

Supplement



The **WAY** *in the*
WILDERNESS

Virginia Synod Assembly
June 9-11, 2023
Roanoke College

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

SALEM, VIRGINIA

FINANCIAL STATEMENTS

JANUARY 31, 2023

KENNETT & KENNETT PC

CERTIFIED PUBLIC ACCOUNTANTS

ROANOKE, VIRGINIA

VIRGINIA SYNOD EVANGELICAL LUTHERAN CHURCH IN AMERICASALEM, VIRGINIAFINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATIONJANUARY 31, 2023OFFICERS AND SYNOD STAFF

Bishop
Vice-President
Secretary
Treasurer
Financial Advisor
Financial Advisor
Financial Bookkeeper

The Rev. Robert F. Humphrey
Charles Downs
Blythe Scott
Dan Kahill
Skip Zubrod
Richard Hoffman
Tammy Kasper

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**INDEPENDENT AUDITOR'S REPORT**

To the Synod Council of Virginia Synod,
Evangelical Lutheran Church in America
Salem, VA

Opinion

We have audited the accompanying financial statements of Virginia Synod, Evangelical Lutheran Church in America (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of January 31, 2023, and the related statements of support, revenue, and expenses-modified cash basis, statement of functional expenses-modified cash basis, and the statement of cash flows-modified cash basis 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 assets, liabilities and net assets of Virginia Synod, Evangelical Lutheran Church in America as of January 31, 2023, and its support, revenue, expenses and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

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 Virginia Synod, Evangelical Lutheran Church in America 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Synod, Evangelical Lutheran Church in America'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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

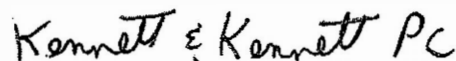
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Virginia Synod, Evangelical Lutheran Church in America'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 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 Virginia Synod, Evangelical Lutheran Church in America'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information (see table of contents) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
Roanoke, Virginia

May 23, 2023

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

AS OF JANUARY 31, 2023

ASSETS

Current Assets:

Cash - checking	\$ 681,042.06	
Certificates of deposit - Mission Investment Fund	<u>924,098.28</u>	\$ 1,605,140.34

Fixed Assets:

Furniture and equipment	86,390.12	
Automobiles	162,714.80	
Accumulated depreciation	<u>(213,563.83)</u>	35,541.09

Investments - At Market Value:

ELCA Pooled Endowment Accounts	1,582,669.21	
Thrivent Deferred Annuity	71,975.19	
Thrivent Investment Account	879,763.95	
Charles Schwab Investment Account - Forwarding Faith	<u>1,976,525.41</u>	4,510,933.76

Total Assets		<u>\$ 6,151,615.19</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Payroll taxes and withholdings	\$ 2,625.08	
Funds held for others	<u>118,931.43</u>	\$ 121,556.51

Long-Term Liabilities:

Total Liabilities		<u>121,556.51</u>
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Net Assets:

Without Donor Restrictions - General	2,194,913.87	
Without Donor Restrictions - Council Designated	3,765,104.71	
With Donor Restrictions	<u>70,040.10</u>	6,030,058.68

Total Liabilities and Net Assets		<u>\$ 6,151,615.19</u>
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See accompanying notes to financial statements.

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES-MODIFIED CASH BASIS

FOR THE YEAR ENDED JANUARY 31, 2023

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	<u>Total Year Ended 1/31/2023</u>
	<u>General</u>	<u>Council Designated</u>		
Support and Revenue:				
Income from congregations (benevolence remittances)	\$ 1,608,115.84	\$ -	\$ -	\$ 1,608,115.84
Non-cash contribution income	-	-	-	-
Investment income	158,012.12	-	-	158,012.12
Realized/Unrealized gain (loss) on Investments	(868,385.36)	-	-	(868,385.36)
Synod assembly	1,252.91	-	-	1,252.91
Loss on sale of fixed assets	-	-	-	-
Payroll protection loan forgiveness	-	-	-	-
Other income	113,022.11	-	-	113,022.11
Special benevolences and other designated receipts (Schedule A-1)	-	1,351,284.21	-	1,351,284.21
Total Support and Revenue	<u>1,012,017.62</u>	<u>1,351,284.21</u>	<u>-</u>	<u>2,363,301.83</u>
Expenses:				
Evangelical Lutheran Church in America, apportionment	632,927.91	-	-	632,927.91
Virginia Synod Causes:				
Office of Bishop	521,258.42	-	-	521,258.42
Programming and communications	73,708.70	-	-	73,708.70
Educational institutions and agencies	117,180.00	-	-	117,180.00
Campus ministry	64,500.00	-	-	64,500.00
Social ministry organization and agencies	29,249.92	-	-	29,249.92
Outdoor ministries	41,835.00	-	-	41,835.00
Synodical council activities	35,930.05	-	-	35,930.05
Regional Center for Missions	8,668.00	-	-	8,668.00
Synod Office	362,128.52	-	-	362,128.52
Contingencies and Other	2,690.00	-	-	2,690.00
Depreciation & Gain/Loss on Disposition of Old Assets	23,001.57	-	-	23,001.57
Remittances of special benevolences and other designated disbursements	-	380,780.34	-	380,780.34
Total Expenses	<u>1,913,078.09</u>	<u>380,780.34</u>	<u>-</u>	<u>2,293,858.43</u>
Excess of support and revenue over expenses (deficit)	(901,060.47)	970,503.87	-	69,443.40
Transfer to Unrestricted Fund Balance	-	-	-	-
Net Assets January 31, 2022	<u>3,095,974.34</u>	<u>2,794,600.84</u>	<u>70,040.10</u>	<u>5,960,615.28</u>
Net Assets January 31, 2023	<u>\$ 2,194,913.87</u>	<u>\$ 3,765,104.71</u>	<u>\$ 70,040.10</u>	<u>\$ 6,030,058.68</u>

