

THE PRESBYTERY OF DETROIT, INC.

Financial Statements
Independent Auditor's Report
with Supplementary Information
For the Year Ended December 31, 2021

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Independent Auditor's Report

To the Board of Trustees
Presbytery of Detroit, Inc.
Detroit, Michigan

Opinion

We have audited the accompanying statements of Presbytery of Detroit, Inc., a Michigan not-for-profit corporation, which comprise the statements of financial position as of December 31, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Presbytery of Detroit, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Presbytery of Detroit, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Presbytery of Detroit, Inc.'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

A PROFESSIONAL LIMITED LIABILITY COMPANY

Members of Private Companies Practice Section of the American Institute of Certified Public Accountants and Michigan Association of Certified Public Accountants

Independent Auditor's Report
(Continued)

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

- . Exercise professional judgement 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 Presbytery of Detroit, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Presbytery of Detroit, Inc.'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.

Other Matters

As more fully described in Note 5 to the financial statements, certain capital expenditures were not capitalized or depreciated as assets by The Presbytery of Detroit, Inc. Also, the Presbytery of Detroit, Inc. has decided not to adopt the Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations (See Note 5 and Note 6) Accounting principles generally accepted in the United States of America require that such assets be capitalized, depreciated, and all related liabilities be recorded. The effect of these departures from generally accepted accounting principles on financial position, results of operations, and cash flows has not been determined.

Supplementary Information

The accompanying additional information on page 14 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Tellis and Company, PLLC

August 9, 2022

THE PRESBYTERY OF DETROIT, INC.

Statement of Financial Position

As of December 31, 2021

Assets

Cash and Cash Equivalents	\$	298,827	
Presbyterian Investment Loan Program (Note 2)		1,887,398	
Investment Securities (Notes 3)		27,498,152	
Notes Receivable			
Notes Receivable (Note 1)		488,393	
Other Assets			
Other Receivables (Note 1)		<u>3,558,427</u>	
Total Assets	\$		<u><u>33,731,197</u></u>

Liabilities and Net Assets

Liabilities:

Notes Payable to Presbyterian Church (U.S.A.) (Note 1)	\$	3,550,381	
General Mission Payable		60,578	
Escrow Funds (Note 14)		729,957	
Accrued Liabilities		<u>15,795</u>	
Total Liabilities	\$		<u>4,356,711</u>

Net Assets:

Without Donors Restrictions			
General Operating (Deficit)		270,020	
Designated for Long-Term Investment and Other (Note 11)		7,421,989	
With Donors Restrictions			
Purposes Restrictions (Note 9)		2,802,814	
Perpetual in nature (Note 10)		<u>18,879,663</u>	
Total Net Assets			<u><u>29,374,486</u></u>
Total Liabilities and Net Assets	\$		<u><u>33,731,197</u></u>

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

THE PRESBYTERY OF DETROIT, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	Without Donors Restrictions			With Donors Restrictions		Total
	General Operating	Designated	Subtotals	Special Mission Opportunities	Endowments	
Changes in Net assets						
Revenue, gains, and other support						
Per capita apportionments	\$ 349,332	\$ -	\$ 349,332	\$ -	\$ -	\$ 349,332
Presbytery Mission giving	136,862	-	136,862	-	-	136,862
Grants	6,300	-	6,300	-	-	6,300
Offerings/Donations	1,002	-	1,002	335,009	-	336,011
Other Income (Loss)	120,480	48,011	168,491	56,810	502,838	728,139
Endowment income	238,245	-	238,245	-	-	238,245
Net assets released from restrictions- Satisfaction of program restrictions	645,017	-	645,017	(164,748)	(480,269)	-
Total revenue, gains, and other support	1,497,238	48,011	1,545,249	227,071	22,569	1,794,889
Expenses:						
Program expenses	791,925	-	791,925	-	-	791,925
Management and general	577,637	45,856	623,493	-	-	623,493
Total expenses	1,369,562	45,856	1,415,418	-	-	1,415,418
Increase (Decrease) in Net Assets - Before transfers	127,676	2,155	129,831	227,071	22,569	379,471
Transfers						
In	1	-	1	-	(1)	-
Out	-	-	-	-	-	-
Net	1	-	1	-	(1)	-
Increase (Decrease) in Net Assets from Operating Activities	127,677	2,155	129,832	227,071	22,568	379,471
Nonoperating Activities:						
Net realized and unrealized gains	-	604,334	604,334	257,445	2,278,698	3,140,477
Interests and dividends	11,861	-	11,861	-	-	11,861
Change in net assets from nonoperating activities	11,861	604,334	616,195	257,445	2,278,698	3,152,338
Changes in net assets	139,538	606,489	746,027	484,516	2,301,266	3,531,809
Net Assets - January 1,	130,482	6,815,500	6,945,982	2,318,298	16,578,397	25,842,677
Net Assets - December 31,	\$ 270,020	\$ 7,421,989	\$ 7,692,009	\$ 2,802,814	\$ 18,879,663	\$ 29,374,486

