

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

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

**JANUARY 31, 2019 AND 2018**

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

## TABLE OF CONTENTS

---

	<u>Page</u>
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
<i>Consolidated Statements of Financial Position,</i> January 31, 2019 and 2018	3
<i>Consolidated Statements of Revenue, Expenses, and</i> <i>Changes in Net Assets Without Donor Restrictions,</i> Years ended January 31, 2019 and 2018	4
<i>Consolidated Statements of Changes in Net Assets,</i> Years ended January 31, 2019 and 2018	5
<i>Consolidated Statement of Functional Expenses,</i> Year ended January 31, 2019 with Summarized Information for 2018	6
<i>Consolidated Statements of Cash Flows,</i> Years ended January 31, 2019 and 2018	7
<i>Notes to Consolidated Financial Statements</i>	8-19
<b>SUPPLEMENTAL INFORMATION</b>	
<i>Program Expenses,</i> Year ended January 31, 2019	20-25
<i>Budgeted Operations,</i> Year ended January 31, 2019	26
<i>Summary of Changes in Net Assets,</i> Year ended January 31, 2019	27
<i>Summary of Changes in Net Assets With Donor Restrictions (Endowment),</i> Year ended January 31, 2019	28
<i>Contributions from Congregations Summarized by Conference,</i> Year ended January 31, 2019	29

---

## **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, 2019 and 2018 and the related consolidated statements of revenue, expenses and changes in net assets without donor restrictions, statements of changes in net assets and cash flows for the years then ended, the consolidated statement of functional expenses for the year ended January 31, 2019, 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, 2019 and 2018, and the changes in its net assets, functional expenses 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 net assets with donor restrictions, 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 18, 2019**

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**January 31, 2019 And 2018**

	<b>End Of Fiscal Year 2018</b>	<b>End Of Fiscal Year 2017</b>
<b>ASSETS</b>		
Cash	\$ 559,839	\$ 638,316
Investments, at value <i>(Note 2)</i>	34,697,070	38,869,787
Accounts receivable	192,953	164,879
Mortgage receivable <i>(Note 3)</i>	2,331,679	2,379,232
Advances and other assets	63,556	88,225
Property, equipment and leasehold improvements <i>(Note 5)</i>	75,946	89,076
Property held by Synod <i>(Note 4)</i>	25,309,500	24,964,500
School property (Leif Ericson Day School), net	<u>42,525</u>	<u>172,889</u>
<b>Total assets</b>	<u><u>\$ 63,273,068</u></u>	<u><u>\$ 67,366,904</u></u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses <i>(Note 8)</i>	\$ 1,115,132	\$ 699,234
Deferred revenue	10,865,000	12,095,000
Notes payable <i>(Note 8)</i>	<u>24,143</u>	<u>32,186</u>
<b>Total liabilities</b>	<u>12,004,275</u>	<u>12,826,420</u>
<b>NET ASSETS</b>		
Without donor restrictions <i>(Note 6)</i>		
Undesignated	(283,832)	290,416
Designated	49,808,398	52,621,063
Net investment in property, equipment and leasehold improvements	<u>51,803</u>	<u>56,890</u>
<b>Total without donor restrictions</b>	49,576,369	52,968,369
With donor restrictions <i>(Note 6)</i>	<u>1,692,424</u>	<u>1,572,115</u>
<b>Total net assets</b>	<u>51,268,793</u>	<u>54,540,484</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 63,273,068</u></u>	<u><u>\$ 67,366,904</u></u>

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

**CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
WITHOUT DONOR RESTRICTIONS**

**Years Ended January 31, 2019 And 2018**

	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
<b>Revenue</b>		
<b>Contributions from congregations</b>		
Congregational mission support	\$ 1,047,261	\$ 1,086,923
Designated mission support		
ELCA World Hunger	30,669	34,567
ELCA/Synod designated gifts	37,694	80,789
Gifts transmitted for designated mission support	<u>(68,363)</u>	<u>(115,356)</u>
<b>Total from congregations</b>	1,047,261	1,086,923
<b>Other revenue</b>		
Contributions from individuals and others	330,791	64,755
Investment income designated for operations	802,981	574,101
Miscellaneous	<u>148,944</u>	<u>162,126</u>
<b>Total contributions and other revenue</b>	<u>2,329,977</u>	<u>1,887,905</u>
<b>Net assets released from restrictions (Note 6)</b>	<u>142,811</u>	<u>106,550</u>
<b>Total revenue</b>	<u>2,472,788</u>	<u>1,994,455</u>
<b>Expenses</b>		
<b>Synod Services</b>		
Claimed	359,966	550,400
Gathered	2,771,960	2,238,988
Sent	1,204,906	1,056,683
Synod Governance	377,128	274,315
Finance and Administration	<u>514,591</u>	<u>536,639</u>
<b>Total expenses</b>	<u>5,228,551</u>	<u>4,657,025</u>
<b>Deficit of revenue over expenses</b>	(2,755,763)	(2,662,570)
<b>Other Changes</b>		
Investment income (loss) net of amounts designated for operations	(1,167,737)	3,630,584
Congregations under synodical preservation/agreement (net of expenses of \$913,136 and \$1,643,346 in 2019 and 2018) (Note 4)	661,864	4,146,654
Change in school property (Leif Ericson Day School) Current year operations	<u>(130,364)</u>	<u>(49,881)</u>
<b>Increase (decrease) in unrestricted net assets</b>	<u>\$ (3,392,000)</u>	<u>\$ 5,064,787</u>

