

REPORT OF THE TREASURER OF THE BOARD OF TRUSTEES
November 7, 2024

To the One Hundred Forty-Fourth Council
Of the Diocese of the Northeast and Mid-Atlantic
Of the Reformed Episcopal Church

November 7, 2024

Dear Brethren,

NEMA's financial activity during the period January 1, 2023 through September 30, 2024 is the subject of this report. Following is a summary of the key events through the period (referencing Appendix II through VI) and the effect of each.

Summary

NEMA's revenue continues through three major streams; investment returns, mortgage receivables and parish tithes. Over the past three years, record inflation and high interest rates on borrowing have contributed to economic uncertainty among businesses, investors and consumers. While the rate of inflation has lessened, current inflation is piling cost on top of the 21% average cost increase on just about everything that resulted from record inflation during 2021 through 2023. All of this has driven market swings in bonds as well as equities and continues to pressure personal and parish budgets. Resultant negative effects on parish tithes and operating expenses are apparent.

Financial markets continued to be turbulent with high volatility, especially during the last three years. The Raymond James Diocesan Investment account, the key element of NEMA's investment portfolio, began 2023 at \$1.43MM and closed that year at \$1.48MM yielding a very low gain of \$50K, or 3.5%. But it finished through September 30, 2024 at \$1.55MM, yielding a respectable gain of \$117K, or 8.2%. Investment assets in total realized a gain of \$164K, also 8.2%.

Mortgage receivables declined \$43K during the period as mortgagors made scheduled payments. All mortgages are current as of September 30, 2024 with the exception of St. Albans. However, St. Albans (First RE Church), in October, began payment of its deferred 2023–2024 monthly mortgage payments, due to begin in July 2024, as approved by the Trustees in October 2023.

Parish Tithes decreased from \$277K in 2022 to \$248K in 2023, or down 10%. Declines in world economic and political stability and the effect of record inflation in the United States during the last two years is likely the primary contribution. Real income is universally down. Parish Tithes of \$176K year-to-date September 30, 2024 remains virtually flat with \$173K year-to-date through September 30, 2023.

Similarly, the operating expense side of NEMA's finances has been negatively impacted. Total Expenditures was \$813K through the period against total revenue of \$646K, resulting in a \$167K decrease in unrestricted assets.

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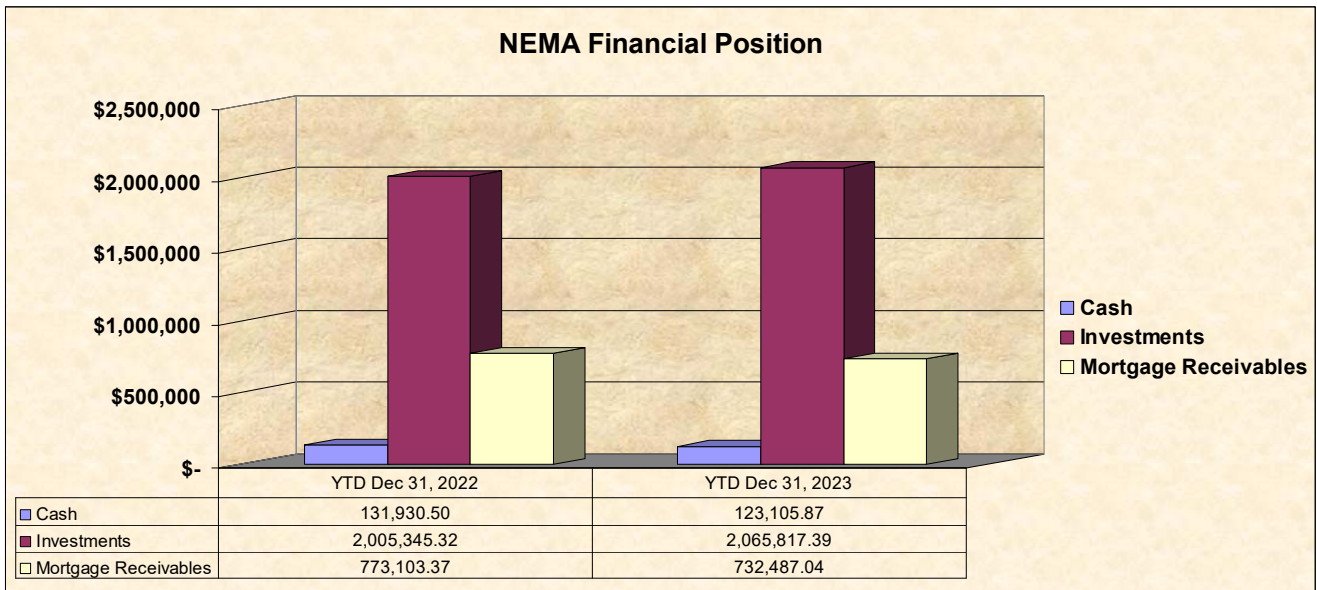
Since January 1, 2022, our revenue has been subject to wide variations, many of which happened without any indication that they would. Accordingly, during their meeting on October 8, 2024, the NEMA Trustees approved an operating budget for 2025 that increases 2024 budget expenditures by only 2% and completely eliminates transfers from investments to operating cash accounts. Effects and remedies of major items in this summary and the details that follow are discussed in the **NEMA Operating Plan & Budget for 2025** section of this report beginning on Report Page 6.

Account Summary

A summary description of the accounts whose status is presented herein is available in Appendix I of this report.

NEMA Financial Performance

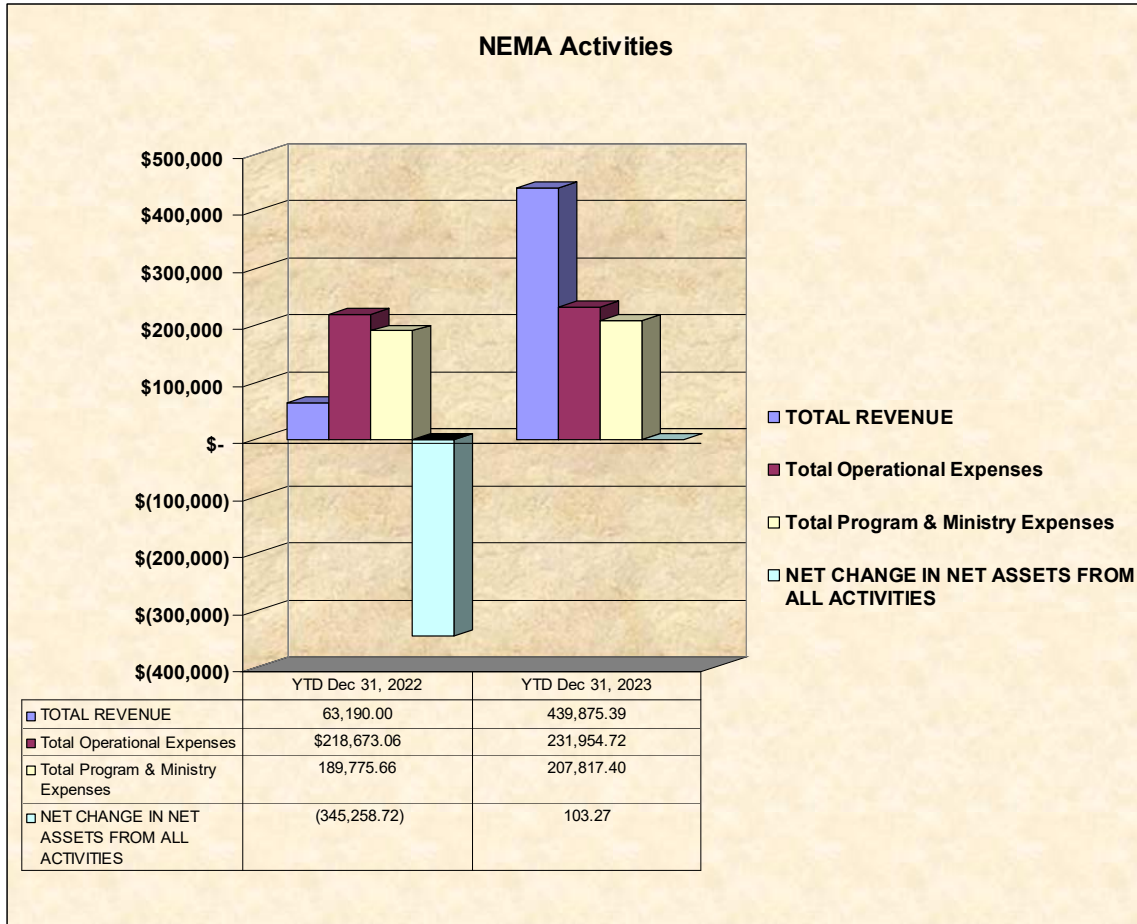
Items of Significance – Year 2022 vs. Year 2023 *(Referencing the Statement of Financial Position & Statement of Activities in Appendix II of this report)*
Financial Position