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

THE PRESBYTERY OF DETROIT, INC.

Statement of Functional Expenses For the Year Ended December 31, 2021

	Program Expenses	Administrative Expenses	Totals
Salaries and Wages/Housing Allowance	\$ -	\$ 320,539	\$ 320,539
Reimbursed Allowance	-	18,949	18,949
Payroll Taxes	-	24,541	24,541
Employee Benefits	-	110,184	110,184
Bank Charges	-	313	313
Background Checks	-	1,413	1,413
Computer - Internet/Website	-	4,327	4,327
Computer - Maintenance/Support	-	12,114	12,114
Computer - Software	-	765	765
Copier - Meter Charges	-	1,113	1,113
Equipment - Lease	-	26,399	26,399
Meeting Expenses	-	1,301	1,301
Insurance - General	-	7,815	7,815
Occupancy	-	49,358	49,358
Postage Expenses	-	1,027	1,027
Professional Fees - Audit	-	10,500	10,500
Professional Fees - Legal	-	3,104	3,104
Professional Fees - Payroll	-	3,969	3,969
Supplies - Office	-	5,449	5,449
Telephone - Expense and Maintenance	-	7,658	7,658
Committee Expenses	-	12,655	12,655
Mission/Ministries/Support	101,083	-	101,083
Designated Projects (ECO)	117,986	-	117,986
Endowment Distributions	572,856	-	572,856
	<u>791,925</u>	<u>623,493</u>	<u>1,415,418</u>
Total Functional Expenses	\$ <u>791,925</u>	\$ <u>623,493</u>	\$ <u>1,415,418</u>

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

THE PRESBYTERY OF DETROIT, INC.

Statement of Cash Flows For the Year Ended December 31, 2021

Cash Flows from Operating Activities

Changes in net assets	\$ 3,531,809
Adjustments to reconcile changes in net assets to net cash from operating activities:	

Net realized and unrealized (gains) losses on investments (Net of Income and Transfers)	(3,136,647)
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Changes in assets and liabilities:

(Increase) Decrease in Presbytery causes receivable	43,060
(Increase) Decrease in other receivables	350,144
Increase (Decrease) in general mission payable	52,614
Increase (Decrease) in Escrow Payable	729,957
Increase (Decrease) in accrued liabilities	<u>(14,484)</u>

Net cash provided by (used in) operating activities	<u>(1,975,356)</u>
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Total Cash Flows from Operating Activities	1,556,453
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Cash Flows In Investing Activities

Net (Purchases) Sales of investment securities	(926,289)
Change in restricted Cash	(229,383)
Issuance (Proceeds) from receipt of payment on notes receivable from churches	<u>(345,056)</u>

Net cash provided by (used in) investing activities	(1,500,728)
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Cash Flows In Financing Activities

Net Increase in Cash, Cash Equivalents, and Restricted Cash	55,725
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Cash, Cash Equivalents, and Restricted Cash - Beginning of year	<u>243,102</u>
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Cash, Cash Equivalents, and Restricted Cash - End of year	<u><u>\$ 298,827</u></u>
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Supplemental Cash Flow Disclosures

Cash Paid During the Year for Interest	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

THE PRESBYTERY OF DETROIT, INC.

