

**NORTH/WEST LOWER MICHIGAN SYNOD OF THE
EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**REPORT ON FINANCIAL STATEMENTS
(with supplementary information)**

**YEAR ENDED JANUARY 31, 2021
(with comparative totals for year ended 2020)**

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INDEPENDENT AUDITOR'S REPORT

To the North/West Lower Michigan Synod
of the Evangelical Lutheran Church in America

Report on the Financial Statements

We have audited the accompanying financial statements of the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America (a nonprofit organization), which comprise the statement of financial position as of January 31, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended January 31, 2021, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the financial position of the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America as of January 31, 2021, and the changes in its net assets and its cash flows for the year ended January 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our 2021 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maney Costeiran PC

April 20, 2021

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF FINANCIAL POSITION
JANUARY 31, 2021
(with comparative totals for January 31, 2020)**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 590,351	\$ 421,216
Investments	2,557,668	2,374,629
Contributions receivable	58,126	57,276
Prepaid expenses	11,744	14,837
Property and equipment, less accumulated depreciation	17,087	31,266
TOTAL ASSETS	\$ 3,234,976	\$ 2,899,224
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 120,416	\$ 129,498
Assets held on behalf of others	46,665	45,902
Accrued payroll and related	13,158	13,296
Deferred revenue	28,695	13,165
Note payable - paycheck protection program	84,547	-
TOTAL LIABILITIES	293,481	201,861
NET ASSETS		
Without donor restrictions		
Undesignated	234,198	155,747
Designated	649,314	618,377
Total without donor restrictions	883,512	774,124
With donor restrictions	2,057,983	1,923,239
TOTAL NET ASSETS	2,941,495	2,697,363
TOTAL LIABILITIES AND NET ASSETS	\$ 3,234,976	\$ 2,899,224

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF ACTIVITIES
YEAR ENDED JANUARY 31, 2021
(with comparative totals for the year ended January 31, 2020)**

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND SUPPORT				
Mission support	\$ 1,307,209	\$ -	\$ 1,307,209	\$ 1,348,726
Center for mission and ministry	-	3,372	3,372	4,697
Committee revenue	20,127	-	20,127	30,433
Investment return, net	65,369	182,956	248,325	227,930
Grant revenue	11,415	65,000	76,415	28,578
Registration fees - synod assembly	-	-	-	52,106
Seminary education assistance	-	5,700	5,700	1,519
Synod congregational support	-	60,371	60,371	46,932
Synod-wide revenue	7,464	6,079	13,543	19,293
Other revenue	-	2,086	2,086	8,256
Transfer to reclassify donor contributions	(11,770)	11,770	-	-
Net assets released from restrictions	202,590	(202,590)	-	-
TOTAL REVENUES AND SUPPORT	1,602,404	134,744	1,737,148	1,768,470
EXPENSES				
Program services				
Agency-organizational ministry support				
ELCA church-wide support	653,580	-	653,580	674,363
Living Water Ministries	32,000	-	32,000	40,000
Samaritas	2,400	-	2,400	3,000
Region 6 support (includes archives)	2,800	-	2,800	4,800
Trinity Lutheran Seminary	16,000	-	16,000	20,000
Total agency-organizational ministry support	706,780	-	706,780	742,163
Synod ministries				
Synod assembly	-	-	-	45,205
Synod council	1,700	-	1,700	6,768
Total synod ministries	1,700	-	1,700	51,973
Special programs				
Paul Trapp endowment	13,780	-	13,780	13,950
Wilson trust	10,600	-	10,600	10,651
Seminarian education assistance	13,050	-	13,050	6,000
Center for mission and ministry	248	-	248	1,865
Outreach education	10,430	-	10,430	2,450
Synod disaster relief fund	71,226	-	71,226	2,200
Honduras companion support	11,100	-	11,100	15,500
Helmers trust	-	-	-	9,554
Muskegon cooperative ministry	521	-	521	1,735
New and renewing congregations	11,280	-	11,280	3,950
Grace mission endowment fund	15,350	-	15,350	36,000
Total special programs	157,585	-	157,585	103,855

