

NORTHERN TEXAS - NORTHERN LOUISIANA
SYNOD OF THE EVANGELICAL LUTHERAN
CHURCH IN AMERICA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JANUARY 31, 2023 AND 2022 (RESTATED)

Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
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January 31, 2023 and 2022 (Restated)

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INDEPENDENT AUDITORS' REPORT	

To the Council
Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in
America Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Northern Texas - Northern

Louisiana Synod of the Evangelical Lutheran Church in America (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of January 31, 2023 and 2022, and the related statements of revenues, expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America as of January 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Northern Texas - Northern Louisiana Synod of the 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 evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America's ability to continue as a going concern for a reasonable period of time.

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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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 17-20 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Salmon Sims Thomas & Associates
A Professional Limited Liability Company

January 11, 2024

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Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
January 31, 2023 and 2022

ASSETS

Restated
2023 2022

Current Assets

Cash 446,303	\$ 564,708	\$ Mortgage receivable, current 4,638 - Prepaid expenses 3,646 1,452	Total Current Assets 454,587	566,160
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Noncurrent Assets

Property and equipment, net - 95,000	Mortgage receivable, net of current portion 79,609 - Mineral rights 26,535 - Investments 2,373,542	2,225,558	Total Noncurrent Assets 2,479,686	2,320,558
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TOTAL ASSETS \$ 2,886,718 2,934,273 \$

LIABILITIES AND NET ASSETS

Current Liabilities

Deferred revenue 3,585	\$ 1,899	\$ Payroll liabilities 727	322 Total Current Liabilities
			4,312 2,221

Net Assets

Without Donor Restrictions

Board designated 1,171,779	929,925 Undesignated 549,203	745,593 Total Without
Donor Restrictions 1,720,982	1,675,518 With Donor Restrictions 1,208,979	1,208,979
		Total Net Assets 2,929,961 2,884,497

TOTAL LIABILITIES AND NET ASSETS \$ 2,886,718 2,934,273 \$

The accompanying notes are an integral part of these financial statements.

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Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America

Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended January 31, 2023

Without Donor	With Donor
Restrictions	Restrictions
Total	

Revenues and Support

Contributions 1,714,134 \$ - \$ 1,714,134 \$ Nonfinancial asset contribution 26,535 - 26,535 Assembly registration 31,070 - 31,070 Interest 1,054 - 1,054 Investment loss, net (123,897) - (123,897)
Other 9,545 - 9,545 Total Revenues and Support 1,658,441 - 1,658,441

Expenses

Program services:

Mission support 890,716 - 890,716 Mission programs 33,310 - 33,310 Fellowship and meals 2,095 - 2,095
Hospitality 9,445 - 9,445 Facilities 10,963 - 10,963 Thematic development 2,774 - 2,774 Worship 1,971 - 1,971
Congregational grants 84,600 - 84,600 Miscellaneous expenses 4,153 - 4,153 Supporting activities:
Support salaries and expenses 417,373 - 417,373 General and administrative 114,169 - 114,169 Travel 39,080 - 39,080 Transaction fees 2,328 - 2,328 Total Expenses 1,612,977 - 1,612,977

Change in Net Assets 45,464 - 45,464 Net Assets, beginning of year 1,208,979 1,675,518 2,884,497 Net Assets, end of year \$ 1,208,979 1,720,982 \$ 2,929,961 \$

The accompanying notes are an integral part of this financial statement.

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Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America

Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended January 31, 2022
(Restated)

	Without Donor	With Donor	Restrictions	Restrictions	Total
Revenues and Support					
Contributions	1,336,310	\$ 34,293	\$ 1,370,603	\$ Assembly registration 7,205 - 7,205 Interest 1,133 - 1,133 Investment return 163,538 - 163,538 Forgiveness of Paycheck Protection Program loan 64,495 - 64,495 Other - 3,547 3,547 Total Revenues and Support	1,576,228 34,293 1,610,521
Expenses					
Program services:					
Mission support	753,695 - 753,695	Mission programs 56,969 - 56,969	Planning 56 - 56	Fellowship and meals 2,970 - 2,970	Hospitality 853 - 853 Facilities 4,613 - 4,613 Thematic development 1,720 - 1,720 Worship 4,437 - 4,437
Congregational grants	60,000 - 60,000	Miscellaneous expenses 6,161 - 6,161	Supporting activities:		
Support salaries and expenses	387,555 - 387,555	General and administrative 115,511 - 115,511	Travel 23,737 - 23,737		
Depreciation	1,070 - 1,070	Transaction fees 36 - 36	Total Expenses 1,419,383 - 1,419,383		
Change in Net Assets	156,845	34,293	191,138	Net Assets, beginning of year - As originally presented 1,174,686	1,423,673
	2,598,359	Prior period adjustment (See Note 13)	95,000 - 95,000	Net Assets, beginning of year - Restated 1,174,686	
			1,518,673	2,693,359	Net Assets, end of year \$ 1,208,979 1,675,518 \$ 2,884,497 \$