- † The cash position decreased 6.7% in 2023. Most of the decrease occurred in January when donations and parish tithes actually received in December 2022 would normally have been expected in January;
- † Investments gained just 3% or \$60,472 in 2023 largely due to the effect of negative market performance (especially equities) on NEMA investment accounts;
- † Mortgage receivables were down 5.3% or \$40,616 in 2023 as mortgagors made regularly scheduled payments. While this is mostly a natural consequence of mortgages being kept current, a major contributor to the unusually low decrease this year is St. Albans being nine months in arrears as of December 31, 2023.

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Activities



For unrestricted assets:

- † Total revenue was up 596% or \$376,685 in 2023 with sharp increase in the value of NEMA investment accounts due to a market rebound caused by a gradual decline in the record high inflation rates of 2021 – 2023. Net change in assets from all activities in 2023 was \$103.27 versus (\$345,258.72) in 2022 due to the sharp increase in the value of NEMA’s investment accounts during 2023;
- † Operational expenses were up 6.1% or \$13,282, a major contributor being the lasting higher cost of almost everything after record inflation. There was an increase in program and ministry expenses of 9.5% or \$18,041 due largely to expanded parish support requirements for Grace Collingdale, Atonement and Faith. Overall expenditures increased by 7.7% or \$31,323;

Details of Benson Fund and Bassinger Home Fund performance are available in Appendix III of this report.

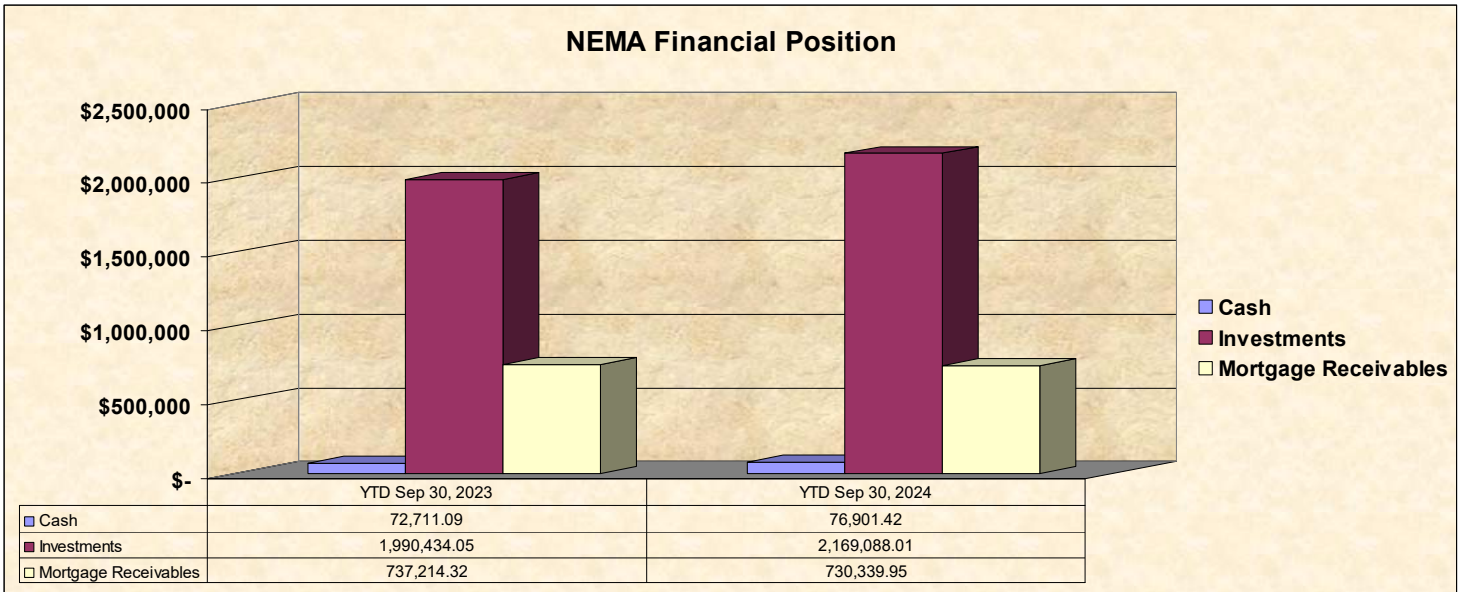
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To prepare financial strategy and budgets for 2025 and beyond, it is necessary to consider the changes in financial performance that have occurred during the first three quarters of 2024 compared to what occurred during the same period in 2023.

Items of Significance – Year-to-Date (YTD) September 30, 2023 vs. YTD September 30, 2024 *(Referencing the Statement of Financial Position & Statement of Activities in Appendix III of this report)*