See accompanying notes to financial statements.

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS

FOR THE YEAR ENDED JANUARY 31, 2023

	Program Services	Management and General	Fundraising	Total
Remittances of designated disbursements	\$ 380,780.34	\$ -	\$ -	\$ 380,780.34
Church-wide and other mission support	632,927.91			632,927.91
Salaries and related expenses	248,730.74	438,042.47	4,145.51	690,918.72
Conference of Deans	11,784.63			11,784.63
Travel	16,640.18	29,305.20	277.34	46,222.72
Ecumenical	6,210.00			6,210.00
Programming and communications	73,708.70			73,708.70
Educational institutions and agencies	117,180.00			117,180.00
Campus ministry	64,500.00			64,500.00
Social ministry organization and agencies	29,249.92			29,249.92
Outdoor ministry	41,835.00			41,835.00
Synodical council activities		8,882.32		8,882.32
Regional center for missions	8,668.00			8,668.00
Insurance	4,479.12	7,888.23	74.65	12,442.00
Professional fees	7,353.19	12,949.79	122.55	20,425.53
Office supplies and expenses	7,373.48	12,985.51	122.89	20,481.88
Telephone and network expenses	7,894.88	13,903.75	131.58	21,930.21
Rent	14,323.96	25,226.08	238.73	39,788.77
Lease expense	10,442.54	18,390.48	174.04	29,007.06
Bank fees	1,597.56	2,813.50	26.63	4,437.69
Repairs and Maintenance	2,442.77	4,301.98	40.71	6,785.46
Donations	2,690.00			2,690.00
Depreciation	<u>8,280.56</u>	<u>14,583.00</u>	<u>138.01</u>	<u>23,001.57</u>
Total Expenses	<u>\$ 1,699,093.48</u>	<u>\$ 589,272.31</u>	<u>\$ 5,492.64</u>	<u>\$ 2,293,858.43</u>
	74.07%	25.69%	0.24%	100.00%

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICASTATEMENT OF CASH FLOWS-MODIFIED CASH BASISFOR THE YEAR ENDED JANUARY 31, 2023

Cash Flows From Operating Activities:

Excess of support and revenue over expenses (deficiency)	\$ 69,443.40
Non Cash (income) expenses included in excess of support and revenue over expenses (deficiency):	
Depreciation expense	23,001.57
(Gain) loss on disposition of fixed assets	-
Realized (gain) loss on sale of investments	70,068.44
Unrealized (gain) loss on investments	798,316.92
Increase (Decrease) in:	
Payroll taxes and withholdings	2,037.08
Funds held for others	<u>103,822.84</u>
Net cash provided by (used in) operations	<u>1,066,690.25</u>

Cash Flows From Investing Activities:

Purchase of auto and equipment	(4,302.74)
Proceeds from sale of assets	-
Proceeds from sale of investments	794,435.78
Purchase of investments	<u>(838,575.72)</u>
Net cash provided by (used in) Investing Activities	<u>(48,442.68)</u>

Cash Flows From Financing Activities:

Proceeds from new borrowings	<u>-</u>
Net cash provided by (used in) Financing Activities	<u>-</u>

Increase (decrease) in Cash and Cash Equivalents 1,018,247.57

Cash and Cash Equivalents 1/31/22 586,892.77

Cash and Cash Equivalents 1/31/23 \$ 1,605,140.34

Supplemental Disclosures of Cash Flows Information:

Cash payments for:	
Interest	\$ -
Income Taxes	<u>\$ -</u>

Cash and Cash Equivalents consists of cash, money market accounts and certificates of deposits included in Current Assets. Money market accounts and certificates of deposits included in investments are not considered cash for this cash flow statement.