The accompanying notes are an integral part of this financial statement.

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Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statements of Cash Flows - Modified Cash Basis

For the Years Ended January 31, 2023 and 2022

2023 2022

Cash Flows From Operating Activities

Change in Net Assets 45,464 \$ 191,138 \$ Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:
Depreciation - 1,070 Nonfinancial asset contribution (26,535) - Unrealized and realized (gain) loss on investments 151,320 (143,515) Forgiveness of the Paycheck Protection Program loan - (64,495)
Change in operating assets and liabilities:
Prepaid expenses (2,194) (1,132) Deferred revenue 1,686 628 Payroll liabilities 405 322 Net Cash Provided (Used) by Operating Activities 170,146 (15,984)

Cash Flows From Investing Activities

Proceeds from sale of investment 28,119 20,000 Purchases of investments (27,423) (12,367)
Purchase of certificate of deposit (300,000) - Principal payments on mortgage receivable 753 -
Proceeds from sale of property and equipment 10,000 - Net Cash Provided (Used) by Investing Activities (288,551) 7,633

Net Changes in Cash (118,405) (8,351) Cash, beginning of year 573,059 564,708 Cash, end of year \$ 564,708 446,303 \$

Supplemental Information

Mortgage receivable on sale of property and equipment 85,000 \$ - \$

The accompanying notes are an integral part of these financial statements.

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Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America

Notes to the Financial Statements
January 31, 2023 and 2022 (Restated)

Note 1: Nature of Operations

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America ("Synod") is a Texas nonprofit corporation located in Irving, Texas. The Synod was formed to promote the Christian religion according to the tenets of faith set forth in the Constitution of the Evangelical Lutheran Church in America ("ELCA"). The accompanying financial statements include the assets, liabilities, net assets and other material financial activities of the Synod.

The Synod maintains three separate funds to account for different activities. The Operating Fund is organized and operated to support the general and administrative and program activities of the Synod, as well as to support the annual meeting of the Synod and member congregations' governing bodies. The Mission Endowment Fund is organized and operated to develop endowment funds, the income from which supports congregations and religious and spiritual activities of the Synodical region. The DiscipleLife Alive! Fund focuses on congregational missions, personal discipleship, and mission leadership. These financial statements include the accounts and activity of the three separate funds.

Note 2: Summary of Significant Accounting Policies

The summary of significant accounting policies of the Synod is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Synod's management, which is responsible for their integrity and objectivity. These accounting policies conform to the modified cash basis of accounting and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements of the Synod have been prepared on the modified cash basis of accounting. This method of presentation is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and therefore precludes the strict application of many professional pronouncements; however, management believes that this method most clearly coincides with the common methods of accounting used by the member congregations of this Synod.

Under the modified cash basis of accounting, certain revenues and the related assets are typically recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Synod has not recognized accounts receivable from members, nor has it recognized accounts payable to vendors.

Note 2: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The following are exceptions to the modified cash basis of accounting in the Synod's financial statements:

1. Registration fees for the fiscal year 2024 assembly conference collected in fiscal year 2023

are deferred at January 31, 2023 to be recognized as income in the year of the conference; 2. Expenses for the fiscal year 2024 assembly conference paid in fiscal year 2023 are recorded as prepaid expenses, to be recognized as expense in the year of the conference; 3. Property and equipment, intangible assets and the related depreciation are recorded; 4. Note receivable on a mortgage held on property; and
5. Investments are recorded at fair value.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Synod and/or the passage of time.

