's construction of the community facility. During the year ended January 31, 2025, the construction of the community facility was completed and the mortgage receivable and deposit of \$3,452,052 was recorded as the cost of the community facility. In connection with the sale of the property, the developer was obligated to pay the Synod a developer's fee and a fee for the delay in construction and delivery. During January 31, 2025, the Synod received \$1,649,428 for the developer's fee and the fees connected to the delays. The Synod received \$30,000 for these fees for the year ended January 31, 2024. These fees are recorded in Other Income in the Consolidated Statement of Activities and Changes In Net Assets.

The Synod entered into a 25 year lease (cancellable after 5 years) with the New York City School Construction Authority for the community facility (See Note 9).

- (b) These properties are earmarked for possible redevelopment. As such these properties are not, at this time, in the process of being sold. The fair value of the properties has been recorded in deferred revenue until the final determination is reached as to the future use of these properties.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

Activity for the properties held by the Synod and under synodical preservation for the year ended January 31, 2025 is as follows:

	Net Activity	Transfer of Property	Acquisition of Property/Change In Valuation of Property	Realized Gain (Loss) On Sale of Property – Net of Direct Expenses	Income Earned	Expenses Incurred
Properties Held by Synod						
Bethany Lutheran Church, Brooklyn	\$ (2,078)	\$ -	\$ -	\$ -	\$ -	\$ (2,078)
Christ Evangelical Lutheran Church, Little Neck	1,875,641	-	-	1,912,083	49,466	(85,908)
Christ Evangelical Lutheran Church, Suffern	(144,352)	-	-	(979)	1,406	(144,779)
Church of The Holy Redeemer, Brooklyn	4,578,030	4,600,000	-	-	-	(21,970)
Eltingville Lutheran Church and School, Staten Island	(2,175)	-	-	-	-	(2,175)
Evangelical Lutheran Church of the Transfiguration, Manhattan	(87,947)	-	-	-	-	(87,947)
Fordham Evangelical Lutheran Church, Bronx	(5,601,045)	(5,570,000)	-	-	42,035	(73,080)
Grace Lutheran Church, Uniondale	2,097,042	-	2,150,000	-	3,015	(55,973)
Holy Cross Lutheran Church, Commack	2,514,624	-	2,585,000	-	39,491	(109,867)
Kingsbridge Evangelical Lutheran Church, Bronx	178,593	-	-	-	182,786	(4,193)
Lutheran Church of the Messiah, Brooklyn	944,305	-	-	932,577	56,681	(44,953)
New Hope Lutheran Church, Valley Stream	2,590,473	-	2,660,000	-	2,700	(72,227)
St. Peter's Evangelical Lutheran Church, Bronx	(932)	-	-	-	-	(932)
Transfiguration Lutheran Church, Bronx	(65,494)	-	-	-	-	(65,494)
	<u>8,874,685</u>	<u>(970,000)</u>	<u>7,395,000</u>	<u>2,843,681</u>	<u>377,580</u>	<u>(771,576)</u>
Congregations Under Synodical Preservation (a)						
Allocated operating expenses	(214,503)	-	-	-	-	(214,503)
Reformation Lutheran Church, Brooklyn	(41,119)	-	-	-	-	(41,119)
St. Paul's Lutheran Church, Coney Island	(65,261)	-	-	-	-	(65,261)
	<u>(320,883)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(320,883)</u>
	<u>\$ 8,553,802</u>	<u>\$ (970,000)</u>	<u>\$ 7,395,000</u>	<u>\$ 2,843,681</u>	<u>\$ 377,580</u>	<u>\$ (1,092,459)</u>

(a) 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.

(b) Details on properties sold are as follows:

Properties Name	Proceeds	Costs	Carrying Value*	Gain/Loss
Christ Evangelical Lutheran Church, Little Neck	\$3,800,000	\$237,917	\$1,650,000	\$1,912,083
Christ Evangelical Lutheran Church, Suffern	1,200,000	100,979	1,100,000	(979)
Lutheran Church of the Messiah	4,700,000	\$287,423	3,480,000	932,577

* The carrying value is established by appraised values at the time of the transfer of the church property to the Synod.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

Activity for the properties held by the Synod and under synodical preservation for the year ended January 31, 2024 is as follows:

	<u>Net Activity</u>	<u>Transfer of Property</u>	<u>Acquisition of Property/Change In Valuation of Property</u>	<u>Realized Gain (Loss) On Sale of Property – Net of Direct Expenses</u>	<u>Income Earned</u>	<u>Expenses Incurred</u>
Properties Held by Synod						
Bethany Lutheran Church, Brooklyn	\$ 416,451	\$ -	\$ -	\$ 659,290	\$ -	\$ (242,839)
Christ Evangelical Lutheran Church, Little Neck	(4,829)	-	-	-	63,800	(68,629)
Christ Evangelical Lutheran Church, Suffern	(100,465)	-	(150,000)	-	183,845	(134,310)
Church of The Holy Redeemer, Brooklyn	(20,236)	-	-	-	-	(20,236)
Eltingville Lutheran Church and School, Staten Island	223,989	-	-	263,223	-	(39,234)
Evangelical Lutheran Church of the Transfiguration, Manhattan	3,107,667	3,150,000	-	(8,370)	-	(33,963)
Fordham Evangelical Lutheran Church, Bronx	5,374,813	-	5,570,000	-	32,373	(227,560)
Kingsbridge Evangelical Lutheran Church, Bronx	(10,364)	-	-	-	-	(10,364)
Lutheran Church of the Messiah, Brooklyn	(135,675)	-	-	-	-	(135,675)
St. Peter's Evangelical Lutheran Church, Bronx	(11,802)	-	-	17,223	-	(29,025)
Transfiguration Lutheran Church, Bronx	(135,015)	-	-	(81,068)	-	(53,947)
Zion Lutheran Church, Brooklyn	(44,055)	-	-	-	30,000	(74,055)
	<u>8,660,479</u>	<u>3,150,000</u>	<u>5,420,000</u>	<u>850,298</u>	<u>310,018</u>	<u>(1,069,837)</u>
Congregations Under Synodical Preservation (a)						
Allocated operating expenses	(211,482)	-	-	-	-	(211,482)
Reformation Lutheran Church, Brooklyn	(17,463)	-	-	-	-	(17,463)
St. Paul's Lutheran Church, Coney Island	(374)	-	-	-	-	(374)
	<u>(229,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,319)</u>
	<u>\$ 8,431,160</u>	<u>\$ 3,150,000</u>	<u>\$ 5,420,000</u>	<u>\$ 850,298</u>	<u>\$ 310,018</u>	<u>\$ (1,299,156)</u>

(a) 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.

(c) Details on properties sold are as follows:

<u>Properties Name</u>	<u>Proceeds</u>	<u>Costs</u>	<u>Carrying Value*</u>	<u>Gain/Loss</u>
Bethany Lutheran Church, Brooklyn	\$ 4,077,778	\$ 238,488	\$ 3,180,000	\$ 659,290
Eltingville Lutheran Church and School, Staten Island	4,000,000	236,777	3,500,000	263,223
Evangelical Lutheran Church of the Transfiguration, Manhattan	80,000	13,370	75,000	(8,370)
St. Peter's Evangelical Lutheran Church, Bronx	995,000	77,777	900,000	17,223
Transfiguration Lutheran Church, Bronx	675,000	46,068	710,000	(81,068)

* The carrying value is established by appraised values at the time of the transfer of the church property to the Synod.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

(6) PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

The costs of such assets were as follows:

	<u>2025</u>	<u>2024</u>
Buildings	\$ 3,452,052	\$ -
Equipment and furniture	132,496	132,496
Leasehold improvements	<u>1,099,731</u>	<u>1,099,731</u>
	4,684,279	1,232,227
Less accumulated depreciation	<u>1,077,560</u>	<u>908,938</u>
Net value	<u>\$3,606,719</u>	<u>\$ 323,289</u>

(7) NET ASSETS

Net assets without donor restrictions include \$85,462,602 and \$70,530,031 of designated net assets as of January 31, 2025 and 2024, respectively, as follows.

	<u>2025</u>	<u>2024</u>
Reinvestment in new or existing ministries	\$ 688,170	\$ 714,482
Properties in process of selling	15,145,000	14,950,000
Other designated purposes	<u>69,629,432</u>	<u>54,865,549</u>
	<u>\$85,462,602</u>	<u>\$70,530,031</u>

Net assets with donor restrictions are available for the following purposes as of January 31:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for a special purpose:		
Funds for Grants to Congregations and Ministries	\$ 38,867	\$ 33,896
Funds for Support of Companion Synod – Evangelical Lutheran Church in Tanzania (“ELCT”)	1,012,160	811,523
Women Leaders Fund	10,118	10,118
Other	<u>155,631</u>	<u>152,368</u>
	<u>1,216,776</u>	<u>1,007,905</u>
Perpetual in nature:		
Funds for Grants to Congregations and Ministries	\$ 124,272	\$ 124,272
Funds for Support of Companion Synod – ELCT	<u>1,247,082</u>	<u>1,157,293</u>
	<u>1,371,354</u>	<u>1,281,565</u>
	<u>\$2,588,130</u>	<u>\$2,289,470</u>