VIRGINIA SYNOD EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The Virginia Synod, Evangelical Lutheran Church in America (ELCA) is the name for a grouping of 145 congregations of the ELCA who are mostly in Virginia. The Virginia Synod Office of the Bishop has oversight for the collection of remittances from Virginia Synod members and the administration of the ELCA's programs and services for the area.

Basis of Accounting:

The financial statements are presented on a modified cash basis of accounting. Under this method of accounting, revenues are recognized in the year in which they are received and disbursements are recognized in the year in which they are paid. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Synod, the accounts of the Synod are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Financial Statement Presentation

The financial statements present information regarding the financial position and activities according to two classes of net assets: without donor restrictions and designated with donor restrictions.

Without donor restrictions – Net assets for the general operations and not subject to donor restrictions. The Synod Council has designated, from net assets without donor restrictions, net assets for a specific use.

With donor restrictions – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The income from these assets is available for either general operations or specific programs as specified by the donor.

Estimates

The preparation of financial statements in conformity with the modified cash basis 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Risks and Uncertainties

The Organization invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, money market accounts and certificates of deposit included in the Current Asset section of the Statement of Assets, Liabilities and Net Assets – modified cash basis. Any money market accounts and certificate of deposits included in the Investment section of the Statement of Assets, Liabilities and Net Assets – modified cash basis have been set aside by The Virginia SYNOD as Investments and are not considered Cash and Cash Equivalents for these financial statements.

Capitalization and Depreciation

The Organization capitalizes all expenditures in excess of five hundred dollars (\$500) for property and equipment at cost, while donations of furniture and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Furniture and equipment are depreciated using the straight-line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Vehicles and equipment	5 years

Depreciation expense totaled \$23,001.57 for the year ended January 31, 2023.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis. Unrealized gains and losses are included in the Statement of Support, Revenue and Expenses – Modified Cash Basis.

These financial statements present investment balances at market value at December 31, 2022. The difference between the values at December 31, 2022 and January 31, 2023 are not reflected in these financial statements and do not have a material effect on these financial statements.

Compensated Absences

The Company has not accrued vacation pay. The Company's policy is to recognize these costs when actually paid.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONCLUDED):

Revenue Recognition

The Synod's revenues consist of contributions by Synod congregations and grant income. Revenues are recognized when earned.

Donated Services and Support

The Organization utilizes the services of volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the year ended January 31, 2023, did not meet the requirements above, therefore no amounts were recognized in the accompanying financial statements.

Income Taxes

The Organization is considered a Church Organization and is tax-exempt under Section 501 (c) (3) of the Internal Revenue Code. The Organization is not required to file an income tax return with the Internal Revenue Service. The Organization is not a private foundation and had no unrelated business income for the year ended January 31, 2023.

Concentrations

The Synod maintains its commercial deposits with a local financial institution. Commercial deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the cash balances on deposit may exceed the FDIC insured limits. To date, the Synod has not experienced any losses in such account and believes it is not exposed to any significant credit risk on its cash deposits.

Subsequent Events

The Organization has evaluated subsequent events through May 23, 2023, which is the date on which the financial statements were available for issuance and concluded that there were no events or transactions that needed to be disclosed.

NOTE 2 – SUMMARY OF FIXED ASSETS IS AS FOLLOWS:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and Equipment	\$ 86,390.12	\$ 75,510.13	\$ 10,879.99
Automobiles	<u>162,714.80</u>	<u>138,053.70</u>	<u>24,661.10</u>
Total	<u>\$ 249,104.92</u>	<u>\$ 213,563.83</u>	<u>\$ 35,541.09</u>

Depreciation expense for the year amounted to \$23,001.57. Additional revenue of \$-0- was charged under this category for obsolete equipment which was donated or scrapped or sold.

NOTE 3 – LEASE COMMITMENTS:

The Synod leases Bittle Hall from Roanoke College for use as its headquarters. The lease renews annually. The monthly rental is \$2,579.62, which is adjusted annually for inflation. The Synod also leases office space in Norfolk, Virginia. Rent is \$750.00 per month.

The Synod also leases a color copier/printer, postage meter and folder.

Lease commitments at January 31, 2023 consisted of the following for these items:

Payable in first succeeding year	\$57,050.41
Payable in second succeeding year	9,804.16
Payable in third succeeding year	-0-
Payable in fourth succeeding year	-0-
Payable in fifth succeeding year	-0-

NOTE 4 – PENSIONS:

The Synod contributes 12% of each employee's wages to the Evangelical Lutheran Church in America's National Pension Plan in each employee's behalf. The account is maintained in the employee's name. The amount remitted by the Synod to the Evangelical Lutheran Church in America for the year ended January 31, 2023 was \$60,541.14.