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

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

**Years Ended January 31, 2019 And 2018**

	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
<b>Net assets without donor restrictions</b>		
Total revenue without donor restrictions	\$ 2,329,977	\$ 1,887,905
Net assets released from restrictions ( <i>Note 6</i> )	142,811	106,550
Total expenses	(5,228,551)	(4,657,025)
Other changes	<u>(636,237)</u>	<u>7,727,357</u>
<b>Increase in net assets without donor restrictions</b>	<u>(3,392,000)</u>	<u>5,064,787</u>
<b>Net assets with donor restrictions</b>		
Contributions	7,713	6,861
Investment income designated for operations	57,529	48,822
Investment income net of amounts designated for operations	197,878	-
Net assets released from restrictions ( <i>Note 6</i> )	<u>(142,811)</u>	<u>(106,550)</u>
<b>Increase (decrease) in net assets with donor restrictions</b>	<u>120,309</u>	<u>(50,867)</u>
<b>Increase (decrease) in net assets</b>	(3,271,691)	5,013,920
<b>Net assets</b>		
Beginning of year	<u>54,540,484</u>	<u>49,526,564</u>
<b>End of year</b>	<u>\$ 51,268,793</u>	<u>\$ 54,540,484</u>

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

***CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES***

**Year Ended January 31, 2019 With Summarized Information For 2018**

	<u>Claimed</u>	<u>Gathered</u>	<u>Sent</u>	<u>Synod Governance</u>	<u>Finance &amp; Administration</u>	<u>Fiscal Year 2018 Total</u>	<u>Fiscal Year 2017 Total</u>
Staff	\$ 169,626	\$ 742,477	\$ 326,101	\$ 162,334	\$ 105,300	\$ 1,505,838	\$ 1,475,551
Grants	78,320	1,809,479	125,000	—	—	2,012,799	1,535,280
ELCA Mission Support	—	—	539,340	—	—	539,340	554,331
Program Support	66,028	120,127	142,369	64,046	—	392,570	232,093
500 <sup>th</sup> Anniversary-Reformation	—	—	—	—	—	—	270,607
Rent	—	—	—	—	197,257	197,257	194,816
Synod Assembly	—	—	—	136,917	—	136,917	62,458
Communications	43,292	28,527	45,879	—	1,773	119,471	26,500
Workshops/Retreats	—	71,350	—	—	—	71,350	75,437
Professional Services	—	—	—	—	67,370	67,370	52,179
Office Expense	—	—	—	—	68,725	68,725	68,391
Travel and Meetings	—	—	26,217	13,831	—	40,048	21,421
Insurance	—	—	—	—	26,303	26,303	37,914
Website Services	2,700	—	—	—	—	2,700	2,999
Miscellaneous Expense	—	—	—	—	30,533	30,533	21,765
Depreciation	—	—	—	—	17,330	17,330	25,283
	<u>\$ 359,966</u>	<u>\$ 2,771,960</u>	<u>\$ 1,204,906</u>	<u>\$ 377,128</u>	<u>\$ 514,591</u>	<u>\$ 5,228,551</u>	<u>\$ 4,657,025</u>

*See notes to financial statements.*



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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years Ended January 31, 2019 And 2018**

	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
<b>INCREASE IN CASH</b>		
<i>Net change in net assets</i>	\$(3,271,691)	\$ 5,013,920
<i>Adjustments to reconcile the net change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	17,330	25,283
Gain on sale of investments	(93,622)	(2,722,766)
Net unrealized (gains) losses on long-term investments	811,415	(1,148,340)
Congregations under synodical preservation/agreement	(345,000)	(5,790,000)
Change in school property (Leif Ericson Day School)	130,364	49,881
(Increase) decrease in		
Advances and other assets	24,669	(19,174)
Accounts receivable	(28,074)	33,753
Increase (decrease) in		
Accounts payable and accrued expenses	415,898	(37,262)
Deferred revenue	<u>(1,230,000)</u>	<u>(20,242)</u>
<b>Net cash used for operating activities</b>	<u>(3,568,711)</u>	<u>(4,614,947)</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment and leasehold improvements	(4,200)	-
Purchase of investments	(5,741,421)	(21,792,051)
Proceeds from sale of investments	8,278,001	13,253,955
Net change in money market fund	918,344	(844,303)
Proceeds from sale of property held under Synodical preservation	-	13,100,000
Repayment of mortgage receivable	<u>47,553</u>	<u>258,268</u>
<b>Net cash provided by investing activities</b>	<u>3,498,277</u>	<u>3,975,869</u>
<i>Cash flows from financing activities</i>		
Repayments of notes payable	<u>(8,043)</u>	<u>(7,928)</u>
<b>Net decrease in cash</b>	(78,477)	(647,006)
<i>Cash</i>		
Beginning of year	<u>638,316</u>	<u>1,285,322</u>
<b>End of year</b>	<u>\$ 559,839</u>	<u>\$ 638,316</u>

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

## ***CONSOLIDATED NOTES TO FINANCIAL STATEMENTS***

**January 31, 2019 And 2018**

---

### **(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, Leif 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, 2019 And 2018

---

### **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**

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** – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the Synod.

**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.

### **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, 2019 And 2018

### RECENT ACCOUNTING PRONOUNCEMENTS

In 2019, the Synod adopted Accounting Standards Update (ASU) 2016-14, Presentation of the Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The main provisions of this guidance include the presentation of two classes of net assets versus the previously required three. This guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of January 31, 2018 is as follows:

<u>Net Asset Classifications</u>	<u>ASU 2016-14 Classification</u>		<u>Total Net Assets</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
As previously presented:			
Unrestricted	\$ 52,968,369	\$ –	\$ 52,968,369
Temporarily Restricted	–	339,574	339,574
Permanently Restricted	–	1,232,541	1,232,541
Net assets as reclassified	<u>\$ 52,968,369</u>	<u>\$ 1,572,115</u>	<u>\$ 54,540,484</u>

### NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year thus the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied. The Synod plans to adopt the new ASU at the required implementation date.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 31, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. The Synod plans to adopt the new ASU at the required implementation date.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and determining whether a transaction is conditional. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018. The ASU should be applied using a modified prospective basis. The Synod plans to adopt the new ASU at the required implementation date.