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Note 2: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Synod considers all highly-liquid investments with maturities of three months or less when purchased to be cash equivalents. The Synod places its cash and cash equivalents which, at times, may exceed federally insured limits, with high-credit quality financial institutions. The Synod has not experienced any losses on such assets. The Synod did not have any cash equivalents at January 31, 2023 and 2022.

Property and Equipment/Depreciation

Property and equipment are stated at cost, if purchased, or if donated, at fair value as of the date of donation, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are recorded as expenses in the statements of revenues, expenses, and changes in net assets – modified cash basis when incurred. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are removed, and any resulting gain or loss is included in the statements of revenues, expenses, and changes in net assets – modified cash basis.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives were as follows:

Furniture and fixtures 7 years
Computer equipment 5 years
Buildings (donated property) 40 years

Investments

The Synod carries investments at their fair values. Unrealized gains and losses, realized gains and losses, interest and dividends, and investment fees are included in the accompanying statements of revenues, expenses, and changes in net assets – modified cash basis as investment return.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Note 2: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:
Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Synod has the ability to access.

Level 2 Inputs to the valuation methodology include

Quoted prices for similar assets or liabilities in active markets;
Quoted prices for identical assets or liabilities in inactive markets;
Inputs other than quoted prices that are observable for the asset or liability;
Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at January 31, 2023 and 2022.

Marketable Securities: Valued at the closing price reported in an active market in which the security is traded.

Certificates of deposit: Valued at the rates currently offered for deposits of similar remaining maturities.

Mineral rights: Valued at the average royalties received with an expected production between four and six years.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Synod believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of FASB ASC Topic 820 did not have an impact on the Synod's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Note 2: Summary of Significant Accounting Policies (Continued)
Pass Through Gifts

The donor pass through gifts account represents contributions collected and held at the end of the year for other organizations and missions. The Synod's policy is to recognize contributions received and deposited as a liability until paid to the beneficiary. There were no pass through gift liabilities at January 31, 2023 and 2022.

Donated Services

Donations of noncash assets are recorded as contributions at their estimated fair value as of the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Synod. There were no recorded donations of services for the years ended January 31, 2023 and 2022.

Income Taxes

The Synod is a nonprofit organization that is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Synod has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Synod qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Synod's exempt purpose is subject to tax under IRC Section 511.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC Topic 740-10, Accounting for Income Taxes, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statements of revenues, expenses, and changes in net assets – modified cash basis or accrued in the statements of assets, liabilities, and net assets – modified cash basis. Federal and state tax returns of the Synod are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Concentrations

The Synod's revenues are primarily derived from member churches, and their attendees, living in the same geographic area which the Synod covers.

Recent Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This update is to improve the transparency of contributed non-financial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. This pronouncement was effective for annual periods beginning after June 15, 2021. Effective February 1, 2022, the Synod adopted this update. See Note 3.

Note 2: Summary of Significant Accounting Policies (Continued)

Date of Management's Review

The Synod has evaluated subsequent events for potential recognition or disclosure through January 11, 2024, which is the date the financial statements were available to be issued. See Note 12.

Note 3: Contributions of Nonfinancial Assets/Mineral Rights

For the year ended January 31, 2023, contributed nonfinancial assets recognized within the statement of revenue, expenses and changes in net assets- modified cash basis included the following:

Item	Revenue	Recognized Utilization in Programs/Activities	Donor Restrictions	and Inputs Valuation Techniques
Mineral rights	\$26,535	Asset held for future royalty revenue		No donor restrictions Estimated fair value based on receipts of royalties over the next twelve months with an expected production period of four to six years.

Note 4: Assets at Fair Value

The following table sets forth by level, within the fair value hierarchy. Synod's assets at fair value are as follows:

<u>Fair Value Measurement at January 31, 2023</u>			
		<u>Fair Value Level 1</u>	<u>Level 2</u>
Marketable securities	2,073,542	\$ 2,073,542	\$ - \$ - \$
Certificate of deposit	300,000	300,000	- Mineral rights 26,535 -- 26,535
			<u>\$ 2,073,542</u> <u>2,400,077</u> <u>\$ 300,000</u> <u>\$ 26,535</u> <u>\$</u>
<u>Fair Value Measurement at January 31, 2022</u>			
		<u>Fair Value Level 1</u>	<u>Level 2</u>
Marketable securities	<u>2,225,558</u>	<u>\$ 2,225,558</u>	<u>\$ - \$ - \$</u>