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF ACTIVITIES
YEAR ENDED JANUARY 31, 2021
(with comparative totals for the year ended January 31, 2020)**

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
EXPENSES				
Program support				
Publicly engaged church committee	\$ 1,114	\$ -	\$ 1,114	\$ 11,782
Mission support table committee	-	-	-	2,455
Global missions committee	4,500	-	4,500	7,921
Equipping leaders for mission and ministry	4,303	-	4,303	8,961
Ministry committee	2,000	-	2,000	3,367
Candidacy committee	3,682	-	3,682	12,294
Campus ministry committee	55,000	-	55,000	55,000
New and redeveloping				
congregation table committee	28,605	-	28,605	45,900
Multicultural ministry committee	9,000	-	9,000	-
Worship committee	293	-	293	866
Youth committee	880	-	880	1,639
Total program support	<u>109,377</u>	<u>-</u>	<u>109,377</u>	<u>150,185</u>
Total program services	<u>975,442</u>	<u>-</u>	<u>975,442</u>	<u>1,048,176</u>
Support services				
Staff salaries and benefits				
Salary - administrative support staff	49,078	-	49,078	54,649
Salary and housing - called staff	202,444	-	202,444	220,540
Salary - deployed staff	40,559	-	40,559	40,783
Social security allowance	14,456	-	14,456	18,167
Payroll taxes	6,869	-	6,869	7,741
Health insurance and retirement	88,010	-	88,010	102,177
Continuing education	7,000	-	7,000	4,000
Other insurance	1,374	-	1,374	1,959
Total staff salaries and benefits	<u>409,790</u>	<u>-</u>	<u>409,790</u>	<u>450,016</u>
Synod administration				
Bishop's discretionary fund	4,755	-	4,755	6,444
Insurance	12,445	-	12,445	9,046
Lease expense	16,800	-	16,800	16,800
Office equipment - maintenance	4,152	-	4,152	5,359
Office supplies	8,465	-	8,465	10,033
Postage	1,324	-	1,324	2,453
Professional fees	25,300	-	25,300	27,595
Telephone	10,588	-	10,588	10,971
Travel - staff	6,820	-	6,820	35,299
Website and network	2,957	-	2,957	3,457
Total synod administration	<u>93,606</u>	<u>-</u>	<u>93,606</u>	<u>127,457</u>
Depreciation expense	14,178	-	14,178	21,318
Total support services	<u>517,574</u>	<u>-</u>	<u>517,574</u>	<u>598,791</u>
TOTAL EXPENSES	<u>1,493,016</u>	<u>-</u>	<u>1,493,016</u>	<u>1,646,967</u>
CHANGE IN NET ASSETS	109,388	134,744	244,132	121,503
NET ASSETS, beginning of year	774,124	1,923,239	2,697,363	2,575,860
NET ASSETS, end of year	<u>\$ 883,512</u>	<u>\$ 2,057,983</u>	<u>\$ 2,941,495</u>	<u>\$ 2,697,363</u>

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JANUARY 31, 2021
(with comparative totals for the year ended January 31, 2020)**

	2021			2020
	Program Services	Management and General	Total	Total
Church-wide and other mission support	\$ 975,442	\$ -	\$ 975,442	\$ 1,048,176
Salaries and related	244,645	165,145	409,790	450,016
Bishop's discretionary fund	2,839	1,916	4,755	6,444
Insurance	7,430	5,015	12,445	9,046
Lease expense	10,030	6,770	16,800	16,800
Office equipment - maintenance	2,479	1,673	4,152	5,359
Office supplies	5,054	3,411	8,465	10,033
Postage	790	534	1,324	2,453
Professional fees	15,104	10,196	25,300	27,595
Telephone	6,321	4,267	10,588	10,971
Travel - staff	4,072	2,748	6,820	35,299
Website and network	1,765	1,192	2,957	3,457
Depreciation	8,464	5,714	14,178	21,318
	<u>\$ 1,284,435</u>	<u>\$ 208,581</u>	<u>\$ 1,493,016</u>	<u>\$ 1,646,967</u>