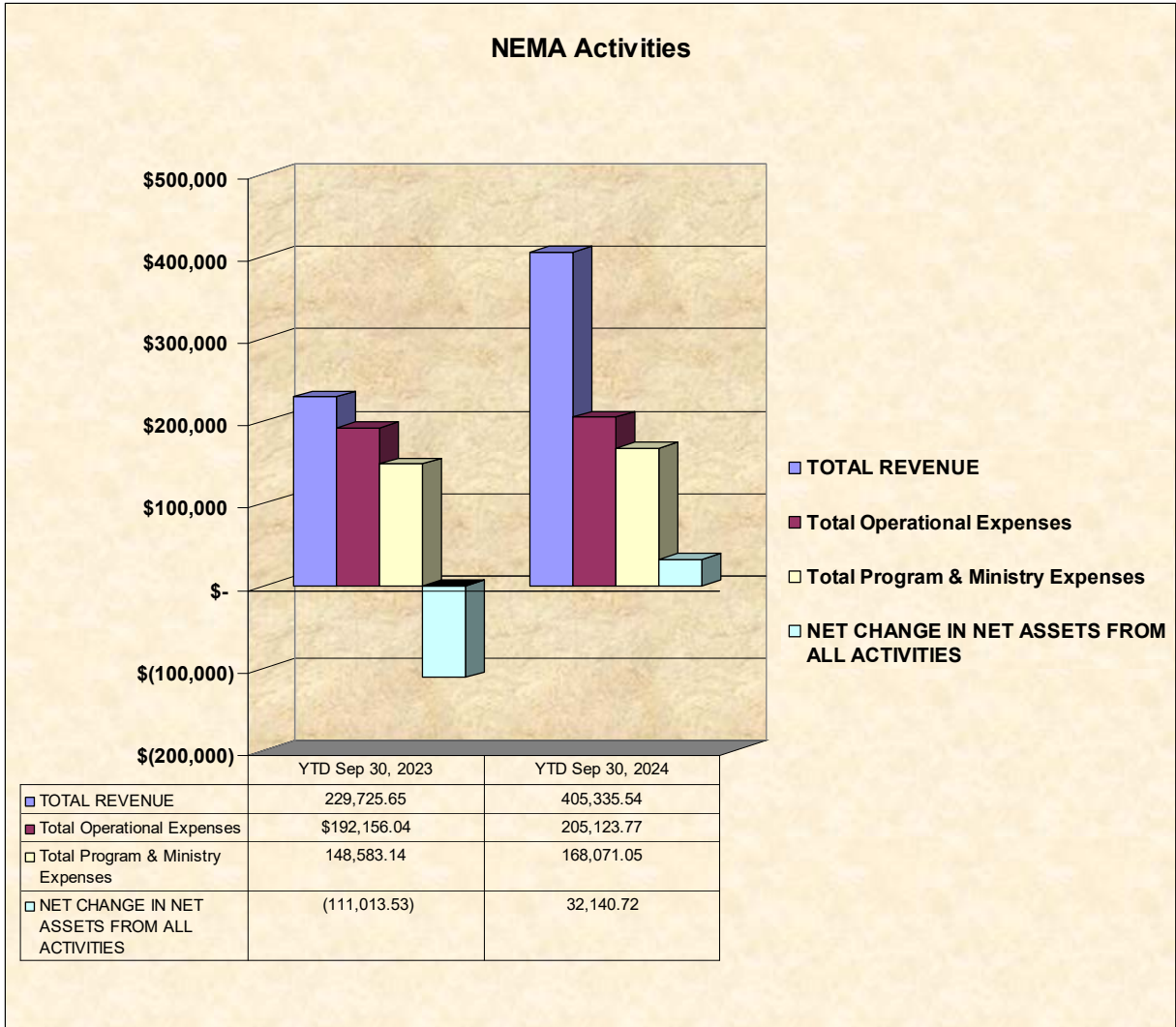
Financial Position



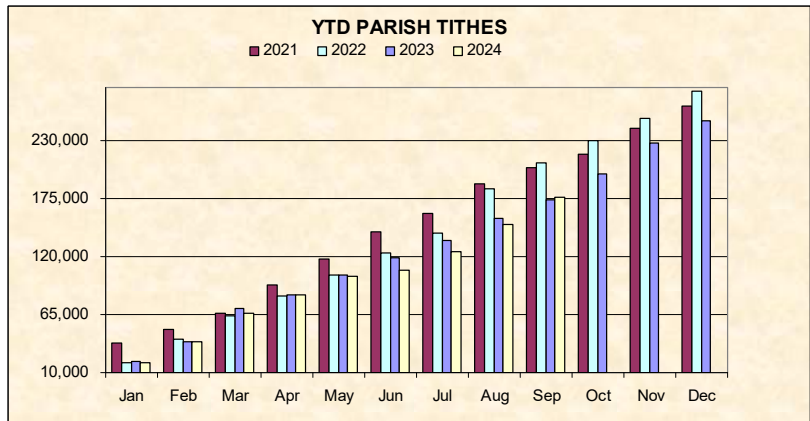
- † The cash position increased slightly by \$4,190 or 5.8% due to periodic transfers from investment accounts to the operating cash account;
- † Investments increased by a net amount of \$178,654 or 9%, higher than expected as markets rebounded from losses caused by inflation pressures;
- † Mortgage receivables dropped 1% or \$6,784, less than expected, because receivables increased in September 2024 when unpaid interest of \$19,575 was assessed to the St. Albans mortgage account to be paid as part of deferred payments that were to have begun in July 2024.

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Activities



† Total revenue increased \$175,610 including: a \$166,013 increase in net investment activity due to market performance rebounding from the negative economic effect of record inflation; a \$14,037 increase in mortgage interest on the St. Albans mortgage according to the deferred payment agreement; a \$7,498 decrease in other income; and a \$3,057, or 1.8% increase in parish tithes. Here is a graph of parish tithes for the period 2021 through YTD



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- September 30, 2024. The overall decline in the three-year growth trend for parish tithes is of some concern;
- † Overall expenditures were up 9.5% or \$32,456;
 - † As a result of these factors in revenue and expenditures during 2024, net change in assets from all activities YTD September 30, 2024 improved sharply to \$32,141 versus (\$111,014) for YTD September 30, 2023, an increase of \$143,155.

Actual vs. Budget – YE 2023

All of the key factors noted above in the discussion of 2022 and 2023 YTD financials apply to actual performance vs. operating budget as well. Details of the major line items that contributed to these effects can be found in Appendix IV of this report. The manner in which those factors affected operating budget performance is measured in the key totals for 2023 actual vs. budget performance, which are: actual revenue was \$12,387 above budget; operational expenses were held at \$32,393 below budget; program and ministry expenses were \$9,383 below budget; transfers from investment to operating cash accounts totaled \$101,958. Transfers totaling \$26,000 from NEMA's Parish Development investment account funded parish support for Covenant Chapel and Grace Scranton.

NEMA Operating Plan & Budget for 2025

The 2025 operating budget is available for reference in Appendix V of this report.

2025 Operating Plan Revenues

NEMA's 2025 revenue will derive from three major sources – tithes by parishes to the Diocese, mortgage payments from mortgagors and return on investments.

Parish Tithes – NEMA expects to receive a tithe every month from each parish in the Diocese. Tithe amount by each parish is calculated at 10% of the parish's revenue (5% for a parish in "mission" status). Parish tithes are the only source of revenue that can be increased or decreased from within the Diocese itself. If parishes grow in size and number, parish tithe revenue to the Diocese should accordingly grow. It is the revenue class of the highest value because it suggests results from progress toward satisfaction of the charge by Christ to grow His Kingdom. It is also the revenue class that provides the highest amount of operating revenue.

Parish Tithes YTD September 30, 2024 amounted to \$176,250, \$41,502 below what was expected according to the 2024 NEMA Operating Budget. Parish Tithes 2024 year-end total is estimated to be \$295,336, slightly above the budget of \$290,337. The 2025 operating revenue budget sets Parish Tithes at \$355,808, well above the \$295,336 expected through December 31, 2024. Please see the section below, “*Extraordinary Items*”, for the way in which these exceptions are being managed. A *NEMA Parish Tithe*

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Calculation Form is available on the NEMA website for parishes to use when submitting tithes to NEMA. An example of the form is available in Appendix VII of this report.

Mortgage Payments – NEMA receives a payment every month against the mortgage the Diocese holds for each of three properties – All Saints Anglican in Newark, NJ; Christ Covenant Presbyterian in Warminster, PA and; St. Albans Church (First Church REC) in New York, NY. The mortgagors are obligated to make these payments, so this revenue is virtually assured so long as the mortgagor remains financially viable. Annual revenue from mortgage payments is fixed at \$124,080.60, assuming that all mortgages remain current, and will remain at that level until satisfaction of one or more of the mortgages. This current level will possibly change before March 2025 if negotiations presently underway to have the St. Albans mortgage paid off by a loan from the Looney-Hoffman Fund are successful. All of the revenue (principal and interest) from monthly mortgage payments is directly applied to NEMA's cash operating account rather than being reinvested. NEMA no longer writes mortgages.