For the years ended January 31, 2023 and 2022, investment return and loss from marketable securities consisted of the following:

	2023	2022
Unrealized and realized gain (loss)	\$ (151,320)	\$ 143,515
Interest and dividends, net of fees	27,423	20,023
	\$ (123,897)	\$ 163,538
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Northern Texas – Northern Louisiana Synod of the Evangelical Lutheran Church in America		
Notes to the Financial Statements		
January 31, 2023 and 2022 (Restated)		

Note 5: Lease Obligations

The Synod leases a copier under a noncancelable operating lease. The lease was renewed for five years in February 2020, requiring monthly payments of approximately \$220, expiring in February 2025.

The Synod also leases certain space within a facility from Briarwood Lutheran Ministries for \$1 a year. As part of the lease, the Synod is required to pay for a prorated share of certain operating

costs and is bound by the terms of the lease to provide sufficient funding to cover the mortgage obligation on Briarwood Lutheran Ministries.

Future minimum obligations under these agreements are as follows:

For the years ending January 31,

2024	\$ 2,641
2025	221
2026	1
2027	1
2028	1
2029 and thereafter	85

Lease expense for the years ended January 31, 2023 and 2022 was \$3,746 and \$3,728, respectively.

Note 6: Pension Benefits

The Synod participates in the ELCA Board of Pension's defined benefit plan, through which all employees (clergy and laity) of the Synod have pension benefits. The Synod contributes a percentage of each employee's compensation to the retirement plan as required by the plan. This percentage varies between 10 and 12 percent, depending on the staff position and the year they joined the plan.

Pension benefits expense for the years ended January 31, 2023 and 2022 was \$90,074 and \$86,466, respectively, which are included in support salaries and expenses on the statement of revenues, expenses and changes in net assets-modified cash basis.

Note 7: Related Party Transactions and Contingent Liability

The Synod provided a guarantee on the conversion of a construction loan to a long-term loan between the lender, Mission Investment Fund of ELCA, and the borrower, Briarwood Lutheran Ministries. The conversion date of the loan was January 22, 2015. The original amount of the loan is \$600,000 and is payable in monthly installments of \$2,885, including interest at 4.875%. The interest rate and payment amount will be adjusted every five years through its maturity date of January 2040. As of January 31, 2023 and 2022, the balance was \$435,776 and \$445,809, respectively. See Note 10.

Note 8: Net Assets

Net Assets Without Donor Restrictions

The Synod's governing body has designated certain net assets without donor restrictions to be set aside for various needs of the Synod. These amounts have been included in the line item called "Board designated" on the statements of assets, liabilities, and net assets – modified cash basis.

At January 31, 2023 and 2022, the balances in the specific board designated funds consisted of the following:

	2023	2022
Congregational life planning	\$ 9,865	\$ 17,054
Bishop's fund	413,643	194,466
Outreach commission	108,393	48,814
Leadership commission	33,320	61,360
DiscipleLife Alive!		
4,490	6,163	
Ascension of Garland endowment	120,012	120,012
Teggermann fund		
229,677	229,677	
Kanouse fund	9,950	9,950
Mark Herbner fund	93,270	93,270
Leif Johnson fund	50,555	50,555
Lutheran endowment	98,604	98,604
	\$ 1,171,779	\$ 929,925

Net Assets With Donor Restrictions

At January 31, 2023 and 2022, net assets with donor restrictions consisted of the following:

	2023	2022
Perpetual Funds		
DLA Endowment for Mission	\$ 400,000	\$ 400,000
Mission endowment	371,874	
371,874 Stone endowment	15,000	15,000
St. Paul, Farmers Branch	75,000	75,000
LFSW (Ester Brittain endowment)	53,985	53,985
St. John, Grand Prairie	41,550	41,550
Messiah, Monroe	65,000	65,000
Hartstein endowment	11,219	11,219
King endowment		
15,000	15,000	
Synodical gifts	160,351	160,351
	\$ 1,208,979	\$ 1,208,979

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Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America

Notes to the Financial Statements

January 31, 2023 and 2022 (Restated)

Note 9: Certificate of Deposit

Certificate of deposit as of January 31, 2023 carried a rate of 3.016% and will mature in November 2025. There were no certificates of deposit as of January 31, 2022.

