PASTORAL LEADERSHIP INSTITUTE

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pastoral Leadership Institute:

Opinion

We have audited the accompanying financial statements of Pastoral Leadership Institute, (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows and functional expenses 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 the Organization as of December 31, 2023, 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 the Organization 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 accounting principles generally accepted in the United States of America, 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 aggregate, which raise substantial doubt about the Organization'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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 Pastoral Leadership Institute'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 Pastoral Leadership Institute'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.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
May 6, 2024

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

A S S E T S

CURRENT ASSETS:		
Cash and cash equivalents	$	879,477
Accounts receivable, net of allowance of $680		32,743
Pledges receivable, current		365,000
Investments		494,054
Total current assets		1,771,274
PROPERTY AND EQUIPMENT:		
Furniture and equipment		41,594
Less: accumulated depreciation		(40,521)
Net property and equipment		1,073
OTHER ASSETS:		
Pledge receivable, net of current portion		881,546
Right of Use Asset- operating lease		1,342
Deposits		7,019
Total other assets		889,907
Total assets	$	2,662,254

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$	53,408
Operating lease liability- current maturities		1,342
Deferred revenue		148,084
Total current liabilities		202,834
NET ASSETS:		
Without donor restrictions		824,942
With donor restrictions		1,634,478
Total net assets		2,459,420
Total liabilities and net assets	$	2,662,254

The accompanying notes are an integral part of this statement.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:			
Contributions and grants	$ 1,053,976	$ 421,767	$ 1,475,743
Conference and training fees	345,946	-	345,946
Investment income	60,209	-	60,209
Miscellaneous income	79,010	-	79,010
Total support and revenue	1,539,141	421,767	1,960,908
RECLASSIFICATIONS:			
Net assets released upon satisfaction of purpose restrictions	957,695	(957,695)	-
FUNCTIONAL EXPENSES:			
Program services	2,152,388	-	2,152,388
Management and general	196,769	-	196,769
Fundraising	316,934	-	316,934
Total functional expenses	2,666,091	-	2,666,091
CHANGE IN NET ASSETS	(169,255)	(535,928)	(705,183)
NET ASSETS, Beginning of year	994,197	2,170,406	3,164,603
NET ASSETS, End of year	$ 824,942	$ 1,634,478	$ 2,459,420

The accompanying notes are an integral part of this statement.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Contributions and program fees received	$ 2,381,809
Cash paid for operations and programs	(2,628,569)
Interest and dividends received	10,670
Net cash (used in) operating activities	(236,090)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(1,256)
Purchase on investments	(12,049)
Proceeds from sale of investments	19,110
Net cash provided by investing activities	5,805
NET CHANGE IN CASH AND CASH EQUIVALENTS	(230,285)
CASH AND CASH EQUIVALENTS, Beginning of year	1,109,762
CASH AND CASH EQUIVALENTS, End of year	$ 879,477
RECONCILIATION OF CHANGE IN NET ASSETS:	
Change in net assets	$ (705,183)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation and amortization	183
Noncash portion of lease expense for operating leases	64,981
Realized and unrealized (gain) on investments	(53,296)
Changes in other assets and liabilities:	
Repayment of lease liabilities	(73,797)
Decrease in accounts receivable	53,796
Decrease in pledges receivables	371,169
Decrease in prepaid expenses	88,673
Increase in accounts payable and accrued expenses	24,952
(Decrease) in deferred revenue	(7,568)
Total adjustments	469,093
Net cash (used in) operating activities	$ (236,090)

The accompanying notes are an integral part of these statements.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	Management and General	Fundraising	Total Expenses
Salaries and benefits	$ 746,453	$ 148,414	$ 239,735	$ 1,134,602
Professional services	355,751	5,747	20,482	381,980
Training, conferences, and meetings	578,927	2,526	11,480	592,933
Occupancy	83,164	110	-	83,274
Information technology	54,546	4,605	-	59,151
Supplies	148	4,541	266	4,955
Travel	280,480	25,090	36,494	342,064
Advancement and marketing	5,292	-	6,000	11,292
Insurance	6,556	76	-	6,632
Licenses and fees	3,945	-	-	3,945
Bank and finance fees	3,504	2,733	-	6,237
Postage and shipping	493	1,544	19	2,056
Telecommunications	12,018	60	2,458	14,536
Equipment rental	6,790	-	-	6,790
Depreciation	-	183	-	183
Miscellaneous	14,321	1,140	-	15,461
Total functional expenses	$ 2,152,388	$ 196,769	$ 316,934	$ 2,666,091

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

Pastoral Leadership Institute (PLI) is located in Nashville, Tennessee. PLI is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. PLI's purpose is to operate an in-service, leadership formation program for pastors and others who desire to develop their leadership abilities helpful in pastoring churches in the Lutheran Church-Missouri Synod (LCMS) and beyond. PLI serves as a resource to congregations, church groups, and individuals who desire to develop leadership skills so that a maximization of the gift of leadership given to them by God might be accomplished. PLI's primary sources of revenue are contributions and grants from Lutheran-related organizations and supporters of PLI and fees from conferences and training programs.