Notes to Financial Statements For the Year Ended December 31, 2021

Note 1 - Nature of Operations and Significant Accounting Policies:

The Presbytery of Detroit, Inc. (the "Presbytery") is one of the presbyteries that comprise the Synod of the Covenant, which is a member of the Presbyterian Church (U.S.A.). The Presbytery consolidation policy is to include all entities under its common control. These financial statements include: the "Presbytery" only.

In addition to starting and sustaining new churches in southeastern Michigan, the Presbytery provides program leadership and resources to help meet the educational needs of the churches.

Significant accounting policies are as follows:

The financial statements of the Presbytery have been prepared on the accrual basis of accounting. The Presbytery records transactions based on the nature of the activity as without or with donors' restrictions.

New Accounting Pronouncement:

In January 2020, the Presbytery adopted the requirement of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is 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. There was no such contract entered into during this year-ended December 31, 2021.

In January 2020, the Presbytery adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016 – 18, Not-for-Profit Entities (Topic 230): Restricted Cash, Statement of Cash Flows. This ASU requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash and that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

In January 2020, the Presbytery has decided not to adopt the requirements of the Financial Standards Board's Accounting Standards Update No. 2016 – 02, Not-for-Profit Entities (Topic 842): Leases. This ASU requires increase transparency and comparability among organization by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for leases and lessors. The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. See Footnote 5 and 6.

A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added.

Without Donors Restrictions - Net assets of the Presbytery consist of general operations and programs. Unrestricted designated funds consist of amounts received or receivable that the Presbytery, Council, or Trustees have earmarked for a specific purpose.

Gifts of cash or other assets that must be used to acquire long-lived assets initially are reported as restricted support. Absent donor stipulations about how long these long-lived assets must be maintained, the Presbytery reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

With Donors Restrictions - Net assets of the Presbytery consist of amounts received from donors who have specified the time and purpose for which the funds are to be spent, and consist of amounts received from donors who have specified that the principal of the donation is to remain intact for investment purposes.

THE PRESBYTERY OF DETROIT, INC.
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 - Nature of Operations and Significant Accounting Policies: (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents – The Presbytery considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

COVID-19 – Covid-19 had no apparent impact on the Presbytery as of December 31, 2021. The Presbytery did not obtain any loans or grants during this national/worldwide disaster. The adjustments of these financial statements were not required as of December 31, 2021.

Functional Basis and Allocation – Indirect costs have been allocated between the program and support services based on activity-based costing methods. Although the methods of allocation used are considered appropriate other methods could be used that would produce different amounts.

Concentration of Credit Risk Arising from Deposit – The Presbytery maintains cash balances with different banks. Accounts at each institution are insured by Federal Deposit Insurance Corporation (FDIC). At December 31, 2021, the Operating Account had deposits of \$51,831 over the FDIC limits. However, the Organization has not experienced any losses on such accounts and deems the risk acceptable.

Risks and Uncertainties – The Presbytery invests in various investment securities. Investment securities 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 change in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported in the consolidated statement of financial position.

Notes Receivable, Other Receivables and Payable - The Presbyterian Church (U.S.A.) makes loans to various churches within The Presbytery of Detroit, Inc.'s jurisdiction, and the Presbytery cosigns for these loans. Included in notes receivable balance from Presbytery churches is \$2,677,468 at December 31, 2021. of this amount \$3,550,381 for December 31, 2021 is due on Presbyterian Church (U.S.A.) loans. Principal and interest payments on these loans are made directly by the churches to the Presbyterian Church (U.S.A.), and include interest rates from 3 percent to 5 percent due at various maturity dates through 2037. The Notes receivable are reviewed periodically throughout the year and assessed for collectability. An allowance for doubtful accounts is not required as of December 31, 2010 they are deemed collectible.

Property, Building, and Equipment - As further discussed in Note 5, certain capital expenditures are not recorded as assets by the Presbytery.

Investment Fees - The investment management fee is paid by a reduction in trust principal only.

Income Tax Status - The Presbytery is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code and did not conduct any unrelated business activities during the calendar year. Therefore, The Presbytery has no provision for federal income taxes in the accompanying financial statements.

Donated Property and Services – The Presbytery records donated property at its estimated market value only. Additionally, the Presbytery members provided volunteer services in many activities of the entity. These volunteers have a significant impact on making the ministry effective. However, the values of those services are not reflected herein inasmuch as the amount of services provided is indeterminable.