Note 10: Mortgage Receivable

In November 2022, the Synod sold the church real estate and personal property previously donated to the Synod in a prior year for \$95,000. The Synod is the lienholder on a note receivable secured by this church real estate and personal property located in Spearman, Texas. The purchaser signed a promissory note of \$85,000 which carries an interest rate of 2.83% with a term that will mature in November 2037.

Note 11: Liquidity

As part of the Synod's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the operating accounts. Financial assets include cash, current term receivables and long term investments.

The Synod's financial assets available within one year of January 31, 2023 for general expenditure are as follows:

Financial assets available at January 31, 2023	2,824,483 \$
Less those unavailable for general expenditure within one year due to:	
Donor imposed restrictions	(1,208,979)
Board designations	(1,171,779)
Financial assets available to meet cash needs for general expenditures within one year	<u>443,725 \$</u>

Note 12: Subsequent Events

Subsequent to year end, the Synod assisted various congregations, which ceased services, with the sale of their respective church real and personal property. In turn, the Synod was the recipient of proceeds from the sale of said property. The Synod plans to use these monies to establish and endowment as well as support certain Synod salaries.

In April 2023, the loan from Briarwood Lutheran Ministries to the Mission Investment Fund of ELCA, as further described in Note 7 was paid off. Accordingly, the Synod's contingent liability as guarantor for this loan was released.

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Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2023 and 2022 (Restated)

Note 13: Prior Period Adjustment

During the preparation of the January 31, 2023 financial statements, it was discovered that a donated property was not properly recorded for the year ended January 31, 2021. The Synod received the property following the cessation of services for a congregation in Spearman, Texas. This error resulted in an understatement of property and equipment and net assets. Had the adjustment been made as of January 31, 2021, property and equipment and net assets would have increased by \$95,000. The Synod sold the property during the year ended January 31, 2023.

SUPPLEMENTAL SCHEDULES

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis - By Fund
January 31, 2023

ASSETS

	Disciple	Operating Missions	Life Alive	TOTAL
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Current Assets

Cash	245,694	\$ 200,609	\$ - \$ 446,303	\$ Mortgage receivable, current 4,638 -- 4,638	Prepaid expenses 3,646 -- 3,646	Total
					Current Assets 253,978	200,609 - 454,587

Noncurrent Assets

Mortgage receivable, net of current net position	79,609 -- 79,609	Mineral rights 26,535 -- 26,535	Investments 300,000
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1,547,298 526,244 2,373,542 Total Noncurrent Assets 406,144 1,547,298 526,244 2,479,686

TOTAL ASSETS \$ 1,747,907 660,122 \$ 526,244 \$ 2,934,273 \$

LIABILITIES AND NET ASSETS

Current Liabilities

Deferred revenue 3,585 \$ - \$ - \$ 3,585 \$ Payroll liabilities 727 -- 727 Total Current Liabilities - 4,312 - 4,312

Net Assets

Without Donor Restrictions

Board designated 569,711 602,068 - 1,171,779 Undesignated 86,099 336,860 126,244 549,203 Total Without Donor Restrictions
655,810 938,928 126,244 1,720,982 With Donor Restrictions 808,979 400,000 1,208,979 - Total Net Assets 655,810 1,747,907
526,244 2,929,961

TOTAL LIABILITIES AND NET ASSETS \$ 1,747,907 660,122 \$ 526,244 \$ 2,934,273 \$

See auditors' report and notes.