NOTE 5 – FUNDS HELD FOR OTHERS

Contributions that are designated for specific organizations or ministries not administered by the Synod are recorded as a current liability until forwarded to the proper organization or agency. The Synod's policy is to distribute the contributions on a monthly basis.

World Hunger	\$ 18,646.12
Designated Advance Gifts	2,547.32
Mission Partners	100.00
Vission For Mission	-
Missionary Support	-
ELCA Disaster Relief	3,498.96
Lutheran Family Services of Virginia	60.00
Lutheran Theo So Seminary	150.00
Roanoke College	5.00
First Portsmouth	80,689.71
Misc. Special Benevolence VA	-
Local Disaster Relief	<u>13,234.32</u>
	<u>\$118,931.43</u>

NOTE 6 – FAIR VALUE:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Fair Value Measurements at Reporting Date Using:

<u>December 31, 2022</u>	<u>Fair Value</u>	<u>Quoted Prices In active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash	\$ 103,229.64	\$ 103,229.64	\$ -	\$ -
Pooled investment account:				
Domestic equities	3,430,431.49	3,430,431.49	-	-
International equities	315,723.52	315,723.52	-	-
Fixed income instruments	661,549.11	661,549.11	-	-
Limited partnerships	-	-	-	-
Total	<u>\$ 4,510,933.76</u>	<u>\$ 4,510,933.76</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - LIQUIDITY

The SYNOD has \$1,708,369.98 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,605,140.34 and short-term investments of \$103,229.64. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year. The SYNOD has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTAL INFORMATION

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICASTATEMENT OF SUPPORT, REVENUE, AND EXPENSES WITHOUT DONOR RESTRICTIONS
GENERAL -MODIFIED CASH BASISFOR THE YEAR ENDED JANUARY 31, 2023

	<u>Actual</u>	<u>Estimated</u>	<u>Variance</u>
Operating Revenue:			
BE/Mission Support	\$ 1,608,115.84	\$ 1,725,000.00	\$ (116,884.16)
Non-Cash Contributions	-	-	-
Interest Income	2,737.38	-	2,737.38
Dividend Income	88,494.32	-	88,494.32
Thrivent Endowment Fund Income	66,780.42	-	66,780.42
Realized Gain(Loss) on Investments	(70,068.44)	-	(70,068.44)
Unrealized Gain(Loss) on Investments	(798,316.92)	-	(798,316.92)
Loss on sale of fixed assets	-	-	-
Synod assembly	1,252.91	3,000.00	(1,747.09)
Other Revenues	<u>113,022.11</u>	<u>215,000.00</u>	<u>(101,977.89)</u>
Total Support and Revenue	<u>1,012,017.62</u>	<u>1,943,000.00</u>	<u>(930,982.38)</u>
Expenses:			
ELCA Apportionment	<u>632,927.91</u>	<u>690,000.00</u>	<u>(57,072.09)</u>
Virginia Synod Causes:			
Office of Bishop:			
Conference of Deans:			
Deans - Expenses	784.63	-	784.63
Deans - Compensation	11,000.00	11,000.00	-
Staff:			
Staff Salary/Housing/SS Equiv	330,603.12	305,448.69	25,154.43
Staff Pension/Health Ins.	118,833.45	105,759.31	13,074.14
Staff Continuing Education	7,604.50	6,000.00	1,604.50
Staff Travel Living	31,025.10	50,000.00	(18,974.90)
Car Expense	15,197.62	-	15,197.62
Ecumenical:			
ERC - Council of Churches - Grant	<u>6,210.00</u>	<u>6,210.00</u>	<u>-</u>
Total Office of Bishop	<u>\$ 521,258.42</u>	<u>\$ 484,418.00</u>	<u>\$ 36,840.42</u>

See accompanying notes to financial statements.