Subsequent Events - The Presbytery management has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report August 9, 2022, which is the same date the financial statements were available to be issued. (See Note 15).

THE PRESBYTERY OF DETROIT, INC.

Notes to Financial Statements For the Year Ended December 31, 2021

Note 1 - Nature of Operations and Significant Accounting Policies: (Continued)

Pension Plan - Certain members of the Presbytery's staff are participants in a pension plan that is administered by the Board of Pensions, which is governed by the Presbyterian Church (U.S.A.). The Presbytery's contributions are calculated as a percentage of eligible wages and are funded as accrued. Pension expense was \$10,213 for the year ended December 31, 2021. While contributions are based on fixed rates, federal laws impose certain contingent liabilities on contributors to multiemployer plans. In the event of withdrawal from the plan and under certain other conditions, a contributor to a multiemployer pension plan may be liable to the plan in accordance with formulas established by law.

Administrative Expenses – These expenses represent non-salaried expenses used to run the day-to-day operation of the Presbytery office.

Note 2 - Investment Loan Program

At December 31, 2021, the Presbytery has \$1,887,398 in a money market fund with the Presbytery Church (U.S.A.) Investment Program. Under this program, loans are made to churches for capital investments or improvements. The investments are available for allocation to reduce interest charged on loans to local churches participating in the program. Under this program the Presbytery is required to maintain a balance of twenty-five percent (25%) of the outstanding balance in liquid assets. The Presbytery is contingently liable for the full amount of the loan outstanding should an individual church default on its loan and the proceeds from the liquidation of the collateral is insufficient to satisfy the outstanding balance. Periodic assessments are made to determine the exposure to the Presbytery for this contingency.

Note 3 - Investment Securities / Fair Value Measurements

The fair market value of securities is as follows:

Corporate stocks and bonds	\$17,514,901
Mutual Funds	9,450,275
Money market securities	<u>532,976</u>
Total	<u>\$27,498,152</u>

Net investment income for the period consist of:

Net realized and unrealized gains (losses)	\$ 3,240,477
Gross Dividends and Interests	657,149
Investment Fees	<u>(92,674)</u>
Total	<u>\$ 3,804,942</u>

The Presbytery adopted the Fair Value Measurements of its Investments. This accounting standard establishes a fair value hierarchy that measures the different market participant assumptions developed based on market data obtained from sources independent of the Presbytery (observable inputs) and the reporting Presbytery's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The Fair Value measurements also include an adjustment for risk if market participants would include one in pricing the related asset or liability, even if the adjustment is difficult to determine. Fair Value further reports and discloses its results on one of the three levels:

Level 1 – Quoted market prices in an active market for the same assets or liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

THE PRESBYTERY OF DETROIT, INC.

Notes to Financial Statements For the Year Ended December 31, 2021

Note 3 - Investment Securities / Fair Value Measurements: (Continued)

The Presbytery holds investments in corporate stock and bonds, Mutual Funds and Money Market Securities. These investments are based upon quoted prices and determined to be Level 1's for the year ended December 31, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Stock and bonds	\$17,514,901	\$ -	\$ -	\$17,514,901
Mutual Funds	9,450,275	-	-	9,450,275
Money Market Securities	<u>532,976</u>	<u>-</u>	<u>-</u>	<u>532,976</u>
Totals	<u>\$27,498,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$27,498,152</u>

For additional details on these investments see Note 10.

Note 4 – Property, Buildings, and Equipment

As further discussed in Note 5, certain capital expenditures are not recorded as assets by the Presbytery.

Note 5 – Depreciation of Assets

During 1989, Accounting Standards “Accounting for Depreciation of Assets” became effective for all not-for-profit organizations. This statement required the Presbytery to record as assets all capital expenditures since inception, and record depreciation charges each year over their estimated useful lives. Prior to 2010 the Presbytery recorded, as assets, all expenditures of a capital nature since 1983 and was recognizing their cost over the estimated useful lives through depreciation charges. Subsequent to 2010 Presbytery elected not to report their fixed assets and/or the new lease ASU 2016-2 requirement. The ASU requires that assets and liabilities be recognized from all leases, except for leases with a term of 12 months or less.