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

*CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2019 And 2018**

---

**RECLASSIFICATIONS**

Certain reclassifications were made to the fiscal year 2017 financial statements to conform to the fiscal year 2018 presentation.

**(2) INVESTMENTS**

Investments are composed of the following at January 31:

<b><u>2019</u></b>	<b><u>Cost</u></b>	<b><u>Market</u></b>
Equities	\$23,087,751	\$25,575,139
Corporate Bonds	3,007,964	2,990,333
U.S. Government Bonds	4,366,003	4,380,914
Mutual Funds	229,833	226,867
Money Market Fund	<u>1,523,817</u>	<u>1,523,817</u>
	<u>\$32,215,368</u>	<u>\$34,697,070</u>

At January 31, 2019, the portfolio of investments had accumulated gross unrealized gains of \$2,481,702.

<b><u>2018</u></b>	<b><u>Cost</u></b>	<b><u>Market</u></b>
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 accumulated gross unrealized gains of \$3,293,117.

Total investment returns on the investments for fiscal years 2018 and 2017 was as follows:

	<b><u>Fiscal Year 2018</u></b>	<b><u>Fiscal Year 2017</u></b>
Interest and dividends, net of fees of \$216,914 and \$166,394 in 2018 and 2017	\$ 608,444	\$ 382,401
Realized gains	93,622	2,722,766
Unrealized gains/(losses)	<u>(811,415)</u>	<u>1,148,340</u>
	<u>\$(109,349)</u>	<u>\$4,253,507</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 31<sup>st</sup> for the previous five years. Total distributable earnings under the spending rate were \$807,952 for fiscal year 2018 and \$622,922 for fiscal year 2017.

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2019 And 2018

### 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.

<u>January 31, 2019</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments</b>				
Equities	\$25,575,139	\$25,575,139	\$ –	\$ –
Corporate Bonds	2,990,333	–	2,990,333	–
U.S. Government Bonds	4,380,914	–	4,380,914	–
Mutual Funds	226,867	226,867	–	–
Money Market Fund	<u>1,523,817</u>	<u>1,523,817</u>	<u>–</u>	<u>–</u>
	<u>\$34,697,070</u>	<u>\$27,325,823</u>	<u>\$7,371,247</u>	<u>\$ –</u>

<u>January 31, 2018</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments</b>				
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>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2019 and 2018.

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

**January 31, 2019 And 2018**

---

### (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, 2019 and 2018, the mortgage receivable was \$1,831,679 and \$1,879,232, respectively.

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 were due at an interest rate of 5%. On August 29, 2018, the remaining outstanding principal and unpaid interest became due and payable. As of January 31, 2019, the \$500,000 is outstanding and the Synod is currently proceeding on foreclosure to either receive payment or obtain the property, which is estimated to have a value equal to the outstanding amount of the mortgage receivable.

### (4) PROPERTY HELD BY SYNOD

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

	<b>January 31, 2019</b>	<b>January 31, 2018</b>
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
Lutheran Church of the Messiah, Brooklyn (d) *	3,540,000	3,540,000
Trinity Lutheran Church, Queens (g)	1,575,000	–
All Saints Lutheran Church, Bronx (h) *	<u>910,000</u>	<u>910,000</u>
Properties in process of selling	<u>14,444,500</u>	<u>12,869,500</u>
Properties in process of redevelopment:		
Church of The Holy Redeemer, Brooklyn (e)(j) *	4,600,000	4,600,000
Evangelical Lutheran Church of the Transfiguration, Manhattan (f)(j)	5,000,000	5,000,000
Trinity Lutheran Church, Queens	–	1,230,000
Transfiguration Lutheran Church, Bronx (i)(j) *	<u>1,265,000</u>	<u>1,265,000</u>
Properties in process of redevelopment	<u>10,865,000</u>	<u>12,095,000</u>
Total property held by Synod	<u>\$25,309,500</u>	<u>\$24,964,500</u>

\* *Limited Liability Company*

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

*CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2019 And 2018**

---

- (a) For the year ended January 31, 2019, the Synod recorded net expenses of \$16,536.
- (b) For the year ended January 31, 2019, the Synod recorded net expenses of \$11,478.
- (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 June 1, 2019. For the year ended January 31, 2019, the Synod recorded net expenses of \$270,035.
- (d) For the year ended January 31, 2019, the Synod recorded net expenses of \$31,266.
- (e) For the year ended January 31, 2019 the Synod recorded net expenses of \$72,499.
- (f) For the year ended January 31, 2019, the Synod recorded net expenses of \$84,026.
- (g) As of January 31, 2019, the Synod has entered into an agreement of purchase and sale on October 1, 2018 for \$1,800,000 before closing costs. The sale settled in March 2019 for net proceeds of approximately \$1.6 million. For the year ended January 31, 2019, the Synod recorded net income of \$263,786, net of \$81,214 of expenses.
- (h) For the year ended January 31, 2019, the Synod recorded net expenses of \$37,045.
- (i) For the year ended January 31, 2019, the Synod recorded net expenses of \$15,184.
- (j) 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 \$26,147 of net income related to these congregations for the year ended January 31, 2019.