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

	<u>2025</u>	<u>2024</u>
Funds for Support of Companion Synod – ELCT	<u>\$53,166</u>	<u>\$43,871</u>
	<u>\$53,166</u>	<u>\$43,871</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

ENDOWMENT NET ASSETS

The Synod's endowment 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 net assets with donor restrictions, subject to expenditure for a special purpose. When the restriction on income for spending or distribution expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

INTERPRETATION OF RELEVANT LAW

The Synod is incorporated in the state of New York, which has enacted the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). UPMIFA governs donor institutional funds for not-for-profit corporations, including endowment funds. The Synod has interpreted the applicable state standards and guidelines for the prudent management of an endowment fund as requiring a prudent appropriation of the endowment fund's assets, taking into account any explicit donor stipulations or restrictions on the appropriation or expenditure of assets. As a result, the Synod classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund (i.e. the accumulated realized and unrealized gains/losses) that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Synod. The Synod considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Synod and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Synod
- (7) The investment policies of the Synod

RETURN OBJECTIVES AND RISK PARAMETERS

The total rate of return (net of fees) is expected to equal or exceed a passive investment in commonly quoted market indices (benchmarks) based on a long-term optimal asset allocation.

To satisfy its long-term rate-of-return objectives, the Synod relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Synod targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY

The Synod has a spending policy whereby 4% of the endowment fund's average market value of the five previous years will be distributed to the Synod to be used for operational and program expenses.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or state standards require the Synod to retain as a fund of perpetual duration. At January 31, 2025 and 2024, no donor restricted endowment funds have fallen below the required level.

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

	2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,422,381	\$ 2,422,381
Board-designated endowment funds	-	-	-
Total funds	<u>\$ -</u>	<u>\$ 2,422,381</u>	<u>\$ 2,422,381</u>

	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,126,984	\$ 2,126,984
Board-designated endowment funds	-	-	-
Total funds	<u>\$ -</u>	<u>\$ 2,126,984</u>	<u>\$ 2,126,984</u>

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

	2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, Beginning of year	\$ -	\$ 2,126,984	\$ 2,126,984
Investment return (loss)	-	258,774	258,774
Contributions	-	89,789	89,789
Appropriation of endowment assets for expenditure	-	(53,166)	(53,166)
Endowment net assets, End of year	<u>\$ -</u>	<u>\$ 2,422,381</u>	<u>\$ 2,422,381</u>

	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, Beginning of year	\$ 74,602	\$ 1,926,958	\$ 2,001,560
Investment return (loss)	-	235,200	235,200
Contributions	-	8,697	8,697
Transfers	(74,602)	-	(74,602)
Appropriation of endowment assets for expenditure	-	(43,871)	(43,871)
Endowment net assets, End of year	<u>\$ -</u>	<u>\$ 2,126,984</u>	<u>\$ 2,126,984</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

(8) 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 \$212,900 and \$219,300 for 2025 and 2024, 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.

(9) LEASES

The Synod leases office space in Manhattan, New York and Jamaica, New York and various office equipment under lease agreements with an initial term greater than 12 months. The Synod determines whether an agreement is or contains a lease at lease inception. Right-of-use assets represent the Synod's right to use an underlying asset for the lease term and lease liabilities represent the Synod's obligation to make lease payments arising from the lease, measured at an amount equal to the present value of the minimum lease payments over the remaining expected term of the lease. Amortization expense and interest expense related to the Synod's finance leases are included in rent expense on the statement of functional expenses.

In determination of the lease term, the Synod considers the likelihood of lease renewal options and lease termination provisions.

The discount rate for a lease is derived from the rate implicit in the lease whenever readily determinable or the Synod's incremental borrowing rate.