Mortgage Payments YTD September 30, 2024 amounted to \$34,589, \$10,000 above what was expected according to the 2023 NEMA Operating Budget. The positive variance is due to a direct principal payment by Christ Covenant Presbyterian against its mortgage. Mortgage Payments 2024 year-end total is estimated to be on budget at \$101,802. This 2024 operating revenue budget is well below the \$124,080 annual total of the three established mortgage contracts. Please see the section below, “*Extraordinary Items*”, for the way in which these exceptions are being managed.

Return on Investments – NEMA periodically receives revenue now from two Raymond James investment accounts described in Appendix I of this document; Diocesan Investment and Parish Development. Returns are accumulated from dividends, interest and capital gains and are routinely reinvested. Any such revenue amounts are dependent on market performance and are transferred to operating cash accounts if and when needed to fund NEMA's operations. This operating budget revenue for 2025 is set at \$10,000, is not assured by any means and is not likely to be anywhere near predictable from year to year. Economic and political instability are likely to continue for some time and it will be necessary to closely control expenditures as a means to manage the dynamic situation.

Extraordinary Items – St. Albans

In 2023, St. Albans parish negotiated settlement of some critical financial obligations, resulting in its inability to pay its mortgage or tithes to the Diocese for its fiscal year 2024 (FY24 – July 2023 through June 2024). Consequently, St. Albans' Vestry requested that the NEMA Trustees permit St. Albans to defer its FY24 mortgage and tithe payments to occur in their FY25 & FY26 (July 2024 through June 2026). They further proposed a schedule by which St. Albans would pay these deferred amounts in addition to the then normally due amounts. The formal request by St. Albans to the NEMA Trustees is attached at the end of this report. The NEMA Trustees approved St. Albans' request during their October 9, 2023 meeting.

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To fund the request from St. Albans, the Diocese periodically withdrew cash from our investment accounts to cover the lost payments from St. Albans during 2023 and YTD September 30, 2024:

Mortgage Payments – The 2024 NEMA Operating Budget allocated a \$59,408 withdrawal in 2023 to apply against the St. Albans mortgage payment shortfall in 2023, and a \$22,278 withdrawal in 2024 to apply against the St. Albans mortgage payment shortfall in 2024 for a total of \$81,686;

Parish Tithes – The 2024 NEMA Operating Budget allocated a \$11,293 withdrawal in 2023 to apply against the St. Albans parish tithe shortfall in 2023;

A total amount of \$92,979 was planned for these withdrawals in 2023/YTD 2024 September 30. Withdrawals from investment accounts to operating cash accounts during that period actually totaled \$137,500, which included the planned amount of \$92,979.

The 2025 NEMA Operating Budget for parish tithes includes the \$120,808 committed by St. Albans for 2025. The 2025 parish tithe budget amount for all other parishes is \$235,000 (equal to the estimated YE 2024 amount), which has reversed the growth trend in parish tithes that has endured from 2019 until now. Economic pressures of inflation and high interest rates may very well be the cause and might last for some time.

2024 Operating Plan Expenditures

Spending is always the first thing to be scrutinized when working to balance a budget. It seems that every year the operating budget is subject to cuts in expense as the way to achieve balance. But the large savings needed to produce a balanced operating budget for NEMA are not available through cutting only small line items. Cutting large line items would paralyze or suffocate ministries. Instead of a focus on cuts, the focus needs to be on growth, and growth is not a one-year thing. Growth requires years of steady increase in revenue accompanied by level or decreasing expenses. Long-term (strategic) thinking is the key.

Consequently, the NEMA Trustees have set an operational expenditure budget for 2025 of ordinary expenditures at \$480,956 which is \$9,650 or 2% below the same budget for 2024. It is also \$8,184 or 1.7% higher than the estimated 2024 year-end total operational expenditure of \$472,772. Of the 2025 budgeted total, \$447,956 is budgeted to be funded from budgeted operational revenue and \$33,000 to be funded for parish support from the Raymond James Parish Development investment account. There is no amount budgeted to be withdrawn from any investment account to fund operational cash accounts.

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General operational expenditures include a 3% increase in compensation for our staff (Bishop Ordinary, Secretary and Information Technology). As in 2024, there will continue to be stipends paid to the men who assist the bishop with episcopal visits and other duties as needed. These payments are included in the Diocesan Administrative Expense category of the budget.

Respectfully submitted,

Ronald E. Riches, Treasurer

Diocese of the Northeast & Mid-Atlantic of The Reformed Episcopal Church

REPORT OF THE NEMA TREASURER – Appendix I

November 7, 2024

Summary of Accounts

The diocesan financial accounts referenced in this report consist of two (2) checking accounts and three (3) investment accounts.

Checking Account Summary

The cash (checking) accounts for the Diocese are as follows:

1. The Diocesan Checking account is effectively the general operating cash account for the Diocese. It is a Wells Fargo checking account used to process revenue and expense transactions for ordinary financial activities of the Diocese.
2. The St. Philip's account is a Well's Fargo checking account formed as a result of the rental and subsequent sale of the former St. Philip's church. This account is now designated as the Bishop's Discretionary Account from which disbursements are authorized jointly by the Bishop Ordinary, the Bishop Coadjutor and the treasurer.

Investment Account Summary

The investment accounts for the Diocese are as follows:

1. Raymond James Diocesan Investment account is an unrestricted account held at Raymond James Associates. The NEMA Trustees financial strategy established the policy that the return on this investment (capital gains, interest, dividends) be used as the primary source of investment revenue to help meet the financial obligations of the Diocese with the principal being the secondary source if needed. The account was transferred to Raymond James from Wells Fargo Advisors in March 2022.
2. Raymond James Parish Development account is a temporary restricted account held at Raymond James Associates. The NEMA Trustees financial strategy established the policy that funds in this account be used for the development needs of local parishes. The account was transferred to Raymond James from Wells Fargo Advisors in March 2022.
3. Raymond James Benson Fund is a temporary restricted account held at Raymond James for Grace Church, Collingdale. It is administered jointly by Grace Collingdale and the NEMA Treasurer. Management of the Benson Fund was transferred from Fidelity to Raymond James in May 2022.