**(5) PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

The costs of such assets were as follows:

	<b>January 31, 2019</b>	<b>January 31, 2018</b>
Equipment and furniture	\$ 300,149	\$ 295,949
Leasehold improvements	<u>754,602</u>	<u>754,602</u>
	1,054,751	1,050,551
Less accumulated depreciation	<u>978,805</u>	<u>961,475</u>
<b>Net value</b>	<u>\$ 75,946</u>	<u>\$ 89,076</u>



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

*CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2019 And 2018**

**(6) NET ASSETS**

Net assets without donor restrictions include \$49,808,398 and \$52,621,063 of designated net assets as of January 31, 2019 and 2018, respectively, as follows.

	<u>2019</u>	<u>2018</u>
Reinvestment in new or existing ministries	\$32,124,242	\$33,122,813
Properties in process of selling	14,444,500	12,869,500
Other designated purposes	<u>3,239,656</u>	<u>6,628,750</u>
	<u>\$49,808,398</u>	<u>\$52,621,063</u>

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for a special purpose:		
Funds for Grants to Congregations and Ministries	\$ 133,060	\$212,689
Funds for Ministerial Student Aid	11,424	13,224
Fund for Support of Companion Synod – ELCT	273,516	78,898
Women Leaders Fund	6,890	6,890
Women and Children in Poverty	–	593
Urban Empowerment Fund	5,878	5,878
Other	<u>21,402</u>	<u>21,402</u>
	<u>452,170</u>	<u>339,574</u>
Perpetual in nature:		
Funds for Grants to Congregations and Ministries	\$ 124,272	\$ 124,272
Funds for Support of Companion Synod – ELCT	<u>1,115,982</u>	<u>1,108,269</u>
	<u>1,240,254</u>	<u>1,232,541</u>
	<u>\$ 1,692,424</u>	<u>\$ 1,572,115</u>

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

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>
Funds for Grants to Congregations and Ministries	\$ 84,600	\$ 35,000
Funds for Ministerial Student Aid	1,800	12,000
Fund for Support of Companion Synod – ELCT	55,818	34,702
Hurricane Sandy Relief	–	14,848
Women and Children	<u>593</u>	<u>10,000</u>
	<u>\$ 142,811</u>	<u>\$ 106,550</u>

***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.

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

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

**January 31, 2019 And 2018**

---

### ***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***

In 2011, the Synod adopted a spending policy whereby 4% of the endowment fund’s market value over the five previous years will be distributed to the Synod to be used for operational and program expenses.

### ***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, 2019 and 2018, no donor restricted endowment funds have fallen below the required level.

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

*CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2019 And 2018**

Fiscal Year 2018 Endowment Net Asset Composition by Type of Fund as of January 31:

	<b>2019</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ –	\$ 1,526,561	\$ 1,526,561
Board-designated endowment funds	<u>64,487</u>	<u>–</u>	<u>64,487</u>
Total funds	<u>\$ 64,487</u>	<u>\$ 1,526,561</u>	<u>\$ 1,591,048</u>

	<b>2018</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ –	\$ 1,326,259	\$ 1,326,259
Board-designated endowment funds	<u>62,180</u>	<u>–</u>	<u>62,180</u>
Total funds	<u>\$ 62,180</u>	<u>\$ 1,326,259</u>	<u>\$ 1,388,439</u>

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

	<b>2019</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, Beginning of year	\$ 62,180	\$ 1,326,259	\$ 1,388,439
Investment return	2,307	255,407	257,714
Contributions	–	7,713	7,713
Appropriation of endowment assets for expenditure	<u>–</u>	<u>(62,818)</u>	<u>(62,818)</u>
Endowment net assets, End of year	<u>\$ 64,487</u>	<u>\$ 1,526,561</u>	<u>\$ 1,591,048</u>

	<b>2018</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, Beginning of year	\$ 59,891	\$ 1,563,372	\$ 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 endowments	<u>–</u>	<u>(253,092)</u>	<u>(253,092)</u>
Endowment net assets, End of year	<u>\$ 62,180</u>	<u>\$ 1,326,259</u>	<u>\$ 1,388,439</u>

In connection with the rules permissible in the State of New York with regard to UPMIFA and small endowment funds, the Synod transferred \$253,092 of net assets previously classified as endowment net assets to net assets subject to expenditure for a special purpose during the year ended January 31, 2018 and will expend such net assets for similar purposes as to which the endowment income was designated.

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2019 And 2018

---

### (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 \$86,300 and \$96,800 for fiscal years 2018 and 2017, 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.

### (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, 2019 was \$16,987. The minimum lease payments as of January 31, 2019 under this lease, together with the preset value of the net minimum lease payments are as follows:

<u>Fiscal Year</u>	
2019	\$ 8,460
2020	8,460
2021	<u>7,755</u>
	24,675
Less: Amount representing interest	<u>(532)</u>
Present value of minimum lease payments	<u>\$24,143</u>

The Synod signed a 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 based upon the Synod's proportionate share of the landlord's carrying maintenance, operating and depreciation charges for the building and contributions to the landlord's capital improvements fund. Total rent expense for fiscal years 2018 and 2017 was approximately \$195,900 and \$191,700, respectively. Total minimum lease commitments are as follows:

<u>Fiscal Year</u>	
2019	\$ 186,800
2020	<u>77,800</u>
	<u>\$264,600</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, 2019 and 2018 is \$182,550 and \$175,528, respectively and has been recorded in accounts payable and accrued expenses on the statement of financial position.

At January 31, 2019, 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.