	<u>Actual</u>	<u>Estimated</u>	<u>Variance</u>
Programming and Communications:			
Christian Education			
CE - Roots & Wings	\$ -	\$ 2,500.00	\$ (2,500.00)
CE - C/W Conference	-	6,000.00	(6,000.00)
CE - Retreat	-	2,500.00	(2,500.00)
CE - Power In The Spirit	7,863.51	4,500.00	3,363.51
Youth Ministry:			
YM - Youth Events	17,231.13	10,000.00	7,231.13
Appalachian Ministries:			
AM - Grant/Amer	(87.75)	500.00	(587.75)
Mission Partners:			
MP - Mission Development Grants	-	30,000.00	(30,000.00)
Social Action			
SA - Power In The Spirit	-	2,000.00	(2,000.00)
VM Missions			
VA - Grants New Congregations	-	3,000.00	(3,000.00)
Candidacy:			
CC - Expenses	1,804.73	10,000.00	(8,195.27)
CC - Annual Conference	2,585.00	-	2,585.00
CC - Candiate Processing Fees	1,000.00	-	1,000.00
CC - Financial Aid	24,000.00	25,000.00	(1,000.00)
CC - First Call	151.01	4,000.00	(3,848.99)
Leadership Support:			
LSC - Expenses	1,982.59	-	1,982.59
LSC - Day Of Ministerium	5,334.73	3,000.00	2,334.73
LSC - Roster Ministry Gathering	5,952.58	-	5,952.58
LSC - 1st Call Theological Ed	246.10	1,500.00	(1,253.90)
Communications:			
Communications Materials	<u>5,645.07</u>	<u>8,000.00</u>	<u>(2,354.93)</u>
 Total Programming and Communications	 <u>73,708.70</u>	 <u>112,500.00</u>	 <u>(38,791.30)</u>
 Educational Institution and Agency:			
Seminary Support	104,700.00	104,700.00	-
Roanoke College	<u>12,480.00</u>	<u>12,480.00</u>	<u>-</u>
 Total Educational Institution and Agency	 <u>117,180.00</u>	 <u>117,180.00</u>	 <u>-</u>
 Campus Ministry:			
Campus Ministry Agencies	<u>64,500.00</u>	<u>68,800.00</u>	<u>(4,300.00)</u>
 Total Campus Ministry	 <u>\$ 64,500.00</u>	 <u>\$ 68,800.00</u>	 <u>\$ (4,300.00)</u>

See accompanying notes to financial statements.

	Actual	Estimated	Variance
Social Ministry Organization and Agencies:			
VICPP	\$ 2,550.00	\$ 2,550.00	\$ -
Chaplain Services/Prison/Churches - VA	9,180.00	9,180.00	-
Lutheran Family Services	9,520.00	14,280.00	(4,760.00)
Virginia Lutheran Homes	7,999.92	8,000.00	(0.08)
Total Social Ministry Organization and Agencies	29,249.92	34,010.00	(4,760.08)
Outdoor Ministry:			
Caroline Furnace Camp	29,445.00	29,445.00	-
Hungry Mother Camp	12,390.00	12,390.00	-
Total Outdoor Ministry	41,835.00	41,835.00	-
Synod Council Activities:			
Synod Council - Expenses	2,882.32	7,500.00	(4,617.68)
Insurance Premiums	12,442.00	12,500.00	(58.00)
Legal Retainer Fees	105.73	-	105.73
Audit Support	14,500.00	14,000.00	500.00
Archives	6,000.00	6,000.00	-
Total Synod Council Activities	35,930.05	40,000.00	(4,069.95)
Regional Center	8,668.00	8,500.00	168.00
Synod Office:			
Support Staff Salaries	153,102.00	170,819.70	(17,717.70)
Support Staff Pensions/Health	69,453.00	78,200.96	(8,747.96)
Support Staff - Employer SS	11,322.65	12,520.35	(1,197.70)
Office Oper. - Postage/Mail	1,508.82	7,200.00	(5,691.18)
Office Oper. - Office Supplies	18,752.79	23,300.00	(4,547.21)
Office Oper. - Telecomm.	21,330.21	13,900.00	7,430.21
Office Oper. - Misc.	220.27	500.00	(279.73)
Office Oper. - Vanco Charges	3,274.44	2,800.00	474.44
Office Oper. - Maint/Repairs	6,785.46	8,700.00	(1,914.54)
Office Oper. - Bank Charges	1,163.25	1,760.00	(596.75)
Office Oper. - Leasing	29,007.06	23,400.00	5,607.06
Office Oper. - Payroll Processing	5,819.80	3,950.00	1,869.80
Office Oper. - Network	600.00	1,870.00	(1,270.00)
Office Oper. - East	8,833.33	9,000.00	(166.67)
Office Oper. - Rent	30,955.44	32,130.00	(1,174.56)
Total Synod Office	\$ 362,128.52	\$ 390,051.01	\$ (27,922.49)

See accompanying notes to financial statements.