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Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America

Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis - By Fund

January 31, 2022

(Restated)

ASSETS

Disciple
Operating Missions Life Alive TOTAL

Current Assets

Cash 323,896 \$ 240,812 \$ - \$ 564,708 \$ Prepaid expenses 1,452 -- 1,452 Total Current Assets 325,348 240,812 - 566,160

Noncurrent Assets

Property and equipment, net 95,000 -- 95,000 Investments - 1,651,475 574,083 2,225,558 Total Noncurrent Assets
95,000 1,651,475 574,083 2,320,558

TOTAL ASSETS \$ 1,892,287 420,348 \$ 574,083 \$ 2,886,718 \$

LIABILITIES AND NET ASSETS

Current Liabilities

Deferred revenue 1,899 \$ - \$ - \$ 1,899 \$ Payroll liabilities 322 - - 322 Total Current Liabilities 2,221 - - 2,221

Net Assets

Without Donor Restrictions

Board designated 327,857	602,068 - 929,925	Undesignated 90,270	481,240	174,083	745,593	Total Without Donor
Restrictions 418,127	1,083,308	174,083	1,675,518	With Donor Restrictions 808,979	400,000	1,208,979 - Total Net Assets
						418,127 1,892,287 574,083 2,884,497

TOTAL LIABILITIES AND NET ASSETS \$ 1,892,287 420,348 \$ 574,083 \$ 2,886,718 \$

See auditors' report and notes.

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Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis - By Fund
For the Year Ended January 31, 2023

Disciple
Operating Missions Life Alive Total

Revenues and Support

Contributions 1,659,758	\$ 54,376 - \$ 1,714,134	\$ Nonfinancial asset contribution 26,535 - - 26,535	Assembly registration 31,070 - - 31,070	Interest 8 1,046 - 1,054	Investment loss - (96,058) (27,839) (123,897)	Other 9,545 - - 9,545	Total Revenues and Support 1,726,916 (40,636) (27,839) 1,658,441
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Expenses

Program services:

Mission support 890,716 - - 890,716	Mission programs 33,164 146 - 33,310	Fellowship and meals 2,095 - - 2,095
Hospitality 9,445 - - 9,445	Facilities 10,963 - - 10,963	Thematic development 2,774 - - 2,774
Congregational grants - 84,600 - 84,600	Miscellaneous expenses - 4,153 - 4,153	Worship 1,971 - - 1,971
		Supporting activities:
Support salaries and expenses 402,853 14,520 - 417,373	General and administrative 93,844 325 20,000	114,169
Travel 39,080 - - 39,080	Transaction fees 2,328 - - 2,328	Total Expenses 1,489,233 103,744 20,000 1,612,977

Change in Net Assets 237,683 (144,380) (47,839) 45,464 Net Assets, beginning of year 1,892,287 418,127 574,083
2,884,497 Net Assets, end of year \$ 1,747,907 655,810 \$ 526,244 \$ 2,929,961 \$

See auditors' report and notes.

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Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis - By Fund

For the Year Ended January 31, 2022
(Restated)

	Disciple	Operating	Missions	Life	Alive	Total
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Revenues and Support

Contributions 1,275,094	\$ 61,216	\$ - \$ 1,336,310	\$ Contributions, donor restricted - 34,293	- 34,293	Assembly registration 7,205	-- 7,205
Interest 118	1,015	- 1,133	Investment return - 125,498	38,040	163,538	Forgiveness of Paycheck Protection Program loan 64,495
						-- 64,495
			Other 3,547	-- 3,547	Total Revenues and Support 1,350,459	222,022 38,040 1,610,521

Expenses

Program services:

Mission support 753,695	-- 753,695	Mission programs 53,626	3,343	- 56,969	Planning 56	-- 56	Fellowship and meals 2,970	-- 2,970
Hospitality 853	-- 853	Facilities 4,613	-- 4,613	Thematic development 1,720	-- 1,720	Worship 4,437	-- 4,437	Congregational grants - 60,000
60,000	- 60,000	Miscellaneous expenses 6,161	- 6,161	Supporting activities:				
Support salaries and expenses 376,430	11,125	- 387,555	General and administrative 94,544	967	20,000	115,511	Travel 23,737	-- 23,737
Depreciation 1,070	-- 1,070	Transaction fees 36	-- 36	Total Expenses 1,317,787	81,596	20,000	1,419,383	

Change in Net Assets 32,672 140,426 18,040 191,138 Net Assets, beginning of year - As originally presented 1,751,861 290,455 556,043

2,598,359 Prior period adjustment 95,000 -- 95,000 Net Assets, beginning of year - Restated 1,751,861 385,455 556,043 2,693,359 Net

Assets, end of year \$ 1,892,287 418,127 \$ 574,083 \$ 2,884,497 \$

See auditors' report and notes.

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