The financial statements were available to be issued on May 6, 2024, with subsequent events being evaluated through this date.

The following is a summary of the significant accounting policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The financial statements of PLI have been prepared on the accrual basis of accounting which recognizes revenue as it is earned and expenses as they are incurred.

Basis of Presentation -

PLI is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of PLI. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of PLI and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, PLI considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject PLI to concentrations of credit risk consist principally of cash. PLI’s cash deposits exceeded the FDIC limits at various times during the year ended December 31, 2023.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accounts Receivables -

Accounts receivables are stated at the original invoice amount, less an estimate made for expected current credit losses. Accounts receivables are measured at amortized cost. An allowance for credit losses that are expected to be incurred is recorded as of the date that a receivable is originated. The allowance reduces the carrying amount of the receivables to the net amount expected to be collected over the assets' contractual term. The determination of the allowance requires PLI to collectively evaluate receivables by classifying them into pools that share similar risk characteristics such as risk rating, type of receivable, size of the receivable, contractual term, industry type of the debtor, geographic location of the debtor, or date of origination while individually evaluating such assets, if any, that do not possess risk characteristics similar to those in the identified pools.

Management determines the allowance for credit losses based on:

- Available and relevant internal and/or external information about historical loss experience with similar assets;
- Current conditions;
- Reasonable and supportable forecasts that affect the expected collectability of the reported amount of financial assets that have an extended contractual term.

Contributions -

PLI recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Conference and Training Fees -

Conference and training fees are reported at the amount that reflects the consideration to which PLI expects to be entitled in exchange for the services. PLI's program revenue consists primarily of conferences and educational programs which are considered to have a single performance obligation that is satisfied at a point in time. The performance obligations for these services are considered met, and revenue is recognized, when the conference or educational program occurs.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Property -

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. PLI reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated property, marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Contributed Services -

Contributed services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) would typically need to be purchased by PLI, require specialized skills, and be performed by people with those skills.

Pledges Receivable -

Pledges receivable are recorded in the fiscal year, in which the pledge has become unconditional and then is classified as either without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments -

Investments in securities are carried at fair value based on quoted market prices for those investments. Donated investments are recorded as support at fair value when received.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment -

Property and equipment are stated at cost or fair market at date of receipt for donated assets. PLI follows the practice of capitalizing all assets in excess of $2,000. Betterments and renewals are capitalized if they extend or increase the value of the property and equipment. Maintenance and repairs are charged to operations when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from three to ten years. Depreciation expense totaled $183 in 2023.

Leases -

PLI determines if an arrangement is a lease or contains a lease at inception of the contract. PLI's operating leases are presented in operating lease right-of-use assets and operating lease liabilities in the accompanying statement of financial position as of December 31, 2023.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of PLI's leases do not specify their implicit rate, PLI has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by PLI, less any lease incentives PLI receives from the lessor. PLI has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of PLI's leases generally contain lease payments and reimbursements to the lessor of PLI's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, PLI has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

PLI's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether PLI will exercise the renewal options is generally at the PLI's sole discretion. PLI includes lease extensions in the lease term when it is reasonably certain that PLI will exercise the extension.

Income Taxes -

PLI has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes - (Continued)

PLI files income tax returns in the U.S. federal jurisdiction and in various states. With few exceptions, PLI is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2020. PLI does not expect a material net change in unrecognized tax benefits in the next twelve months.

Deferred Revenue -

Deferred revenue (contract liabilities) consists of advancement payments for program fees. These advances are deferred until the performance obligations are met. Once the performance obligations are met, they are recognized as revenue.

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 reported amounts and disclosures. Actual results could differ from those estimates.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional services, trainings and conferences, office expenses, information technology, travel and other, which are allocated on the basis of estimates of time and effort.

Adoption of New Accounting Principle with Respect to Credit Losses -

Effective January 1, 2023, PLI adopted a new accounting standard under US GAAP that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts and notes receivable. The CECL methodology is applicable to financial assets that the Organization measures at amortized cost, including accounts and program services receivable, contract assets, and notes and loans receivable.

PLI adopted the changes in accounting for credit losses using a modified retrospective method. Upon implementation of the standard, there was no adjustment to beginning net assets.

(2) PLEDGES RECEIVABLE:

Pledges receivable at December 31, 2023 are as follows:

Receivable in less than one year	$ 365,000
Receivable in greater than one year and less than five years	1,012,900
Total unconditional promises to give	1,377,900
Less - Discounts to net present value	(131,354)
Net unconditional promise to give	$ 1,246,546

The discount rate used on long-term promises to give is 8.50% for pledges made in 2023.