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Diocese of the Northeast & MidAtlantic
Statement of Financial Position

	Year-End 2022	Year-End 2023
Cash		
Diocese Checking	75,017.47	66,166.94
St. Philip's Checking	56,913.03	56,938.93
Total Cash	131,930.50	123,105.87
Investments		
Raymond James Diocesan Investment	1,427,984.47	1,477,893.23
Raymond James Parish Development	417,376.78	417,271.25
Raymond James Benson Fund	159,984.07	170,652.91
Total Investments	2,005,345.32	2,065,817.39
Mortgage Receivables		
All Saints	142,804.18	136,225.34
Christ Covenant Presbyterian - PA	270,073.72	261,062.19
St. Albans - NY	360,225.47	335,199.51
Total Mortgage Receivables	773,103.37	732,487.04
TOTAL ASSETS	2,910,379.19	2,921,410.30
LIABILITIES & NET ASSETS		
Restricted Assets		
Bassinger Home Fund	23,935.00	24,194.00
Benson Fund - Raymond James + Fidelity	159,984.07	170,652.91
Total Restricted Assets	183,919.07	194,846.91
Unrestricted Net Assets Prior Balance	3,071,718.84	2,726,460.12
Net Change in Unrestricted Assets	(345,258.72)	103.27
Total Unrestricted Net Assets (ending)	2,726,460.12	2,726,563.39
TOTAL LIABILITIES & NET ASSETS	2,910,379.19	2,921,410.30

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Diocese of Northeast & MidAtlantic
Statement of Activities

			BENSON FUND			
	2022	2023	2022	2023	2022	2023
REVENUE						
Investment Activity (Net)	(263,089.48)	151,761.56	(16,357.50)	10,668.84		
Mortgage Interest	35,354.83	24,055.95				
Parish Tithes	276,612.49	248,091.55				
Other Income	14,312.16	15,966.33				
Temp. Restricted Asset Contributions	-		-	-	-	-
TOTAL REVENUE	63,190.00	439,875.39	(16,357.50)	10,668.84	-	-
EXPENDITURES						
Operational Expenses						
Accounting & Auditing	-	2,000.00				
Diocesan Admin Expense	20,000.04	17,083.35				
Council Expense (net after registration fees)	(2,553.41)	(273.05)				
Episcopal Expense (Ordinary & Suffragan)						
Ordinary (Housing & Utility Allowance)	103,000.00	103,000.00				
Ordinary (Pension)	12,360.00	12,360.00				
Ordinary (Life & LTD)	-	1,120.00				
Coadjutor	(10,000.00)	4,801.65				
Coadjutor (Housing & Utility Allowance)	-	-				
Coadjutor (Pension)	-	-				
Coadjutor (Life & LTD)	-	-				
Total Episcopal Expense	105,360.00	121,281.65				
Insurance - General	4,521.00	3,715.00				
Legal & Professional	1,415.00	-				
Meetings & Retreats Expense (net after registration fees)	53.36	1,413.15				
Miscellaneous	-	-				
Office & Administrative Expense	56,906.61	47,223.98				
Retired Bishop Expense	20,664.00	20,256.00				
Travel Expenses	12,306.46	19,254.64				
Total Operational Expenses	218,673.06	231,954.72				
Program & Ministry Expenses						
Bassinger Home Fund Distributions	-	-	-	-	-	-
Benson Fund Distributions	-	-	-	-	-	-
Camping Program	2,500.00	2,500.00				

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Diocese of Northeast & MidAtlantic
Statement of Activities

			BENSON FUND			
	2022	2023	2022	2023	2022	2023
Church Planting	419.00	-				
Designated Offerings Distributed	-	-				
Diaconal Training Support	-	-				
General Funds donated to Temp. Restricted Assets	-	-				
Gifts	-	-				
Mission Project (s)	1,500.00	2,278.73				
Parish & Salary Support	8,500.00	26,000.00				
Seminary Support	144,000.00	144,000.00				
Tithe to National Church	32,856.66	33,038.67				
Total Program & Ministry Expenses	189,775.66	207,817.40	-	-	-	-
TOTAL EXPENDITURES	408,448.72	439,772.12	-	-	-	-
NET CHANGE IN ASSETS FROM ORDINARY ACTIVITIES	(345,258.72)	103.27	(16,357.50)	10,668.84	-	-
NET CHANGE IN NET ASSETS FROM ALL ACTIVITIES	(345,258.72)	103.27	(16,357.50)	10,668.84	-	-
Balance Beginning of Period	3,071,718.84	2,726,460.12	176,341.57	159,984.07	26,935.00	26,935.00
Change during period	(345,258.72)	103.27	(16,357.50)	10,668.84	-	-
Balance End of Period	2,726,460.12	2,726,563.39	159,984.07	170,652.91	26,935.00	26,935.00

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**Diocese of Northeast & MidAtlantic
Statement of Financial Position**

ASSETS	Prev. Year	Prev. Quarter	Current Quarter	Variance, Current Period vs.	
	YTD Sep 30, 2023	YTD Jun 30, 2024	YTD Sep 30, 2024	YTD Sep 30, 2023	YTD Jun 30, 2024
Cash					
Diocesan Checking	15,776.62	10,636.23	19,958.52	4,181.90	9,322.29
St. Philip's Checking	56,934.47	41,941.63	56,942.90	8.43	15,001.27
Total Cash	72,711.09	52,577.86	76,901.42	4,190.33	24,323.56
Investments					
Raymond James Diocesan Investment	1,429,509.97	1,498,965.98	1,545,083.50	115,573.53	46,117.52
Raymond James Parish Development	400,205.21	422,507.29	430,573.24	30,368.03	8,065.95
Raymond James Benson Fund	160,718.87	178,848.62	193,431.27	32,712.40	14,582.65
Total Investments	1,990,434.05	2,100,321.89	2,169,088.01	178,653.96	68,766.12
Mortgage Receivables					
All Saints	137,908.70	132,775.87	131,014.98	(6,893.72)	(1,760.89)
Christ Covenant Presbyterian - PA	264,106.11	246,251.88	244,615.76	(19,490.35)	(1,636.12)
St. Alban's - NY	335,199.51	335,199.51	354,709.21	19,509.70	19,509.70
Total Mortgage Receivables	737,214.32	714,227.26	730,339.95	(6,874.37)	16,112.69
TOTAL ASSETS	2,800,359.46	2,867,127.01	2,976,329.38	175,969.92	109,202.37
LIABILITIES & NET ASSETS					
Restricted Assets					
Bassinger Home Fund	24,194.00	24,194.00	24,194.00	-	-
Benson Fund	160,718.87	178,848.62	193,431.27	32,712.40	14,582.65
Total Restricted Assets	184,912.87	203,042.62	217,625.27	32,712.40	14,582.65
Unrestricted Net Assets Prior Balance	2,726,460.12	2,726,563.39	2,726,563.39	103.27	-
Net Change in Unrestricted Assets	(111,013.53)	(62,479.00)	32,140.72	143,154.25	94,619.72
Total Unrestricted Net Assets (ending)	2,615,446.59	2,664,084.39	2,758,704.11	143,257.52	94,619.72
TOTAL LIABILITIES & NET ASSETS	2,800,359.46	2,867,127.01	2,976,329.38	175,969.92	109,202.37

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Diocese of Northeast & MidAtlantic
Statement of Activities

	GENERAL FUND UNRESTRICTED		
	YTD Sep 30, 2023	YTD Sep 30, 2024	Variance (Unfavorable)
REVENUE			
Investment Activity (Net)	29,478.96	195,492.28	166,013.32
Mortgage Interest	18,403.67	32,441.47	14,037.80
Parish Tithes	173,193.38	176,249.61	3,056.23
Other Income	8,649.64	1,152.18	(7,497.46)
Temp. Restricted Asset Contributions	-	-	-
TOTAL REVENUE	229,725.65	405,335.54	175,609.89
EXPENDITURES			
Operational Expenses			
Accounting & Auditing	-	-	-
Diocesan Admin Expense	13,750.11	7,916.54	5,833.57
Council Expense (net after registration fees)	797.17	1,183.58	(386.41)
Episcopal Expense (Ordinary & Suffragan)			
Ordinary (Salary, Housing & Utility Allowance)	77,249.97	75,375.00	1,874.97
Ordinary (Pension)	12,360.00	12,360.00	-
Ordinary (Life & LTD)	1,120.00	560.00	560.00
Coadjutor	3,164.17	-	3,164.17
Coadjutor (Housing & Utility Allowance)	-	20,625.03	(20,625.03)
Coadjutor (Pension)	-	-	-
Coadjutor (Life & LTD)	-	560.00	(560.00)
Total Episcopal Expense	93,894.14	109,480.03	(15,585.89)
Insurance - General	3,715.00	3,670.00	45.00
Legal & Professional	-	-	-
Meetings & Retreats Expense (net after registration fees)	1,413.15	2,115.87	(702.72)
Miscellaneous	-	-	-
Office & Administrative Expense	46,113.13	47,976.74	(1,863.61)
Retired Bishop Expense	16,880.00	16,180.00	700.00
Travel Expenses	15,593.34	16,601.01	(1,007.67)
Total Operational Expenses	\$192,156.04	205,123.77	(12,967.73)