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS – (Continued)

January 31, 2019 And 2018

---

### (9) 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, 2019, 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	<u>2018</u>
Cash	\$ 559,839
Investments	34,697,070
Accounts receivable	<u>192,953</u>
Total financial assets	35,449,862
Add:	
Payout on investment funds designated for use over next twelve months	939,202
Less:	
Net assets with donor restrictions	(1,692,424)
Board-designated net assets	<u>(35,321,373)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ (624,733)</u>

### (10) 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 18, 2019, 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, 2019 And 2018**

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>CLAIMED</b>			
<b>Faith Formation</b>			
Staff	\$ 89,259	\$ 84,813	\$ 62,049
<b>Total Faith Formation</b>	<u>89,259</u>	<u>84,813</u>	<u>62,049</u>
<b>Family Ministries</b>			
Staff	-	-	18,098
Youth Ministries	-	(152)	576
Children, Youth & Family Ministries	-	-	4,071
<b>Total Family Ministries</b>	<u>-</u>	<u>(152)</u>	<u>22,745</u>
<b>Communications</b>			
Staff	35,703	33,925	24,561
Website Services	4,200	2,700	2,999
Communications (Print, Video, PR, Digital)	37,400	43,292	-
Lutheran New Yorker	-	-	26,500
<b>Total Communications</b>	<u>77,303</u>	<u>79,917</u>	<u>54,060</u>
<b>Education/Internship Grants</b>			
Lutheran Ministries in Higher Education	43,370	43,370	43,370
Lutheran Schools Association-Assessment	19,500	19,950	20,650
Student Christian Center at SUNY New Paltz	15,000	15,000	15,000
<b>Total Education/Internship Grants</b>	<u>77,870</u>	<u>78,320</u>	<u>79,020</u>
<b>Strategic Plan</b>			
Staff	53,555	50,888	24,561
Strategic Planning/Support	30,000	29,437	25,740
First Third Initiative	65,000	9,944	1,618
Communications Enhancement Programs	30,000	26,799	10,000
500 <sup>th</sup> Anniversary of the Reformation	-	-	270,607
<b>Total Strategic Plan</b>	<u>178,555</u>	<u>117,068</u>	<u>332,526</u>
<b>TOTAL CLAIMED</b>	<u>\$ 422,987</u>	<u>\$ 359,966</u>	<u>\$ 550,400</u>

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

## PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2019 And 2018

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>GATHERED</b>			
<b>Mission Resources</b>			
Staff	\$ 59,597	\$ 59,398	\$ 49,832
Stewardship & Mission Support Table	7,500	2,947	–
Special Events	–	1,479	1,942
Ascension Table Ministry Fund	–	1,668	2,128
<b>Total Mission Resources</b>	<u>67,097</u>	<u>65,492</u>	<u>53,902</u>
<b>Congregational Grants</b>			
Staff	111,745	111,371	106,782
Partnership Grants	525,000	566,265	493,493
Salam Ministry Fund	–	85,124	–
Epiphany Brooklyn Grant	150,000	150,000	150,000
Other Grants	50,000	80,996	55,000
Ministerial Education Grants	–	1,800	6,000
Trexler Grants	5,000	4,000	5,000
<b>Total Congregational Grants</b>	<u>841,745</u>	<u>999,556</u>	<u>816,275</u>
<b>Congregational Consultations</b>			
Staff	253,288	252,442	242,039
<b>Communications</b>			
Staff	37,248	37,124	35,594
Communications (Print, Video, PR, Digital)	22,300	28,527	–
<b>Total Communications</b>	<u>59,548</u>	<u>65,651</u>	<u>35,594</u>
<b>Leadership Formation</b>			
Staff	171,342	170,770	170,851
Candidacy Expense	7,500	10,453	11,677
Ministerium & Other Evaluation Events	5,000	70	277
Urban Leaders Institute	5,000	3,735	–
Diaconate	5,000	2,528	3,265
Deans' Retreat	3,750	4,239	3,130
Staff Retreat	6,000	6,831	5,572
Bishop's Retreat	25,000	42,034	21,156
Bishop's Discretionary Fund	–	13,253	21,667
<b>Total Leadership Formation</b>	<u>228,592</u>	<u>253,913</u>	<u>237,595</u>
<b>Education/Internship Grants</b>			
Staff	7,450	7,425	7,119
United Lutheran Seminary Grant	65,000	65,000	65,000
Horizon Internships	12,000	12,000	12,000
<b>Total Education/Internship Grants</b>	<u>84,450</u>	<u>84,425</u>	<u>84,119</u>