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF CASH FLOWS
YEAR ENDED JANUARY 31, 2021
(with comparative totals for the year ended January 31, 2020)**

	2021	2020
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	\$ 244,132	\$ 121,503
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	14,179	21,318
Gain on disposal of assets	-	(7,500)
Realized and unrealized gain on investments	(168,352)	(149,865)
Contributions receivable	(850)	11,628
Prepaid expenses	3,093	3,391
Accounts payable	(9,082)	11,733
Accrued payroll and related	(138)	690
Assets held on behalf of others	763	445
Deferred revenue	15,530	(2,790)
Total adjustments	(144,857)	(110,950)
Net cash provided by operating activities	99,275	10,553
Cash flows from investing activities		
Purchase of investments	(82,686)	(80,646)
Sale of investments	67,999	66,360
Proceeds from sale of property and equipment	-	7,500
Net cash used by investing activities	(14,687)	(6,786)
Cash flows from financing activities		
Proceeds from note payable - paycheck protection program	84,547	-
INCREASE IN CASH AND CASH EQUIVALENTS	169,135	3,767
CASH AND CASH EQUIVALENTS		
Beginning of year	421,216	417,449
End of year	\$ 590,351	\$ 421,216

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The North/West Lower Michigan Synod of the Evangelical Lutheran Church in America (the "Synod") is a Michigan non-profit corporation. The fiduciary responsibility of the Synod is to develop and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures, and management services for the member churches. The member churches are located in the northern and western half of the Lower Peninsula of Michigan ("Region 6"). Using ministry support and special offerings received from its member churches, the Synod contributes to denominational ministries and provides support for various missions, educational programs and youth outreach. The Synod is exempt from income taxes under provisions of Section 501(c)3 of the Internal Revenue Code.

Basis of Accounting - The books and records of the Synod are maintained on the accrual basis of accounting, which recognizes income when earned and expenses when incurred. The Synod is required to report its financial position and activities according to two classes of net assets based on donor-imposed restrictions.

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

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The Synod has designated, from net assets without donor restrictions, net assets to be used for various purposes in future years.

Net assets with donor restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished.

Financial Statement Presentation - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Synod's prior-year statement of activities from which the summarized information was derived.

Programs:

➤ Agency-organizational ministry support:

- ELCA agencies and organizations - This activity promotes resources available for monthly or quarterly ministry support for various ELCA related ministries within Region 6.
- Church-wide ministry support - This activity provides non-restricted resources for distribution through the church-wide expression of the Evangelical Lutheran Church in America for missions domestically and globally.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Programs (continued):

- Synod ministries - This activity provides resources for the Synod Assembly, the highest-level synod legislative body, and for the Synod Council which transacts and oversees the ministries of the Synod between assemblies.
- Special programs:
 - Paul Trapp endowment - This activity oversees requests for financial support for synod congregations in the northern portion of the Lower Peninsula, funded by annual earnings received by the Paul Trapp Endowment Fund Pooled Trust.
 - Wilson trust - This activity provides financial resources for synod member churches located in Saginaw County, Michigan, funded by a one-time bequest and annual earnings received by the Wilson Endowment Trust.
 - Seminarian education assistance - This activity oversees requests for financial support for tuition and/or non-tuition expenses of seminarians toward calls in ELCA ministries, which is funded by donations and annual earnings received by the To Whom Shall We Go Endowment Fund Pooled Trust.
 - New and renewing congregations - This activity provides financial resources for new congregations and other congregations in renewal within the Synod, funded by donations and annual earnings received by the To Whom Shall We Go Endowment Fund Pooled Trust.
 - Center for mission and ministry - Originally intended to be part of a campus which would also include a Lutheran Episcopal congregation and the synodical offices, this activity evolved to provide programs including spiritual discernment and formation throughout the Synod.
 - Companion and other congregational support - Through the global Lutheran family, the ELCA has bilateral “companion church” relationships with many national Lutheran church bodies. These global relationships are deepened by the ELCA Companion Synods Program, which connects 65 ELCA synods in over 120 international companion relationships. Through these companion relationships, members of ELCA synods live out the accompaniment model of the global mission.
- Program support:
 - Faith formation table committee - This committee shall be the conduit between congregations, the Synod, the region and church-wide bodies to promote Christian education. The committee shall recruit, train and equip educational leaders within congregations. The committee shall also provide oversight of the Synod resource room.
 - Publicly engaged church committee - This committee shall respond to the Gospel and thereby address social issues through study, grants, advocacy and social statements. This committee shall assist congregations in establishing and implementing social ministry programs.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Programs (continued):