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Diocese of Northeast & MidAtlantic
Statement of Activities

	GENERAL FUND UNRESTRICTED		
	YTD Sep 30, 2023	YTD Sep 30, 2024	Variance (Unfavorable)
Program & Ministry Expenses			
Bassingier Home Fund Distributions	-	-	-
Benson Fund Distributions	-	-	-
Camping Program	2,500.00	2,500.00	-
Church Planting	-	-	-
Designated Offerings Distributed	-	-	-
Diaconal Training Support	-	-	-
General Funds donated to Temp. Restricted Assets	-	-	-
Gifts	-	-	-
Mission Project (s)	259.53	1,733.78	(1,474.25)
Parish & Salary Support	19,500.03	28,750.02	(9,249.99)
Seminary Support	108,000.00	108,000.00	-
Tithe to National Church	18,323.58	27,087.25	(8,763.67)
Total Program & Ministry Expenses	148,583.14	168,071.05	(19,487.91)
TOTAL EXPENDITURES	340,739.18	373,194.82	(32,455.64)
NET CHANGE IN ASSETS FROM ORDINARY ACTIVITIES	(111,013.53)	32,140.72	143,154.25
NET CHANGE IN NET ASSETS FROM ALL ACTIVITIES	(111,013.53)	32,140.72	143,154.25

REPORT OF THE NEMA TREASURER - Appendix IV, Page 1

November 7, 2024

Diocese of Northeast & MidAtlantic
Statement of Operating Income
YTD December 31, 2023

		YTD December 31, 2023		
		BUDGET	ACTUAL	VARIANCE (Unfavorable)
REVENUE				
Investment Activity				
	Dividends & Interest & Cap Gains		55,233.78	
	Realized Gains / (Losses)		37,584.37	[1]
	Unrealized Gains / (Losses)		74,023.98	[1]
	Advisor & Transaction Fees		(14,915.25)	
	Tax Withholdings & Other		(165.32)	
	<i>Total Investment Activity</i>		<u>151,761.56</u>	
	Less Unrealized Gains		74,023.98	
	<i>Net Investment Activity</i>	<u>10,000.00</u>	<u>77,737.58</u>	[1]
	Total Mortgage Payments	124,080.60	64,672.28	(59,408.32) [2]
	Parish Tithes	250,000.00	248,091.55	(1,908.45) [3]
	Other			
	Contributions		15,320.00	
	Council Offerings Designated		-	
	Interest Earned		46.33	
	Other (Non-categorized)		600.00	
	<i>Total Other</i>	<u>10,000.00</u>	<u>15,966.33</u>	[1]
	Temp Restricted Assets Contributions			
	General Fund NEMA	-	-	
	Individuals & Parishes	-	-	
	<i>Total Temp Restricted Assets Contributions</i>	-	-	
	TOTAL REVENUE	<u>394,080.60</u>	<u>406,467.74</u>	<u>12,387.14</u>
	Less Revenue from Restricted Assets	-	-	-
	TOTAL OPERATING REVENUE	<u>394,080.60</u>	<u>406,467.74</u>	<u>12,387.14</u> [9]
EXPENDITURES				
Operational Expenses				
	Accounting & Auditing	1,000.00	2,000.00	(1,000.00)
	Council Expense (net after registration fees)	-	(273.05)	273.05
	Deanery Expense	1,500.00	-	1,500.00
	Diocesan Admin Expense	29,000.00	17,083.35	11,916.65
	Episcopal Expense (Ordinary & Suffragan)			
	Ordinary (Housing & Utility Allowance)	103,000.00	103,000.00	-
	Ordinary (Pension)	12,360.00	12,360.00	-
	Ordinary (Life & LTD)	-	1,120.00	(1,120.00)
	Coadjutor	3,100.00	4,801.65	(1,701.65) [4]
	<i>Total Episcopal Expense</i>	<u>118,460.00</u>	<u>121,281.65</u>	(2,821.65)
	Insurance - General	4,600.00	3,715.00	885.00
	Legal & Professional	2,000.00	-	2,000.00
	Meetings & Retreats Expense (net after registration fees)	4,500.00	1,413.15	3,086.85 [5]
	Miscellaneous	-	-	-
	Office & Administrative Expense	62,168.00	47,223.98	14,944.02 [6]
	Retired Bishop Expense	21,120.00	20,256.00	864.00
	Travel Expenses	20,000.00	19,254.64	745.36 [7]
	<i>Total Operational Expenses</i>	<u>264,348.00</u>	<u>231,954.72</u>	32,393.28

REPORT OF THE NEMA TREASURER - Appendix IV, Page 2
November 7, 2024

Diocese of Northeast & MidAtlantic
Statement of Operating Income
YTD December 31, 2023

	YTD December 31, 2023		
	BUDGET	ACTUAL	VARIANCE (Unfavorable)
Program & Ministry Expenses			
Bassinger Home Fund Distributions	5,000.00	-	5,000.00
Camping Program	2,500.00	2,500.00	-
Church Planting	5,000.00	-	5,000.00
Designated Offerings Distributed	500.00	-	500.00
Diaconal Training Support	5,000.00	-	5,000.00
Gifts	2,000.00	-	2,000.00
Mission Project (s)	2,200.00	2,278.73	(78.73)
Parish & Salary Support	15,000.00	26,000.00	(11,000.00) [8]
Seminary Support	144,000.00	144,000.00	-
Tithe to National Church	36,000.00	33,038.67	2,961.33
<i>Total Program & Ministry Expenses</i>	<u>217,200.00</u>	<u>207,817.40</u>	<u>9,382.60</u>
TOTAL EXPENDITURES	481,548.00	439,772.12	41,775.88
Change from Prior Year Adjustments	-	-	-
Transfers from investment accounts to operating cash account	15,000.00	101,958.33	(86,958.33) [9]
TOTAL NET OPERATING EXPENSE	466,548.00	337,813.79	128,734.21
NET OPERATING INCOME/(LOSS)	(72,467.40)	68,653.95	141,121.35 [9]

NOTES:

- [1] Individual line items are not budgeted; realized gains are higher than expected
- [2] St. Albans mortgage payments 8 months in arrears, to be paid in 2024/2025; others are current
- [3] The rate of Parish Tithe receipts has slowed this year, down from \$277K in 2022
- [4] Spending for Coadjutor includes NEMA travel, ACNA travel, consecration expense; "ACTUAL" includes \$10,000 personal contribution
- [5] Additional expenses anticipated in 1Q2024
- [6] Includes a \$7,500 contribution
- [7] Exclusive of Coadjutor travel
- [8] Parish support to Covenant Chapel (\$20K) approved after Diocesan Council; Grace Scranton
- [9] Major contributors include:
 - Unusually high and unexpected realized gains across investments
 - NEMA Trustees agreed to St. Albans' request to defer mortgage payments and tithes until July 2024
 - Transfers from investments to cover loss of St. Albans mortgage and tithes
 - Covenant Chapel grant