(3) ALLOWANCE FOR CREDIT LOSSES:

Credit loss activity consists of the following for the year ended December 31, 2023:

Balance, beginning of year	$ -
Write-offs	(4,965)
Recoveries	-
Credit loss expense	5,645
Balance, end of year	$ 680

PLI determines the allowance for credit losses by using a receivable aging schedule and utilizing historical loss percentages adjusted for the effects of current economic conditions in the industry in which PLI operates, and reasonable and supportable forecasts of future economic conditions and how it will impact the PLI's industry. PLI annually adjusts its historical loss percentages to reflect the anticipated adverse effect caused by the factors above.

(4) INVESTMENTS:

Investments consist of the following at December 31, 2023:

Mutual funds	$ 462,168
Pooled investment account	31,886
Total	$ 494,054

Investment income (loss) consists of the following at December 31, 2023:

Interest and dividends	$ 10,670
Realized and unrealized gain	53,296
Investment fees	(3,757)
Total	$ 60,209

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification (ASC) for Fair Value Measurements establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurement, and expands disclosures about fair value measurements required under other accounting pronouncements. It does not change existing guidance as to whether or not an instrument is carried at fair value.

The ASC established market and observable inputs as the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

The valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect PLI's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Mutual Funds: Valued at the daily closing price as reported by the fund. Shares in mutual funds held by the Organization are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Synod are deemed to be actively traded.

Pooled investment account: Fair values for investments are provided by the trust administrator which determines the fair value by reference to quoted market prices and other relevant information generated by market transactions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although PLI believes its valuation methods are 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.

(5) FAIR VALUE MEASUREMENTS: (Continued)

The following tables set forth by level, within the fair value hierarchy, PLI's assets at fair value as of December 31, 2023:

Description	Assets at Fair Value as of December 31, 2023 Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds -				
Money market fund	$ 63,659	$ -	$ -	$ 63,659
Fixed income	132,893	-	-	132,893
Equity fund	265,616	-	-	265,616
Pooled investment account	-	-	31,886	31,886
Total assets at fair value	$ 462,168	$ -	$ 31,886	$ 494,054

The following table sets forth a summary of changes in the fair value of level 3 assets for the years ended December 31, 2023:

Balance, beginning of year	$ 28,640
Realized and unrealized gain (loss)	4,352
Fees	(373)
Purchases and sales, net	(733)
	$ 31,886

(6) DEFERRED REVENUE (CONTRACT LIABILITIES):

The following table provides information about significant changes in deferred revenue (or contract liabilities) as of December 31, 2023:

Deferred revenue, beginning of the year	$ 155,652
Revenue recognized that was included in deferred revenue at the beginning of the year	(155,652)
Increase in deferred revenue due to cash received during the year	148,084
Deferred revenue, end of the year	$ 148,084

(7) LEASES:

PLI leases its facilities under operating leases with non-related parties. PLI is also responsible for its share of real estate taxes, insurance and maintenance costs for the buildings. Additionally, PLI has an operating lease for equipment that will expire in May 2024.

(7) LEASES: (Continued)

For operating leases, PLI recognizes a right-of-use asset and a lease liability at lease commencement. The balance of the right-of-use asset at December 31, 2023 totaled $1,342. The discount rate used for the operating leases is based on the risk-free rate at the time the lease was signed.

The components of lease expense for the year ending December 31, 2023 are as follows:

Operating lease expense:	
Operating lease cost	$ 70,205
Variable operating lease cost	19,125
Total lease expense	$ 89,330

Future minimum lease payments under noncancelable leases as of December 31, 2023 are as follows:

	Operating
2024	$ 1,348
Total future minimum lease payments	1,348
Less imputed interest included	(6)
Present value of net minimum lease payments	$ 1,342
Weighted average lease term	0.42 years
Weighted average discount rate	0.33%

Cash paid for amounts included in the measurements of the Company's leases for the year ended December 31, 2023 is as follows:

Operating cash from operating leases	$ 79,021

(8) NET ASSETS:

Net assets with donor restrictions as of December 31, 2023, are available for the following:

Scholarships	$ 162,543
Young Leaders	38,717
Multicultural Learning Community	46,000
Time restricted	1,377,900
Other	9,318
	$ 1,634,478

(9) LIQUIDITY AND AVAILABILITY:

Financial assets -	
Cash and cash equivalents	$ 879,477
Receivable	1,279,289
Investments	494,054
Total financial assets	2,652,820
Donor imposed restrictions	1,634,478
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ 1,018,342

The Organization receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of $421,767 were received and included in financial.

PLI manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assts to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(10) RETIREMENT PLAN:

Certain employees are covered by the defined benefit plan for eligible employees through the LCMS. PLI's contributions to this plan totaled approximately $67,800 for the year ended December 31, 2023.