Note 6 – Leases

The Presbytery rents its office facility from an affiliated church under a twenty-four month lease commencing October 1, 2020 and expiring September 30, 2022, with options for renewal for three (3) extended terms of twelve (12) month's each. Rent expense, including costs of security, was \$49,358. The Presbytery also leases photocopier equipment under an operating lease agreement expiring October 2022 and March 2023, with monthly payments of \$1,795 and \$309. The total lease expenses for the year ended December 31, 2021 amounted to \$76,973.

The Presbytery entered into a Sixty month copier lease as of July 2021 with Pitney Bowes for \$147.04 per month.

The Presbytery entered into a Sixty month copier lease as of February 2021 with Pitney Bowes for \$1,319.00 per month.

Minimum lease payments:	
2022	\$ 74,324
2023	18,519
2024	17,592
2025	17,592
Thereafter	<u>3,669</u>
Totals	<u>\$131,696</u>

Note 7 - Line-of-Credit

The Presbytery has an open line of credit with Comerica Bank in the amount of \$500,000, with an interest “Prime Reference Rate” of .50%. In no event and at no time shall the “Prime Referenced Rate” be less than the sum of the Daily Adjusting “LIBOR Rate” for such day plus 2.5% per annum. The outstanding amount at December 31, 2021 was \$ 0.

THE PRESBYTERY OF DETROIT, INC.

Notes to Financial Statements For the Year Ended December 31, 2021

Note 8 – Net Assets (With Donors Restrictions)

As described in Notes 9 and 10, the Presbytery has With Donors Restrictions Net Assets. These funds are invested in a common account managed by Comerica Bank according to investment policies determined by the Presbytery. The primary objective of these policies is to outline the investment objective of the Presbytery so that a maximum total rate of return will be realized given a level of risk consistent with the preservation of capital and anticipated future cash flow requirements. This objective is accomplished utilizing a balanced strategy of equities, fixed income securities and cash equivalents in a mix which is conducive to participation in rising markets while allowing for adequate protection in falling markets. Certain investments commonly known as alternatives are generally not allowed in the portfolio.

All the With Donors Restrictions Net Assets are restricted by the donor whereby only the income may be spent for the purpose stipulated by the donor. They are either restricted by time, purpose or principal. If the funds are restricted by principal, they may not be spent below its original amount. The Presbytery has also followed the guideline that the funds that are restricted by time and purpose their principal amount also may not be spent below its original amount.

Expenditures from the funds are dictated by the donor for the stated purpose and amount. Amounts are determined based on the investment performance of the managed Comerica account.

Note 9 – Special Mission Opportunities

Net assets (With Donors Restrictions) are available for the following purposes:

Presbytery of Detroit – Ranney-Balch Fund are available to provide aid to the aged, poor, and/or for the benefit of Christian work among Italian, Negro, and other underprivileged groups within the boundaries specified in this fund.

Presbytery of Detroit - Mission Fund represents funds (per capita, shared and directed missions, offerings, etc.) collected from the various church entities on behalf of the General Assembly and the Synod. The fund balances as of December 31, 2021 reflects excess dollars paid out during this time period than collected. The excess represents a temporary timing difference.

Ranney-Balch Fund	\$2,238,310
Designed Fund	573,333
Mission Fund - (Deferred)	<u>(8,829)</u>
Total	<u>\$2,802,814</u>

Note 10 – Endowments

Endowments net assets (With Donors Restrictions) are investments of the following amounts. The income on such investments is specified by the donor to be used for the purposes noted:

McKay Fund - Provide funding for new Presbyterian churches and Missions within the city of Detroit	\$ 589,729
James Joy Fund - Provide funding to support the Fort Street Presbyterian Church, and missions of the Presbyterian throughout Michigan	
- Fort Street Presbyterian has a (50%) ownership interest	
- Presbytery of Detroit, Inc. has a (40%) ownership interest	
- And (10%) ownership interest is shared between Lake Michigan, Lake Huron and Mackinaw Presbyterian Churches	17,524,395
Connor Fund - Earnings used to support Fort Street Presbyterian Church	<u>765,539</u>
Total	<u>\$18,879,663</u>

THE PRESBYTERY OF DETROIT, INC.
Notes to Financial Statements
For the Year Ending December 31, 2021

Note 11 - Designated Net Assets

Certain unrestricted gifts and revenue have been designated for specific purposes by the Presbytery for unique causes sponsored by the Presbytery. The specific purposes are as follows:

Funds available to provide loans to new and established churches – Capital Fund	\$ 7,421,989
Funds designated for Presbytery projects	_____ -
Total designated net assets	<u>\$ 7,421,989</u>

Note 12 – Transfers

The transfers represent revenue and expense transferred within the “Without Donors Restrictions” net assets funds for 2021. These funds were transferred during the year because the Presbytery maintains only one operating checking account.