The following quantitative data related to the Synod's operating leases for the year ended January 31, 2025 and 2024, respectively, as follows:

	<u>2025</u>	<u>2024</u>
Operating Lease Amounts:		
Right-of-use assets	\$ 185,858	\$480,432
Lease liabilities	190,198	486,162
Other Information:		
Operating outgoing cash flows for operating leases	300,552	\$297,689
Weighted-average remaining lease term	.79 years	1.69 years
Weighted average discount rate	1.43%	1.41%

Lease cost information for the year ended January 31, 2025 and 2024 respectively, as follows:

Operating lease cost	<u>\$ 290,371</u>	<u>\$291,666</u>
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METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

Future lease payments at January 31, 2025 are as follows:

<u>Fiscal Year</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2026	\$ 184,074	\$ 3,540	\$ 187,614
2027	-	3,540	3,540
2028	<u>-</u>	<u>295</u>	<u>295</u>
Total undiscounted cash flows	<u>\$ 184,074</u>	<u>\$ 7,375</u>	191,449
Less: present value adjustment			<u>1,251</u>
Lease liability			<u>\$ 190,198</u>

The Synod entered into a 25-year lease agreement (cancellable after 5 years) with the New York City School Construction Authority which expires August 17, 2048 for a community facility owned by the Synod. The minimum future rental income (base rentals), exclusive of increase or decreases in the tenants' proportionate share of operating expenses, to be received under the operating leases in effect as of January 31, 2025 are as follows:

<u>Fiscal Year</u>	
2026	\$ 268,231
2027	268,231
2028	268,231
2029	279,423
2030	295,084
2031 and thereafter	<u>6,429,398</u>
	<u>\$7,808,598</u>

(10) RELATED PARTIES

The Synod has guaranteed outstanding note payables, which are secured by real estate, to the Mission Investment Fund of the Evangelical Lutheran Church in America, Inc. on behalf of borrowing related parties. The following are the guarantees:

<u>Name of Related Party</u>	<u>Current Balance</u>	<u>Note Maturity</u>
Evangelical Lutheran Church of the Epiphany of Brooklyn, N.Y.	\$ 4,283,925	January 1, 2043
Martin Luther Camp Corporation	264,422	November 1, 2047

The estimated fair value of the guarantee as of January 31, 2025 and 2024 is \$189,832 and \$189,832, respectively and has been recorded in accounts payable and accrued expenses on the statement of financial position.

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2025 And 2024

(11) CONTINGENCIES

At January 31, 2025, 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.

The Synod has been named as a defendant in lawsuits alleging sexual abuse. Some of these claims arose out of conduct on Synod properties by outside organizations not affiliated with the Synod. The Synod does not have insurance coverage for the majority of these claims. At this time, it is not possible to state whether any outcomes of these claims are probable or remote. The Synod is vigorously defending these cases.

(12) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

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 money market funds and other short-term investments.

The following table reflects the Synod's financial assets as of January 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include certain board-designated net assets invested for long-term strategic purposes. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial Assets	2025	2024
Cash	\$ 1,620,105	\$ 7,194,377
Investments	68,234,298	47,413,495
Dividends & Interest Receivable	113,116	100,282
Accounts receivable	<u>158,782</u>	<u>229,998</u>
Total financial assets	70,126,301	54,938,152
Less:		
Net assets with donor restrictions	(2,588,130)	(2,289,470)
Board-designated net assets	(66,710,883)	(52,127,979)
Add:		
Funds designated for use over the next twelve months:		
Payout of the designated investment income for operations	<u>1,975,259</u>	<u>1,752,653</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,802,547</u>	<u>\$ 2,273,356</u>

(13) 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 16, 2025, have been evaluated in the preparation of the consolidated financial statements.