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

## PROGRAM EXPENSES – (Continued)

Years Ended January 31, 2019 And 2018

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>Strategic Plan</b>			
Staff	\$ 104,295	\$ 103,947	\$ 99,663
Strategic Support	30,000	26,964	26,520
The Sower's Project	30,000	20,000	20,000
Leadership Development Grants	150,000	144,294	82,047
Capital Grants to Congregations	700,000	700,000	462,720
Real Estate Surveys	15,000	–	–
Congregational Financial Review	10,000	–	7,500
Congregational Workshops	25,000	11,983	34,814
Congregational Consulting Support	–	–	200
Strategic Initiatives – Pilot Projects	<u>200,000</u>	<u>43,293</u>	<u>36,000</u>
<b>Total Strategic Plan</b>	<u>1,264,295</u>	<u>1,050,481</u>	<u>769,464</u>
<b>TOTAL GATHERED</b>	<u>\$ 2,799,015</u>	<u>\$ 2,771,960</u>	<u>\$ 2,238,988</u>
<b>SENT</b>			
<b>Companion Synods</b>			
Staff	47,821	47,440	47,951
Companion Synod Teacher Salaries/Benefits	25,000	29,601	30,694
Travel & Hospitality (Tanzania)	<u>60,000</u>	<u>26,217</u>	<u>4,009</u>
<b>Total Companion Synods</b>	<u>132,821</u>	<u>103,258</u>	<u>82,654</u>
<b>Committees/Commissions</b>			
Staff	29,888	29,650	28,207
Synod Committees/Commissions	<u>5,000</u>	<u>–</u>	<u>928</u>
<b>Total Committees/Commissions</b>	<u>34,888</u>	<u>29,650</u>	<u>29,135</u>
<b>Multicultural Ministries</b>			
Staff	77,710	77,090	73,337
Multicultural Ministries	<u>10,000</u>	<u>6,008</u>	<u>6,716</u>
<b>Total Multicultural Ministries</b>	<u>87,710</u>	<u>83,098</u>	<u>80,053</u>
<b>Social Ministry Organizations</b>			
Staff	20,922	20,755	19,745
NYS Council of Churches	5,000	5,000	–
SMO Agency Events	<u>20,000</u>	<u>20,300</u>	<u>20,567</u>
<b>Total Social Ministry Organizations</b>	<u>45,922</u>	<u>46,055</u>	<u>40,312</u>
<b>Communications</b>			
Staff	41,844	41,510	39,489
Communications (Print, Video, PR, Digital)	<u>39,300</u>	<u>45,879</u>	<u>–</u>
<b>Total Communications</b>	<u>81,144</u>	<u>87,389</u>	<u>39,489</u>
<b>ELCA Mission Support</b>	<u>618,000</u>	<u>539,340</u>	<u>554,331</u>

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

## *PROGRAM EXPENSES – (Continued)*

**Years Ended January 31, 2019 And 2018**

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>Strategic Plan</b>			
Staff	\$ 80,699	\$ 80,055	\$ 73,337
Strategic Planning/Support	30,000	26,772	25,740
Wider Church Grants	125,000	125,000	125,000
Immigration Initiatives	100,000	59,195	352
Anti-Racism Training	<u>32,000</u>	<u>25,094</u>	<u>6,280</u>
<b>Total Strategic Plan</b>	<u>367,699</u>	<u>316,116</u>	<u>230,709</u>
<b>TOTAL SENT</b>	<u>\$ 1,368,184</u>	<u>\$ 1,204,906</u>	<u>\$ 1,056,683</u>
<b>SYNOD GOVERNANCE</b>			
<b>Synod Assembly</b>			
Staff	51,789	48,700	55,605
Synod Assembly	<u>55,500</u>	<u>136,917</u>	<u>62,458</u>
<b>Total Synod Assembly</b>	<u>107,289</u>	<u>185,617</u>	<u>118,063</u>
<b>Synod Council</b>			
Staff	74,231	69,804	79,701
Synod Council	8,000	12,518	9,812
Synod Council Committees	4,000	1,313	6,672
Synod Archives	<u>12,000</u>	<u>54,892</u>	<u>4,620</u>
<b>Total Synod Council</b>	<u>98,231</u>	<u>138,527</u>	<u>100,805</u>
<b>Synod Events</b>			
Staff	46,610	43,830	50,045
Region 7 Coordinating Council	7,500	-	-
Worship Events & Ordinations	<u>6,500</u>	<u>9,154</u>	<u>5,402</u>
<b>Total Synod Events</b>	<u>60,610</u>	<u>52,984</u>	<u>55,447</u>
<b>TOTAL SYNOD GOVERNANCE</b>	<u>\$ 266,130</u>	<u>\$ 377,128</u>	<u>\$ 274,315</u>

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

## PROGRAM EXPENSES – (Continued)

**Years Ended January 31, 2019 And 2018**

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>FINANCE AND ADMINISTRATION</b>			
<b>General Office Management</b>			
Staff	\$ 13,873	\$ 12,636	\$ 16,355
Telephone	19,000	16,883	16,891
Professional Services - IT	7,500	2,761	3,996
Printing-In House	–	1,773	–
Computer Equipment Expense	5,000	6,253	10,932
Database/Software	20,000	20,199	20,055
Office Supplies	10,000	9,163	7,968
Postage & Shipping	5,000	5,383	6,033
Miscellaneous Expense	–	7,022	–
Other Expense	1,394	1,793	–
Office Hospitality	<u>7,500</u>	<u>10,844</u>	<u>6,512</u>
<b>Total General Office Management</b>	<u>89,267</u>	<u>94,710</u>	<u>88,742</u>
<b>General Accounting</b>			
Staff	43,932	40,014	51,791
Payroll Service Fees	10,000	5,766	4,980
Bank and Credit Card Fees	<u>4,000</u>	<u>6,190</u>	<u>4,001</u>
<b>Total General Accounting</b>	<u>57,932</u>	<u>51,970</u>	<u>60,772</u>
<b>Facility</b>			
Staff	2,312	2,106	2,726
Rent & Facility Management	15,000	17,330	194,816
Maintenance and Repair	195,775	197,257	12,784
Depreciation Expense	<u>7,000</u>	<u>9,762</u>	<u>25,283</u>
<b>Total Facility</b>	<u>220,087</u>	<u>226,455</u>	<u>235,609</u>
<b>Audit/Legal</b>			
Staff	47,400	43,173	57,242
Professional Services - Audit	15,000	33,609	23,000
Legal Fees	<u>27,000</u>	<u>31,000</u>	<u>25,183</u>
<b>Total Audit/Legal</b>	<u>89,400</u>	<u>107,782</u>	<u>105,425</u>
<b>Insurance</b>			
Staff	8,093	7,371	8,177
ELCA Shared Risk Assessment	1,650	–	–
Insurance	2,000	3,685	1,928
Worker's Comp/NYS Unemployment Insurance	9,000	6,198	9,137
D&O Insurance	5,000	4,471	13,491
Property & Liability Insurance	<u>14,000</u>	<u>11,949</u>	<u>13,358</u>
<b>Total Insurance</b>	<u>39,743</u>	<u>33,674</u>	<u>46,091</u>
<b>TOTAL FINANCE AND ADMINISTRATION</b>	<u>\$ 496,429</u>	<u>\$ 514,591</u>	<u>\$ 536,639</u>
<b>Total Expenses before Properties</b>	<u>\$ 5,352,745</u>	<u>\$ 5,228,551</u>	<u>\$ 4,657,025</u>