	<u>Actual</u>	<u>Estimated</u>	<u>Variance</u>
Contingencies and Other			
Office Furnishings & Equipment	\$ -	\$ 3,000.00	\$ (3,000.00)
Office Of Planned Giving	2,690.00	5,000.00	(2,310.00)
Office Oper. - Depreciation Expense	<u>23,001.57</u>	<u>30,000.00</u>	<u>(6,998.43)</u>
Total Contingencies and Other	<u>25,691.57</u>	<u>38,000.00</u>	<u>(12,308.43)</u>
Virginia Synod Causes:			
Total Synod Causes	<u>1,280,150.18</u>	<u>1,335,294.01</u>	<u>(55,143.83)</u>
Total Expenses	<u>1,913,078.09</u>	<u>2,025,294.01</u>	<u>(112,215.92)</u>
Excess of Support and Revenue Over Expenses (deficit)	<u>\$ (901,060.47)</u>	<u>\$ (82,294.01)</u>	<u>\$ (818,766.46)</u>

See accompanying notes to financial statements.

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA
SCHEDULE OF CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS - COUNCIL DESIGNATED
FOR THE YEAR ENDED JANUARY 31, 2023

	Balance (Deficit) 1/31/2022	Receipts	Disbursements	Balance (Deficit) 1/31/2023
<u>Congregational Life Activities</u>				
Winter Celebration Youth Event	\$ 7,832.96	\$ 21,654.55	\$ 29,487.51	\$ -
7th Day Youth Event	-	472.66	221.87	250.79
Kairos Youth Event	-	14,107.65	14,107.65	-
Launch	-	243.30	243.30	-
Lost & Found Youth Event	-	12,789.70	12,789.70	-
Power in the Spirit	25.00	36,409.43	36,348.74	85.69
Roots & Wings	6,835.37	-	-	6,835.37
Total Congregational Life Activities	14,693.33	85,677.29	93,198.77	7,171.85
<u>Outreach</u>				
PNG Scholarship	64,191.82	8,916.01	4,300.00	68,807.83
Youth to Youth Project	23,978.99	-	-	23,978.99
VALMM 100 Member Club	4,851.00	-	-	4,851.00
Women In Ministry	402.50	-	402.50	-
Total Outreach	93,424.31	8,916.01	4,702.50	97,637.82
<u>Ministry</u>				
Pre-Retirement Retreat	-	1,454.12	1,454.12	-
Day of the Ministerium	-	19,566.38	19,566.38	-
Total Ministry	-	21,020.50	21,020.50	-
<u>Miscellaneous</u>				
Synod Assembly Expenses	2,025.00	2,577.66	4,602.66	-
ACTS Scholarships	3,759.69	-	-	3,759.69
Healthy Congregation Ministry	29,152.16	-	14,156.17	14,995.99
Youth Director Discretionary Fund	-	3,100.00	-	3,100.00
Messiah, VB Closing	870,675.18	-	21,520.21	849,154.97
Warne Trust Fund	-	923,903.30	-	923,903.30
Funding For Stewardship Events	5,590.61	2,215.00	8,360.00	(554.39)
ULA-3 Hungry Mother	-	1,000.00	1,000.00	-
Forwarding Faith	1,702,492.72	33,846.85	79,409.00	1,656,930.57
SYNOD Vitality Grant	29,749.73	-	12,080.83	17,668.90
Holy Innovation Grant	11,709.72	342.00	456.00	11,595.72
Crib To Cross ST Church	12,447.00	17,254.88	12,786.72	16,915.16
Faith, Finance and Freedom	857.50	17,170.00	-	18,027.50
LCM ELCA Grant	9,076.23	1,625.00	-	10,701.23
Peace & Hope	18,778.75	301.00	9,867.50	9,212.25
All Places Together	(7,839.62)	49,839.24	41,999.62	-
Lay Preacher Academy	(2,950.62)	10,811.67	10,959.00	(3,097.95)
VA Synod Western Shore Exploration	959.15	-	3,242.00	(2,282.85)
Truth In Love Conflict Mgt Project	-	32,219.86	13,280.04	18,939.82
Lake Anna Exploration	-	6,500.00	2,581.16	3,918.84
1st Port Ministry Support Fund	-	25,653.19	-	25,653.19
1st Port Ministry Special Project Fund	-	22,337.71	-	22,337.71
1st Port Ministry New Mission Start Fund	-	64,133.05	19,509.12	44,623.93
Radford Ministry	-	20,000.00	6,048.54	13,951.46
Congregation Workshops	-	840.00	-	840.00
Total Miscellaneous	2,686,483.20	1,235,670.41	261,858.57	3,660,295.04
Total Net Assets Without Donor Restrictions - Council Designated	\$ 2,794,600.84	\$ 1,351,284.21	\$ 380,780.34	\$ 3,765,104.71

See accompanying notes to financial statements.