Note 13 – Liquidity and Availability of Financial Assets

The Presbytery’s working capital and cash flows have variations during the year attributable to the timing of contributions receipts. Monthly cash outflows vary each year based on the specific requirements of the events programmed that year.

The following reflects the Presbytery’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Cash and Cash Equivalents, at Year End	\$ 298,827
PILP (Mission Market)	303,598
General Investments	6,071,496
Short-Term Receivable	<u>64,046</u>
Total Current Assets	<u>6,737,967</u>
Less: Assets with Donor Restrictions (less than one year)	
PILP loan contingency	2,677,468
Mission Funds	<u>8,829</u>
Total Assets with Donor Restrictions	<u>2,686,297</u>
Financial assets available within one year to meet cash needs for general expenditures within one year.	<u>\$9,424,264</u>

Note 14 – Escrow Funds

On January 26, 2021 the Presbytery approved the sale with the condition that the proceeds of the sale be held in Escrow by the Presbytery, and that the release of the funds require approval from both Trustees and COM. Presbytery received the escrow funds of \$762,827 on April 7, 2021 via wire transfer from the title company, and will hold them in the PILP Mission Market until they are approved for release. The balance as of December 31, 21 is \$729,957.

Note 15 – Subsequent Event

In September 2020, the FASB ASU 2020-7, Contributed Nonfinancial Assets (Topic 958) was issued. The ASU requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU is effective for years beginning after June 15, 2021.

Supplementary Information

THE PRESBYTERY OF DETROIT, INC.

Schedule of Indebtedness of Churches and the Presbytery of Detroit
to Other Presbyterian Organizations
For the Year Ended December 31, 2021

Church Name	Loans from General Assembly	Grant Mortgage (Deferred Payment) Loans	Presbyterian Investment Loan Program	Loans from Presbytery	Total
Ann Arbor, Calvary	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Ann Arbor, Calvary	-	9,000	-	-	9,000
Dearborn, Cherry Hill	-	28,940	-	-	28,940
Dearborn, Littlefield	-	17,083	-	-	17,083
Churches of Detroit					
Broadstreet	-	20,000	-	-	20,000
Calvin East	-	29,050	-	-	29,050
Trinity	-	21,664	-	-	21,664
Westminister	272,878	-	-	-	272,878
Farmington, First Presbyterian	119,568	-	-	-	119,568
Drayton Plains, Community	-	28,688	-	-	28,688
Gratiot Avenue	-	49,820	-	-	49,820
Hope United	-	-	-	3,000	3,000
Howell, First Presbyterian	-	-	98,020	-	98,020
Milford, Presbyterian	426,629	-	-	-	426,629
Livonia, St. Pauls	-	10,000	-	-	10,000
Northville, First Presbyterian	-	-	663,112	-	663,112
Novi, Faith Community	-	-	153,655	-	153,655
Pontiac, Joslyn Ave	-	22,175	-	-	22,175
Redford, Village	-	11,418	-	-	11,418
Rochester Hills Univeristy	-	-	465,132	-	465,132
Sashabaw PC, Clarkston	-	-	-	3,000	3,000
Southwest Detroit Immigrant and Refugee Center	-	-	-	50,000	50,000
Sterling Heights, Utica/ New Life	7,854	-	-	-	7,854
Troy, Northminister North	37,368	-	-	-	37,368
Walled L, Crossroads Lake	8,616	-	-	-	8,616
Howell Nature Center	-	373,573	1,297,550	-	1,671,123
Total Loans - Churches	\$ 872,913	\$ 626,411	\$ 2,677,469	\$ 56,000	\$ 4,232,793