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

*PROGRAM EXPENSES – (Continued)*

**Years Ended January 31, 2019 And 2018**

	<u>Budget Provision</u>	<u>Actual Expenses Fiscal Year 2018</u>	<u>Actual Expenses Fiscal Year 2017</u>
<b>PROPERTIES UNDER SYNOD MANAGEMENT</b>			
Staff Salaries	\$ 150,000	\$ 24,056	\$ 91,653
Non-Staff Compensation	–	38,511	25,499
Travel & Hospitality	–	2,072	2,714
Synod Archives	–	–	12,000
Rent & Facility Management	–	4,020	4,020
Maintenance & Repairs	–	30,918	51,286
Property & Liability Insurance	–	113,193	92,827
Utilities	–	56,417	53,696
Violations and Fines	–	–	23,514
Real Estate Taxes	–	127,206	24,584
General Administrative Expense	–	25,400	2,075
Administrative and Other Professional Services	–	4,928	27,102
Professional Fees – Appraisers	–	15,859	9,850
Professional Fees – Architects/Engineers	–	31,808	26,719
Real Estate Surveys	–	–	27,410
Computer Equipment	–	(124)	1,804
Real Estate Broker Fees	–	5,000	655,000
Title Fees	–	–	60,791
Legal Fees	–	502,494	326,428
Guarantee expense	–	–	175,528
Synodically-Owned Properties (Budget only)	<u>200,000</u>	<u>–</u>	<u>–</u>
<b>Total Properties under Synod Management</b>	<u>350,000</u>	<u>981,758</u>	<u>1,694,500</u>
<b>Total Expenses</b>	<u>\$ 5,702,745</u>	<u>\$ 6,210,309</u>	<u>\$ 6,351,525</u>
<b>NET PROPERTY EXPENSES</b>			
Expenses from above		\$ 981,758	\$ 1,694,500
Less: Other income from properties		<u>(68,622)</u>	<u>(51,154)</u>
Net property expenses		<u>\$ 913,136</u>	<u>\$ 1,643,346</u>

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

## *BUDGETED OPERATIONS*

**Years Ended January 31, 2019 And 2018**

	<u>Budget Provision</u>	<u>Actual Fiscal Year 2018</u>	<u>Actual Fiscal Year 2017</u>
<b>BUDGETED OPERATIONS</b>			
<b>Income</b>			
Congregational Mission Support	\$ 1,200,000	\$ 1,047,261	\$ 1,086,923
Grants – ELCA	11,000	10,000	10,000
Investment Income	819,806	760,811	571,811
Loan Interest	180,846	128,579	144,481
Contributions from Individuals and Others Released from designations	350,000	320,791	54,755
Metro New York Synod Fund	167,860	1,672,039	430,500
Mission Redevelopment Fund	2,508,233	424,516	1,899,110
Other Funds	<u>115,000</u>	<u>290,306</u>	<u>207,939</u>
<b>Total Income before Properties</b>	5,352,745	4,654,303	4,405,519
Reimbursement from properties	<u>350,000</u>	<u>981,758</u>	<u>1,694,500</u>
<b>Total Income</b>	<u>5,702,745</u>	<u>5,636,061</u>	<u>6,100,019</u>
<b>Expenses</b>			
Claimed	422,987	359,966	550,400
Gathered	2,799,015	2,771,960	2,238,988
Sent	1,368,184	1,204,906	1,056,683
Synod Governance	266,130	377,128	274,315
Finance and Administrative	<u>496,429</u>	<u>514,591</u>	<u>536,639</u>
<b>Total Expenses before Properties</b>	5,352,745	5,228,551	4,657,025
Properties under Synod Management	<u>350,000</u>	<u>981,758</u>	<u>1,694,500</u>
<b>Total Expenses</b>	<u>5,702,745</u>	<u>6,210,309</u>	<u>6,351,525</u>
<b>Excess (Deficit) of Income over Expenses</b>	<u>\$ —</u>	<u>\$ (574,248)</u>	<u>\$ (251,506)</u>