SUPPLEMENTAL INFORMATION

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

SUMMARY OF CHANGES IN NET ASSETS

Year Ended January 31, 2025

	<u>January 31, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>January 31, 2025</u>
WITHOUT DONOR RESTRICTIONS				
Undesignated				
General operating	\$ -	\$ 4,596,703	\$ 4,596,703	\$ -
Designated				
Metropolitan New York Synod Fund – General	41,722,266	15,276,957	6,312,188	50,687,035
Unrealized gains on investments	<u>13,040,267</u>	<u>4,123,778</u>	<u>-</u>	<u>17,164,045</u>
	54,762,533	19,400,735	6,312,188	67,851,080
Congregations Under Synodical Preservation				
Property Value	14,950,000	11,995,000	11,800,000	15,145,000
Salam Ministry Fund	714,482	34,108	60,420	688,170
Bishop's Discretionary Fund	72,596	79,092	9,999	141,689
MNYS 6309 4 th LLC	-	1,737,286	131,043	1,606,243
Musical Instruments Fund	13,246	-	-	13,246
Ministry Among Guyanese Fund	<u>17,174</u>	<u>-</u>	<u>-</u>	<u>17,174</u>
Total Designated	<u>70,530,031</u>	<u>33,246,221</u>	<u>18,313,650</u>	<u>85,462,602</u>
Total Without Donor Restrictions	<u>70,530,031</u>	<u>37,842,924</u>	<u>22,910,353</u>	<u>85,462,602</u>
WITH DONOR RESTRICTIONS				
Subject to Expenditure for Special Purpose:				
Support of Companion Synod – ELCT	811,523	253,803	53,166	1,012,160
Grants to Congregations and Ministries	33,896	4,971	-	38,867
Women Leaders Fund	10,118	-	-	10,118
Other	<u>152,368</u>	<u>3,263</u>	<u>-</u>	<u>155,631</u>
Total Subject to Expenditure for Special Purpose	<u>1,007,905</u>	<u>262,037</u>	<u>53,166</u>	<u>1,216,776</u>
Perpetual in Nature:				
Funds for Grants to Congregations and Ministries	124,272	-	-	124,272
Funds for Support of Companion Synod	<u>1,157,293</u>	<u>89,789</u>	<u>-</u>	<u>1,247,082</u>
Total Perpetual in Nature	<u>1,281,565</u>	<u>89,789</u>	<u>-</u>	<u>1,371,354</u>
Total With Donor Restrictions	<u>2,289,470</u>	<u>351,826</u>	<u>53,166</u>	<u>2,588,130</u>
Total Net Assets	<u>\$72,819,501</u>	<u>\$ 38,194,750</u>	<u>\$22,963,519</u>	<u>\$ 88,050,732</u>

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

SUMMARY OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS (ENDOWMENT)

Year Ended January 31, 2025

	<u>PRINCIPAL</u>				<u>INCOME</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Beginning Balance</u>	<u>Allocated Income</u>	<u>Expenses And Transfers</u>	<u>Ending Balance</u>
Funds for Grants to Congregations and Ministries								
Samuel Trexler Fellowship Fund	\$ 124,272	\$ -	\$ -	\$ 124,272	\$ 33,896	\$ 4,971	\$ -	\$ 38,867
Fund for Support of Companion Synod								
Tanzania Educational Endowment Fund	<u>1,157,293</u>	<u>89,789</u>	<u>-</u>	<u>1,247,082</u>	<u>811,523</u>	<u>253,803</u>	<u>53,166</u>	<u>1,012,160</u>
	<u>\$1,281,565</u>	<u>\$89,789</u>	<u>\$ -</u>	<u>\$1,371,354</u>	<u>\$845,419</u>	<u>\$258,774</u>	<u>\$53,166</u>	<u>\$1,051,027</u>

METROPOLITAN NEW YORK SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

CONTRIBUTIONS FROM CONGREGATIONS SUMMARIZED BY CONFERENCE

Year Ended January 31, 2025

			2025			2024
	<u>Total</u>	<u>Mission</u>	<u>ELCA World</u>	<u>ELCA Other</u>	<u>Synod Other</u>	<u>Mission</u>
	<u>Contributions</u>	<u>Support</u>	<u>Hunger</u>	<u>Designated</u>	<u>Designated</u>	<u>Support</u>
Hudson	\$ 103,005	\$ 97,475	\$ 2,320	\$ 2,500	\$ 710	\$ 103,128
Delaware Hudson	24,980	23,380	549	909	142	80,194
Tappan Zee	89,956	88,244	-	606	1,106	98,082
Eastern Nassau	64,027	56,502	5,821	950	754	55,606
Western Nassau	32,000	32,000	-	-	-	26,000
Southwest Nassau	22,626	20,856	1,680	60	30	18,959
Peconic	51,367	49,611	100	816	840	62,170
Western Suffolk	121,103	110,531	1,256	1,816	7,500	118,349
Manhattan	141,492	135,516	1,316	1,315	3,345	149,176
Bronx	4,847	3,347	-	-	1,500	6,094
Staten Island	40,590	39,285	1,100	-	205	35,612
Southeast Queens	15,410	15,410	-	-	-	13,901
Western Queens	42,277	38,207	-	3,300	770	54,570
Northeast Queens	1,250	1,250	-	-	-	3,250
Brooklyn Bridges	24,788	24,788	-	-	-	28,775
South Shore Brooklyn	17,329	15,629	850	850	-	23,313
Southwest Brooklyn	<u>40,550</u>	<u>38,550</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>33,550</u>
TOTAL	<u>\$837,597</u>	<u>\$ 790,581</u>	<u>\$14,992</u>	<u>\$15,122</u>	<u>\$16,902</u>	<u>\$ 910,729</u>