**REPORT OF THE NEMA TREASURER, Appendix V, Page 1
November 7, 2024**

	2024 Budget	2024		2025 Budget	2025 Increase (Decrease)
		9/30/24 YTD	12/31/24 YEE		
REVENUE					
Investment Activity (net)	10,000.00	27,723.73	36,964.97	10,000.00	-
Total Mortgage Payments	101,802.48	34,588.56	101,802.48	168,636.84	66,834.36
Parish Tithes	290,336.50	176,249.61	295,335.98	355,807.50	65,471.00
Other	10,000.00	1,152.18	1,536.24	2,500.00	(7,500.00)
TOTAL REVENUE	412,138.98	239,714.08	435,639.67	536,944.34	124,805.36
EXPENDITURES					
Operational Expenses					
Accounting & Auditing	1,000.00	-	1,000.00	1,000.00	-
Council Expense					
Registration Income Rec'd	(15,000.00)	(54.60)	(15,000.00)	(15,000.00)	-
Expense	15,000.00	1,238.18	15,000.00	15,000.00	-
<i>Total Council Expense (Net)</i>	<i>-</i>	<i>1,183.58</i>	<i>-</i>	<i>-</i>	<i>-</i>
Deanery Expense					
New England	375.00	-	-	375.00	-
New York & New Jersey	375.00	-	-	375.00	-
Pennsylvania	375.00	-	-	375.00	-
Maryland	375.00	-	-	375.00	-
<i>Total Deanery Expense</i>	<i>1,500.00</i>	<i>-</i>	<i>-</i>	<i>1,500.00</i>	<i>-</i>
Diocesan Administrative Expense					
Archdeacon Compensation	2,500.00	2,083.30	2,500.00	2,500.00	-
Canon Ordinary Compensation	-	-	-	-	-
Pres. of Standing Committee Compensation	2,500.00	1,874.97	2,500.00	2,500.00	-
PA Dean Compensation	2,500.00	1,874.97	2,500.00	2,500.00	-
NY Dean Compensation	2,500.00	2,083.30	2,500.00	2,500.00	-
Pulpit Supply	2,000.00	-	-	2,000.00	-
<i>Total Diocesan Administrative Expense</i>	<i>12,000.00</i>	<i>7,916.54</i>	<i>10,000.00</i>	<i>12,000.00</i>	<i>-</i>
Episcopal Expense					
Ordinary Compensation	100,500.00	75,375.00	103,000.00	106,090.00	5,590.00
Ordinary Pension Contribution	12,360.00	12,360.00	12,360.00	12,060.00	(300.00)
Ordinary Life/Dis	560.00	560.00	560.00	560.00	-
Co-Adjutor Compensation	27,500.00	20,625.03	27,500.00	-	(27,500.00)
Co-Adjutor Pension	-	-	-	3,300.00	3,300.00
Co-Adjutor Medical	-	-	-	-	-
Co-Adjutor Life/Dis	560.00	560.00	560.00	-	(560.00)
<i>Total Episcopal Expense</i>	<i>141,480.00</i>	<i>109,480.03</i>	<i>143,980.00</i>	<i>122,010.00</i>	<i>(19,470.00)</i>
Insurance - General	4,600.00	3,670.00	3,670.00	4,600.00	-
Meetings & Retreat Expense					
Income/Registrations Rec'd	(10,700.00)	(3,862.00)	(3,862.00)	(10,700.00)	-
Clergy Retreat	8,000.00	5,942.87	5,942.87	8,000.00	-
Ministry Wives	1,200.00	-	-	1,200.00	-
Seminars	5,000.00	-	-	5,000.00	-
Quarterly Clergy Meeting/Other	1,000.00	35.00	35.00	1,000.00	-
<i>Total Meetings & Retreat Expense (net)</i>	<i>4,500.00</i>	<i>2,115.87</i>	<i>2,115.87</i>	<i>4,500.00</i>	<i>-</i>

**REPORT OF THE NEMA TREASURER, Appendix V, Page 2
November 7, 2024**

	2024 Budget	2024		2025 Budget	2025 Increase (Decrease)
		9/30/24 YTD	12/31/24 YEE		
Legal & Professional Fees	2,000.00	-	-	2,000.00	-
Office & Administrative Expense					
Background Checks & Other Dues	800.00	495.00	660.00	700.00	(100.00)
Bank Fees	500.00	285.00	380.00	500.00	-
Diocesan Planning	3,000.00	-	-	3,000.00	-
Information Technology	39,324.00	32,770.00	39,324.00	40,512.00	1,188.00
Other (Non-Categorized)	1,500.00	-	-	1,500.00	-
Postage	400.00	114.45	152.60	200.00	(200.00)
Secretary Expense	16,176.00	12,132.00	16,176.00	16,668.00	492.00
Supplies & Expense	700.00	1,269.78	1,693.04	1,800.00	1,100.00
Telephone	260.00	174.61	232.81	275.00	15.00
Videoconferencing	150.00	159.90	159.90	175.00	25.00
Web Hosting	1,300.00	576.00	576.00	600.00	(700.00)
<i>Total Office & Administrative Expense</i>	<i>64,110.00</i>	<i>47,976.74</i>	<i>59,354.35</i>	<i>65,930.00</i>	<i>1,820.00</i>
Retired Bishop Expense	19,416.00	16,180.00	19,416.00	19,416.00	-
Travel Expenses	25,000.00	16,601.01	22,134.68	25,000.00	-
Total Operational Expenses	275,606.00	205,123.77	261,670.90	257,956.00	(17,650.00)
Program & Ministry Expenses					
Bassingier Home Fund Distributions	5,000.00	-	-	5,000.00	-
Camping Program	2,500.00	2,500.00	2,500.00	3,000.00	500.00
Church Planting	5,000.00	-	-	5,000.00	-
Designated Offerings Distributed	500.00	-	-	500.00	-
Diaconal Training Support	5,000.00	-	-	5,000.00	-
Gifts	2,000.00	-	-	2,000.00	-
Mission Project (s)	2,500.00	1,733.78	2,600.67	3,500.00	1,000.00
Parish & Salary Support	12,500.00	28,750.02	26,000.00	33,000.00	20,500.00
Seminary Support	144,000.00	108,000.00	144,000.00	130,000.00	(14,000.00)
Tithe to National Church	36,000.00	27,087.25	36,000.00	36,000.00	-
<i>Total Program & Ministry Expenses</i>	<i>215,000.00</i>	<i>168,071.05</i>	<i>211,100.67</i>	<i>223,000.00</i>	<i>8,000.00</i>
TOTAL EXPENDITURES	490,606.00	373,194.82	472,771.57	480,956.00	(9,650.00)
REVENUE LESS ORDINARY EXPENDITURES	(78,467.02)	(133,480.74)	(37,131.90)	55,988.34	134,455.36
Transfers for Parish & Salary Support	12,500.00	30,000.02	33,750.00	33,000.00	20,500.00
Transfers for Bassingier Home Fund distributions	-	-	-	-	-
Transfers for general expenditures	65,967.02	85,000.00	85,000.00	-	(65,967.02)
NET EXPENDITURES LESS TRANSFERS	412,138.98	258,194.80	354,021.57	447,956.00	35,817.02
NET REVENUE LESS EXPENDITURES FROM ALL ACTIVITIES	-	(18,480.72)	81,618.10	88,988.34	88,988.34