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA
SCHEDULE OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS
FOR THE YEAR ENDED JANUARY 31, 2023

	Balance (Deficit) 1/31/2022	Receipts	Disbursements	Balance (Deficit) 1/31/2023
Koontz Bequest	\$ 50,011.36	\$ -	\$ -	\$ 50,011.36
Bozeman Endowment Fund	20,028.74	-	-	20,028.74
Total Net Assets With Donor Restrictions	<u>\$ 70,040.10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,040.10</u>

See accompanying notes to financial statements.

VIRGINIA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

SCHEDULE OF INVESTMENTSDECEMBER 31, 2022

	<u>Cost Basis</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
ELCA Pooled Investment Accounts	\$ 1,366,694.06	\$ 1,582,669.21	\$ 215,975.15
Thrivent Deferred Annuity	71,975.19	71,975.19	-
Thrivent Investment Account	986,693.87	879,763.95	(106,929.92)
Charles Schwab Investment Account	<u>1,827,117.53</u>	<u>1,976,525.41</u>	<u>149,407.88</u>
	<u>\$ 4,252,480.65</u>	<u>\$ 4,510,933.76</u>	<u>\$ 258,453.11</u>
Unrealized Gains/(Loss) End of Year	\$ 258,453.11		
Unrealized Gains/(Loss) Beginning of Year	<u>1,056,770.03</u>		
Unrealized Gains/(Loss) Current Year	(798,316.92)		
Realized Gains/(Loss) Current Year	<u>(70,068.44)</u>		
Total Realized/Unrealized Gains	<u>\$ (868,385.36)</u>		

Detail - ELCA Pooled Investment Accounts

Trust For Mission #270772	\$ 227,052.12	\$ 318,333.98	\$ 91,281.86
Mission Support #270792	63,895.52	82,012.66	18,117.14
Unrestricted Copenhaver Fund #270922	226,744.00	298,438.98	71,694.98
Small Congregation Ministry Fund #270927	22,393.42	25,960.09	3,566.67
Messiah/All Saints Closing #272158	<u>826,609.00</u>	<u>857,923.50</u>	<u>31,314.50</u>
	<u>\$ 1,366,694.06</u>	<u>\$ 1,582,669.21</u>	<u>\$ 215,975.15</u>

See accompanying notes to financial statements.

Report of the Assembly Committee on Nominations

The Assembly Committee on Nominations for the 2023 Synod Assembly, chaired by Charles Downs Jr., reviewed all positions to be filled and attempted, where possible, to present more than one nominee for each position to be filled in a particular category. The committee presents the following slate of nominees for:

Synod Council

- **Synod Officer (1 to be elected; 4-year term)**
 - **Vice President**
 - Blythe Scott
 - **Secretary (1 to be elected; 4-year term)**
 - Judy Castele
- **Class of 2024 Youth Member (1 to be elected; 1-year term, 11-12 grade)**
- **Class of 2027**
 - **Blue Ridge Conference Partnership (1 Lay Member/any Gender to be elected)**
 - **Coastal Conference Partnership (1 Lay Member/any Gender to be elected)**
 - **Valley Conference Partnership (1 Lay Member/any Gender to be elected)**
 - Anna Lehman
 - Christie McKee
 - **At-Large Member (1 Lay Member/any Gender and any conference partnership to be elected)**
 - Christine Weller
 - **LGBTQIA+ (1 Lay Member/any Gender to be elected)**
 - Carlton Hardy
 - **Young Adult Member (1 Lay Member/any Gender to be elected; Age 18-30)**
 - Lily Harmison
 - **Piedmont Conference Partnership (1 Rostered Minister/any Gender to be elected)**
 - The Rev. Philip Martin
 - **Blue Ridge Conference Partnership (1 Rostered Minister/any Gender to be elected)**
 - The Rev. James Armentrout
 - Sister Phyllis Cox
 - *The Rev. Laura Swanson
 - **Appalachia Conference Partnership (1 Rostered Minister/any Gender to be elected)**
 - The Rev. Monica Weber
 - **Persons of Color and/or whose primary language is other than English (1 Rostered Minister/any Gender to be elected)**
 - The Rev. Harry Griffith

Consultation Committee

- **Class of 2029 (6 year term)**
 - **Lay Member (4 to be elected; at least 1 man and 1 woman)**
 - Debbie Mintiens
 - Glen Kirk
 - **Rostered Minister (4 to be elected; at least 2 men and 2 women)**
 - The Rev. Scott Mims
 - The Rev. Matthew Diehl
 - The Rev. JoAnn Bunn
 - The Rev. Sarah Hess

Committee on Discipline

- **Class of 2029 (6 year term)**
 - **Lay Member (1 to be elected; man)**
 - Dr. William Franz
 - **Rostered Minister (3 to be elected; at least 1 man, 1 woman, 1 any gender)**
 - The Rev. Sherrie Hofmann
 - The Rev. Karen Van Stee
 - The Rev. Daniel Hess