➤ Program support (continued):

- Communication committee - This committee shall communicate and interpret the ministries of the Church, especially focusing on three levels: congregational, synodical and church-wide. It will accomplish these tasks using periodicals, resources and media instruments most beneficial.
- Mission support table committee - This committee oversees stewardship consultations with congregations each year. It acts as a catalyst and advocate for programs and resources beneficial for stewardship growth within the congregation.
- Global mission committee - This committee shall be responsible for supporting and interpreting the mission work of the church that is done outside the United States as well as that done within. The committee may include in its work the Companion Synod program, congregational advocates and their assisting tools.
- Ministry committee - This committee shall be responsible for candidacy, leadership support, specialized ministry and ministry of laypersons in daily life.
- Campus ministry committee - This committee shall be responsible for providing a comprehensive ministry with the communities of higher education in accordance with the policies of the Division for Education & Schools of the Evangelical Lutheran Church in America.
- New and renewing mission table committee - This committee shall be responsible for working with synod leaders to develop, initiate, and maintain a synod mission plan. This would include fostering new congregations and worshiping communities, providing support to urban and rural ministry strategies, working with the Mission Support Table committee to promote Mission Partners, coordinating mission efforts of the ELCA, providing oversight of Lutheran Campus Ministry and its funding, and fostering renewal ministries across the synod. This shall include reviewing partnership support proposals to the ELCA, outreach grants to the New and Renewing Mission Endowment, and funding for Lutheran Campus Ministry. The table shall promote the proclamation of the gospel in word and deed as an integral part of mission development and redevelopment
- Multicultural ministry committee - This committee shall promote and facilitate inclusivity, and consult with and/or relate to synod congregations, other synod committees, units of the ELCA, and/or Region 6 on matters which are multi-cultural.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Programs (continued):

➤ Program support (continued):

- Worship committee - This committee shall advise, plan and coordinate workshop for synodical events. The committee shall make available resources, workshops, and worship events to congregations of the Synod.
- Youth committee - This committee shall serve the youth of the synod as they do ministry in congregations, conferences, the synod and the church-at-large. The committee shall listen to the goals and needs of youth and be advocates in planning and implementation of these goals, work with the Lutheran Youth Organization of the Synod and strive to empower the youth in their ministry. The committee shall also serve as a resource to congregations in the area of youth ministry.

Functional Allocation of Expenses - The costs of providing program and other activities have been reported in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the Synod. Allocated expenses primarily consist of salaries and related, professional fees, travel, depreciation, and various other expense classifications necessary to support the day-to-day operations of the Synod. Employee driven expenses are allocated based on salary and wage analysis. All other allocated expenses utilize management's estimated use of resources.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash accounts and money market funds. Cash held by investment managers is considered an investment rather than cash equivalent.

Investments - Investments are reported at fair value. Net investment return or loss is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Contributions Receivable - Contributions receivable represent consideration from third-parties, of which the Synod has an unconditional right to receive. Contributions receivable are stated at the amount the Synod expects to collect. The Synod 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. Currently, no allowance for doubtful accounts is considered necessary. Changes to the valuation allowance have not been material to the financial statements.