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

## SUMMARY OF CHANGES IN NET ASSETS

**Year Ended January 31, 2019**

	<u>Balance, January 31, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, January 31, 2019</u>
<b>WITHOUT DONOR RESTRICTIONS</b>				
<b>Undesignated</b>				
General operating	\$ 290,416	\$ 4,537,439	\$ 5,111,687	\$ (283,832)
<b>Designated</b>				
Metropolitan New York Synod Fund – General	2,257,427	656,174	2,547,729	365,872
Unrealized gains on investments	<u>3,293,117</u>	<u>–</u>	<u>948,221</u>	<u>2,344,896</u>
	5,550,544	656,174	3,495,950	2,710,768
Congregations Under Synodical Preservation				
Property Value	12,869,500	1,575,000	–	14,444,500
Youth Ministry Fund	1,373	152	–	1,525
Bishop Rudolph P. F. Ressmeyer Fund	28,803	1,071	–	29,874
William and Helen Heinemann Memorial Fund	364,969	–	–	364,969
Winston Bone Scholarship Fund	33,377	1,236	–	34,613
Salam Ministry Fund	937,750	39,863	85,124	892,489
Bishop's Discretionary Fund	16,484	11,603	13,341	14,746
Mission Redevelopment Fund	424,516	–	424,516	–
Support for the Wider Church	23	–	–	23
Musical Instruments Fund	14,015	–	769	13,246
MNYS Legacy	32,185,063	–	953,310	31,231,753
Ministry Among Guyanese Fund	18,220	2,720	1,479	19,461
School property (Leif Ericson Day School)	172,889	–	130,364	42,525
Other	<u>3,537</u>	<u>6,037</u>	<u>1,668</u>	<u>7,906</u>
<b>Total Designated</b>	<u>52,621,063</u>	<u>2,293,856</u>	<u>5,106,521</u>	<u>49,808,398</u>
Property and Equipment Fund	<u>56,890</u>	<u>–</u>	<u>5,087</u>	<u>51,803</u>
<b>Total Without Donor Restrictions</b>	<u>52,968,369</u>	<u>6,831,295</u>	<u>10,223,295</u>	<u>49,576,369</u>
<b>WITH DONOR RESTRICTIONS</b>				
<b>Subject to Expenditure for Special Purpose:</b>				
Support of Companion Synod – ELCT	78,898	250,436	55,818	273,516
Grants to Congregations and Ministries	212,689	4,971	84,600	133,060
Ministerial Student Aid	13,224	–	1,800	11,424
Women Leaders Fund	6,890	–	–	6,890
Women and Children in Poverty	593	–	593	–
Urban Empowerment Fund	5,878	–	–	5,878
Other	<u>21,402</u>	<u>–</u>	<u>–</u>	<u>21,402</u>
<b>Total Subject to Expenditure for     Special Purpose</b>	<u>339,574</u>	<u>255,407</u>	<u>142,811</u>	<u>452,170</u>
<b>Perpetual in Nature:</b>				
Funds for Grants to Congregations and Ministries	124,272	–	–	124,272
Funds for Support of Companion Synod	<u>1,108,269</u>	<u>7,713</u>	<u>–</u>	<u>1,115,982</u>
<b>Total Perpetual in Nature</b>	<u>1,232,541</u>	<u>7,713</u>	<u>–</u>	<u>1,240,254</u>
<b>Total With Donor Restrictions</b>	<u>1,572,115</u>	<u>263,120</u>	<u>142,811</u>	<u>1,692,424</u>
<b>Total Net Assets</b>	<u>\$ 54,540,484</u>	<u>\$ 7,094,415</u>	<u>\$ 10,366,106</u>	<u>\$ 51,268,793</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, 2019**

	<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>
<b>Funds for Grants to Congregations and Ministries</b>								
Samuel Trexler Fellowship Fund	\$ 124,272	\$ -	\$ -	\$ 124,272	\$ 14,820	\$ 4,971	\$ 7,000	\$ 12,791
<b>Fund for Support of Companion Synod</b>								
Tanzania Educational Endowment Fund	<u>1,108,269</u>	<u>7,713</u>	<u>-</u>	<u>1,115,982</u>	<u>78,898</u>	<u>250,436</u>	<u>55,818</u>	<u>273,516</u>
	<u>\$ 1,232,541</u>	<u>\$ 7,713</u>	<u>\$ -</u>	<u>\$ 1,240,254</u>	<u>\$ 93,718</u>	<u>\$ 255,407</u>	<u>\$ 62,818</u>	<u>\$ 286,307</u>

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

*CONTRIBUTIONS FROM CONGREGATIONS SUMMARIZED BY CONFERENCE*

**Year Ended January 31, 2019**

	<b>Fiscal Year 2018</b>					<b>Fiscal Year 2017</b>
	<b>Total Contributions</b>	<b>Mission Support</b>	<b>ELCA World Hunger</b>	<b>ELCA Other Designated</b>	<b>Synod Other Designated</b>	<b>Mission Support</b>
Hudson	\$ 104,717	\$ 97,141	\$ 5,126	\$ 698	\$ 1,752	\$ 108,516
Delaware Hudson	66,474	60,547	1,792	2,758	1,377	60,363
Tappan Zee	136,451	129,659	1,199	4,111	1,482	129,947
Eastern Nassau	69,206	60,058	7,341	1,705	102	68,853
Western Nassau	38,272	37,644	225	90	313	37,293
Southwest Nassau	68,115	65,889	1,822	163	241	70,194
Peconic	73,700	68,048	2,063	1,842	1,747	73,293
Western Suffolk	124,861	117,420	3,123	3,018	1,300	117,128
Manhattan	169,558	161,817	4,445	3,251	45	174,608
Bronx	18,911	16,075	227	1,550	1,059	21,427
Staten Island	53,470	45,762	2,173	2,585	2,950	39,114
Southeast Queens	21,626	21,626	-	-	-	24,869
Western Queens (formerly Southwest Queens)	17,789	16,285	10	301	1,193	15,219
Northeast Queens	9,109	8,600	509	-	-	10,770
Western Queens (formerly Northwest Queens)	45,916	41,923	614	1,912	1,467	39,399
Brooklyn Bridges	37,000	37,000	-	-	-	29,100
South Shore Brooklyn	17,710	17,610	-	100	-	27,206
Southwest Brooklyn	45,977	44,157	-	1,811	9	39,624
<b>TOTAL</b>	<b>\$ 1,118,862</b>	<b>\$ 1,047,261</b>	<b>\$ 30,669</b>	<b>\$ 25,895</b>	<b>\$ 15,037</b>	<b>\$ 1,086,923</b>