REPORT OF THE NEMA TREASURER - Appendix VI, Page 1

The Diocese of the Northeast & Mid-Atlantic
of the Reformed Episcopal Church
Report of the Treasurer for December 31, 2023 Year-to-Date (YTD)
Statement of Parish Tithes

Parish	2023 YTD
Atonement	1,360.50
Bishop Cummins	30,990.81
Covenant Chapel	13,982.98
Emmanuel Four Brooks	4,018.37
Emmanuel NJ	15,211.00
Faith Baltimore	5,813.08
First Church	4,428.17
Good Shepherd, MA	21,698.00
Good Shepherd Anglican, PA	3,036.00
Grace Collingdale	23,640.52
Grace Havre De Grace	3,975.00
Grace Scranton	3,305.19
Jesus The Good Shepherd	1,389.22
New Redeemer	3,545.10
St. George's/Canada	6,585.00
St. John's By The Sea	1,000.00
St. Luke's	6,545.50
St. Luke's Bishop Hoffman	1,057.00
St. Mark's	33,514.20
St. Matthew's	29,267.91
St. Patrick's	-
St. Paul's	2,357.00
St. Peter's	1,200.00
St. Stephens	29,548.00
St. Timothy's	623.00
OVERALL TOTAL	248,091.55

REPORT OF THE NEMA TREASURER - Appendix VI, Page 2

The Diocese of the Northeast & Mid-Atlantic
of the Reformed Episcopal Church
Report of the Treasurer for September 30, 2024 Year-to-Date (YTD)
Statement of Parish Tithes

Parish	2024 YTD
Atonement	-
Bishop Cummins	21,115.24
Covenant Chapel	8,533.25
Emmanuel Four Brooks	2,090.04
Emmanuel NJ	11,062.17
Faith Baltimore	4,631.84
First Church	-
Good Shepherd, MA	18,585.00
Good Shepherd Anglican, PA	2,166.60
Grace Collingdale	9,828.03
Grace Havre De Grace	3,811.00
Grace Scranton	2,620.00
Jesus The Good Shepherd	-
New Redeemer	3,645.10
St. George's/Canada	6,671.73
St. John's By The Sea	8,559.53
St. Luke's	4,399.00
St. Luke's Bishop Hoffman	660.00
St. Mark's	26,734.62
St. Matthew's	15,632.46
St. Patrick's	-
St. Paul's	900.00
St. Peter's	3,238.00
St. Stephens	21,366.00
St. Timothy's	-
OVERALL TOTAL	176,249.61

November 7, 2024

REC-NEMA PARISH TITHE CALCULATION FORM

Parish Name:

Income received in the month of:

Total General Fund Receipts:

All amounts received into an operating fund for unrestricted use – e.g., pledges, weekly offerings, gifts, undesignated gifts or bequests, undesignated contributions, receipts from parish school operations to a church operating fund, transfers or deposits into an unrestricted investment fund

General Fund Interest or Dividends:

Income to an operating account or an investment and/or savings account or fund whose purpose is to fund an operating account (unrestricted use) – e.g., bank account interest and dividends, interest or realized gains from investment accounts

Income to General Fund from Property Rentals or Sales:

Income from rental or sale of parish property – e.g., rental from non-REC sources

Transfers to General Fund:

Amounts transferred from unrestricted investment and savings accounts or funds to operating accounts when such amounts had not previously been included in tithe calculations – e.g., restricted accounts or funds that have newly been made unrestricted

TOTAL MONTH INCOME: (add the above amounts)

Multiply Total by 10% (5% for mission parishes)

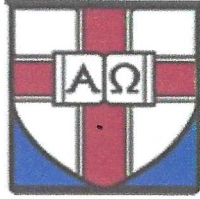
TITHE AMOUNT OWED:

Please mail your Tithe Form with check payable to **Diocese of NE&MA** to:

**Reformed Episcopal Church
NEMA Treasurer
PO Box 88
Jenkintown, PA 19046**



“Bring all the tithes into the storehouse, That there may be food in My house, And try Me now in this,” Says the Lord of hosts, “If I will not open for you the windows of heaven And pour out for you such blessing That there will not be room enough to receive it.” Malachi 3:10



THE FIRST REFORMED EPISCOPAL CHURCH

September 30, 2023

The Trustees of the Diocese of the Northeast and Mid-Atlantic
PO Box 88
Jenkintown, PA 19046

Dear Trustees:

I am writing in reference to the outstanding loan made to The First Reformed Episcopal Church. We very much appreciate the support of the Trustees over the years and your patience in allowing us a great deal of leeway in repayment.

I am writing at this point to request a forbearance in repayment. The reasons for this request are due to the fact that we have recently been subject to substantial demands for compensation by (1) the board of the condominium in which the 317 East 50th Street church building is housed and (2) the Children's Academy, our tenant at 317.

To be specific, First Church has been engaged in a long-standing dispute with the condominium about the cost-sharing of a facade project that has now exceeded more than \$1.5 million. After years of negotiation, the amount has been settled at \$100,000. Unfortunately, the condominium has demanded immediate payment and has threatened to foreclose on the church's unit. Our lawyers negotiated a further settlement of the \$100,000 which allows First Church to pay the settlement amount in ten installments. This means that our expenses for the 2023-2024 year increased by \$10,000 per month.

At nearly the same time, the Children's Academy made a claim for overpayments of rent in the amount of \$180,000. After some negotiation, our lawyers agreed to allow Children's Academy a credit of \$15,000 per month over the next twelve months.

Put together, the result of these negotiations meant that our expenses increased by \$10,000 at the same time that our income decreased by \$15,000, meaning that we experienced an immediate \$25,000 monthly hole in our budget.

This state of affairs will continue throughout the 2023-2024 budget year. At the same time, the situation will be ameliorated in the 2024-2025 budget year, when the condominium will be paid and the Children's Academy will resume full payments.

Consequently, we request a forbearance in payments for the 2023-2024 year. Specifically, we propose that First Church be permitted to make no payments on the loan held by the trustees as well as the tithes that are due for the same year. We then propose to repay the amounts forborne over the

two successive budget years. Put more simply, we propose to make no payments on the mortgage in the 2023-2024 year. We would then pay those amounts over the next two years along with the normal monthly payments. In this way, the 2023-2024 payments would be fully repaid in the 2025-2026 budget year. We would then continue to make normal payments until the end date of the loan in 2027. The payments would look as follows:

Loan payment due each month: \$7426
Monthly payment in 2023-2024 : \$0
Monthly payment in 2024-2025 : \$11,139 (\$7426 +
Monthly payment in 2025-2026 : \$11,139
Monthly payments thereafter : \$7426

We propose the same with respect to the tithes. Thus payments would be as follows:

Tithe due in 2023-2024 : \$64,834
Monthly tithe paid in 2023-2024 : \$0
Tithe due for 2024-2025 : \$88,256
Tithe to be paid in 2024-2025: \$88,256 + \$32,417 (½ of 2023-2024 tithe)
Tithe due for 2025-2026 : \$88,525
Tithe to be paid in 2025-2026 : \$88,525 + \$32,417 (½ of 2023-2024 tithe)

We hope that this plan is acceptable to you and we hope that if you have any questions you will not hesitate to contact the undersigned.

Very truly yours,



Timothy Meadows
Senior Warden