Property and Equipment - Property and equipment are recorded at cost. Donated assets are recorded at fair value at the date of donation. Depreciation is computed over the estimated useful life of assets using the straight-line method. The Synod capitalizes property and equipment in excess of \$1,000. Cost of maintenance and repairs are charged to expense when incurred.

Assets Held on Behalf of Others - Assets held on behalf of others consist of cash held in an agency capacity.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue - The Synod records deferred revenue when cash payments are received or due in advance of the Synod's performance, including amounts which are refundable.

Contribution Revenue

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - RISKS AND UNCERTAINTIES

The Synod is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Synod to concentrations of significant credit risk consist of cash and cash equivalents and investments. The Synod places its cash with FDIC insured financial institutions and thereby limits the amount of credit exposure to any one financial institution. Although such cash balances may exceed the federally insured limits at certain times during the year and at year-end they are, in the opinion of management, subject to minimal risk. Credit risk with respect to investments is limited due to the wide variety of investment vehicles used as part of participation in the Evangelical Lutheran Church in America (ELCA) Endowment Fund Pooled Trust and the Evangelical Lutheran Church in America Mission Investment Fund. These investments are not insured by the FDIC or any other regulatory agency. The Synod's investment portfolio is also subject to market risk.

Investments are disclosed in Notes 4 and 5 and consist largely of amounts invested in various funds by the Evangelical Lutheran Church in America Endowment Fund Pooled Trust and the Evangelical Lutheran Church in America Mission Investment Fund.

The Synod conducts essentially all transactions, other than purchases of goods and services and sales of certain property, with affiliated congregations. Certain administrative expenses are reimbursed by related organizations.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

The extent of the impact of COVID-19 on the Synod's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Synod's contributors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Synod's financial condition and results of operations is uncertain.

The Synod evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 20, 2021, which is the date the financial statements were available to be issued.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Synod regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Synod considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the Synod's financial assets as of January 31, 2021 and 2020, which are deemed available for general expenditures within one year of the date of the statement of financial position. Amounts not available include donor-restricted resources reserved for purpose and perpetual use and Synod-designated net assets set aside for cash flow reserves and other Synod related expenses.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 590,351	\$ 421,216
Investments	2,557,668	2,374,629
Contributions receivable	<u>58,126</u>	<u>57,276</u>
Total financial assets	3,206,145	2,853,121
Less donor-restricted net assets	(2,057,983)	(1,923,239)
Less Synod-designated net assets	<u>(649,314)</u>	<u>(618,377)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 498,848</u>	<u>\$ 311,505</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Synod anticipates collecting sufficient revenue to cover general expenditures. While the Synod's governing board (Synod Council) has designated a portion of its non-restricted resources as noted above, these funds remain available and may be spent at the discretion of the Synod Council.

NOTE 4 - INVESTMENTS

Investments at January 31 consist of the following:

	<u>2021</u>	<u>2020</u>
ELCA Mission Investment Fund		
Money market fund	\$ 227,389	\$ 236,629
Certificates of deposit	47,226	46,463
ELCA Endowment Fund Pooled Trust	<u>2,283,053</u>	<u>2,091,537</u>
	<u>\$ 2,557,668</u>	<u>\$ 2,374,629</u>

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INVESTMENTS (continued)

Investment return for the year ended January 31 consists of the following:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net	\$ 1,779	\$ -	\$ 1,779
ELCA pooled trust dividend	20,462	57,732	78,194
Realized/unrealized gain on investments - net	43,128	125,224	168,352
Total investment return, net	<u>\$ 65,369</u>	<u>\$ 182,956</u>	<u>\$ 248,325</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net	\$ 2,500	\$ -	\$ 2,500
ELCA pooled trust dividend	19,976	55,589	75,565
Realized/unrealized gain on investments - net	39,616	110,249	149,865
Total investment return, net	<u>\$ 62,092</u>	<u>\$ 165,838</u>	<u>\$ 227,930</u>

NOTE 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Synod has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**NORTH/WEST LOWER MICHIGAN SYNOD
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NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - FAIR VALUE MEASUREMENTS (continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Synod's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of 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 January 31, 2021 and 2020.