**The Nomination Form included in the Bulletin of Reports had the incorrect nominee class and is updated in the supplement.*



2023
Virginia Synod
Assembly

(Replaces C-26 in the Bulletin of Reports)



Nomination Form for 2023 Synod Assembly

Nominee For: Synod Council

Synod Council

Nominee For: Synod Council: Class of 2027-Rostered Minister from Blue Ridge Partnership

Gender Female

Person of Color and/or Language other than English No

Nominee Contact Information

Name The Rev. Laura Swanson

Congregation/Parish Name and Location St. Philip, Roanoke

Conference Southern

Conference Partnership Blue Ridge (Southern & Southern Valley)

Nominee Experience

Nominee Occupation Pastor

List experiences or factors that you believe have prepared you for service in this position (up to three) Previous Virginia Synod Council term
Served as a pastor in the Southern Conference for four years

List current or past congregational, synod or churchwide activities related to qualification for this position (up to three) Virginia Synod Ministerium Team
South Carolina Synod Nominating Committee

List current or past community-related service activities (up to three) Justice Advocates, Roanoke
Elijah's Backpack

Will serve if elected This is a self-nomination

Submission

Name of person submitting the form Laura Swanson

Signature

A handwritten signature in black ink, appearing to read 'Laura Swanson', written over a horizontal line.

Date Submitted: May 01, 2023



2023
Virginia Synod
Assembly



Nomination Form for 2023 Synod Assembly

Nominee For: Consultation Committee

Consultation Committee

Nominee For: Consultation Committee: Rostered Minister-Man

Person of Color and/or whose primary language is other than English No

Nominee Contact Information

Name Rev. Matthew A Diehl

Congregation/Parish Name and Location Mt. Calvary, Mt. Jackson

Conference Central Valley

Conference Partnership Valley (Central Valley, Northern Valley, & Page)

Nominee Experience

Nominee Occupation Pastor

List experiences or factors that you believe have prepared you for service in this position (up to three) Parish Pastor for 29 years.
Conference Dean (NE Ohio Synod)
Vice Pastor (CV Conference)

List current or past congregational, synod or churchwide activities related to qualification for this position (up to three) Parish Pastor for 29 years.
Vice Pastor (CV Conference)
Small Town & Rural Ministry Team (NE Ohio Synod)

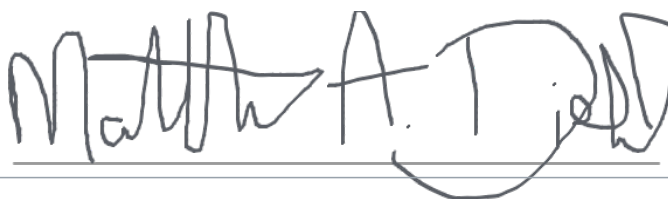
List current or past community-related service activities (up to three) Lion's Club
Delivered Meals on Wheels

Will serve if elected Yes

Submission

Name of person submitting the form Matthew Diehl

Signature

A handwritten signature in black ink, appearing to read "Matthew A. Diehl". The signature is written in a cursive, somewhat stylized font. The first name "Matthew" is written with a large, looped 'M' and a trailing 'h'. The middle initial "A." is written with a large 'A' and a period. The last name "Diehl" is written with a large 'D' and a trailing 'h'. The signature is written on a horizontal line.

Date Submitted: May 24, 2023

Resolution on Official Visitors 2023

BE IT RESOLVED that the Assembly recognize the following official visitors and that they are given the privilege of voice on the floor at this Assembly (if not otherwise a voting member):

As Official Representative of the Evangelical Lutheran Church in America to the Assembly:

Deacon Sue Rothmeyer Secretary of the ELCA

As Representatives of Institutions, Agencies, or Auxiliaries related to this synod:

M'lilian Scott	Lutheran Theological Southern Seminary
The Rev. Catherine Schibler	Portico Benefit Services
Ray Ratke	enCircle
The Rev. Randy Myers	GraceInside
Lee Hargrave	GraceInside
The Rev. Marissa Krey	ELCA Fund for Leaders

As Assembly Parliamentarian: Dr. Gary Hollis

As Assembly Coordinator: Jody Smiley

As members of the Bishop Election Committee:

Allison Beck Resurrection, Fredericksburg

As seminarians and candidates for ministry who have been invited by the Synod:

Lucas Cochran	St. Paul's, Hampton
Brianna Riley	St. Andrew, Portsmouth

The Committee on Reference and Counsel recommends the adoption of this resolution.