ELCA Endowment Fund Pooled Trust: Valued at the net asset value (NAV) of the units held by the Synod, the Fund is available for exclusive investment by Evangelical Lutheran Church in America related institutions. The primary investment objective of the fund is to provide for long term capital growth. The fund seeks to achieve its investment objectives by investing in a diversified portfolio of equity, bond and real estate securities. Investments held at the ELCA Endowment Fund Pooled Trust include numerous securities that are combined with the investment portfolios of other ELCA related organizations. As such, they are considered Level 3 investments.

ELCA Mission Investment Fund: Valued at the NAV, the Fund is available for exclusive investment by Evangelical Lutheran Church in America related institutions. The fund participates in short-term investments offering demand, saving and term investment accounts. As such, they are considered Level 2 investments.

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 the Synod 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.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - FAIR VALUE MEASUREMENTS (continued)

The following is a market value summary by the level of the inputs used, as of January 31, 2021 and 2020, in evaluating the Synod's assets carried at fair value. The inputs or methodologies used for valuing securities may not be an indication of the risk associated with investing in those securities.

Description	2021	2020
Level 2 measurement		
ELCA Mission Investment Fund		
Certificates of deposit	\$ 47,226	\$ 46,463
Level 3 measurement		
ELCA Endowment Fund Pooled Trust	2,283,053	2,091,537
ELCA Mission Investment Fund		
Money market funds at cost	<u>227,389</u>	<u>236,629</u>
Total	<u>\$ 2,557,668</u>	<u>\$ 2,374,629</u>

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance February 1, 2019	\$ 1,932,467
ELCA pooled trust dividend	75,565
Realized/unrealized gain on investments - net	149,865
Proceeds from sale	<u>(66,360)</u>
Balance January 31, 2020	2,091,537
ELCA pooled trust dividend	78,194
Realized/unrealized gain on investments - net	168,352
Purchases	12,969
Proceeds from sale	<u>(67,999)</u>
Balance January 31, 2021	<u>\$ 2,283,053</u>

NOTE 6 - OPERATING LEASE

The Synod rents office space under the terms of an operating lease from a member church that expired in 2011. Future rent is based on a verbal agreement that the lease continues on a month-to-month basis. The current base monthly lease rate is \$1,400. Rent expense for the years ended January 31, 2021 and 2020 amounted to \$16,800 and \$16,800, respectively.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment and their depreciable lives as of January 31, are summarized as follows:

	Estimated Useful Life (in Years)	2021	2020
Furniture and equipment	5	\$ 33,192	\$ 33,193
Vehicles	3	58,240	58,240
		91,432	91,433
Less accumulated depreciation		74,345	60,167
Net property and equipment		<u>\$ 17,087</u>	<u>\$ 31,266</u>

NOTE 8 - RETIREMENT PLAN

The Synod participates in a multi-employer defined contribution pension plan administered by Portico, formerly the Evangelical Lutheran Church in America Board of Pensions, which covers all eligible employees. The Synod contributes on a discretionary basis between 10% and 12% of each participant's eligible wages. Contributions made by the Synod amounted to \$30,797 and \$26,955 for the years ended January 31, 2021 and 2020, respectively.

NOTE 9 - NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

In May 2020, the Synod received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$84,547 (the "PPP loan"). The principle amount of the PPP loan is subject to forgiveness under the Paycheck Protection Program upon the Synod's request to the extent that the PPP loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Synod. Any portion of the loan not forgiven will be paid back over two years, with interest accruing at 1%. If the loan is not forgiven, monthly installments of \$4,758 will be due with the loan maturing in May 2022. On April 12, 2021, the Synod received notification of full loan forgiveness by spending the funds on eligible expenses.

Subsequent to the year ended January 31, 2021, the Synod obtained a second PPP loan in March 2021 in the amount of \$84,547. The loan is potentially forgivable if used for eligible expenses. The Synod anticipates full loan forgiveness. If the loan is not forgiven, monthly installments of \$1,940 will be due with the loan maturing in March 2026.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - NET ASSETS

Net assets without donor restrictions at January 31 were comprised of the following:

	<u>2021</u>	<u>2020</u>
Without donor restrictions, designated		
Cash flow reserve	\$ 16,488	\$ 17,205
Severance pay - called staff	20,000	20,000
Shared risk deductible	5,000	5,000
New and renewing congregations endowment fund	-	11,770
Synod staff growth fund	5,835	5,539
Automobile purchases	7,500	7,500
Synod-designated endowment fund	<u>594,491</u>	<u>551,363</u>
Total designated net assets	649,314	618,377
Without donor restrictions, undesignated	<u>234,198</u>	<u>155,747</u>
Total net assets without donor restrictions	<u>\$ 883,512</u>	<u>\$ 774,124</u>

Net assets with donor restrictions at January 31 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Endowment fund		
Original gifts in perpetuity subject to spending policy		
Paul Trapp endowment fund	\$ 279,545	\$ 279,545
New and renewing congregations endowment fund	120,997	109,227
Seminary education assistance endowment fund	76,308	76,308
Grace mission endowment fund	<u>447,788</u>	<u>447,788</u>
Total endowment gifts in perpetuity	924,638	912,868
Gifts and accumulated investment gains subject to appropriation and expenditure when a specified event occurs		
Paul Trapp endowment fund	175,855	141,884
Honduran education endowment fund	61,469	56,782
New and renewing congregations endowment fund	77,043	35,031
Seminary education assistance endowment fund	32,499	20,787
Grace mission endowment fund	98,634	57,770
Wilson trust endowment fund	<u>366,747</u>	<u>339,567</u>
Total gifts and accumulated investment gains available	812,247	651,821
Total endowment related restricted net assets	<u>1,736,885</u>	<u>1,564,689</u>

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - NET ASSETS (continued)

Net assets with donor restrictions at January 31 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Net assets subject to expenditure for a specified purpose:		
New and renewing congregations fund	\$ 4,191	\$ 33,974
Seminary education assistance fund	60,851	62,200
Center for mission and ministry - program support fund	29,521	26,397
Coalitions / Multi-cultural ministries fund	57,105	66,104
Prince of Peace - equipping leaders for mission and ministry scholarship fund	24,139	26,141
Papua New Guinea Companion Synod fund	1,929	1,344
Honduras health team Salud Para La Vida fund	5,125	12,825
Honduras three P's fund	2,405	2,905
Honduras companion fund	6,698	1,459
Honduras LaCanada kindergarten snack program fund	2,692	2,692
Outreach fund	14,794	19,345
Bishop's teaching fund	2,131	2,063
Interim minister's support fund	5,406	5,086
Other congregational support fund	-	320
Bishop's fund	6,982	8,457
Seminary debt fund	7,692	11,331
Living stones fund	20,180	27,032
Muskegon cooperative ministry fund	20,224	20,745
Synod staff growth fund	-	3,096
Synod disaster fund	42,856	18,857
Helmerts trust fund	6,177	6,177
	<u>321,098</u>	<u>358,550</u>
Total net assets subject to expenditure for a specified purpose	<u>\$ 2,057,983</u>	<u>\$ 1,923,239</u>
Total net assets with donor restrictions	<u>\$ 2,057,983</u>	<u>\$ 1,923,239</u>

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - NET ASSETS (continued)

Net assets with donor restrictions released as a result of satisfying their restricted purposes or by occurrence of other events specified by donors for the years ended January 31, 2021 and 2020 as presented on the statement of activities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Paul Trapp endowment fund	\$ 13,780	\$ 13,950
Honduran education endowment fund	-	1,806
Grace mission endowment fund	15,350	36,000
Wilson trust endowment fund	<u>10,600</u>	<u>10,650</u>
Total endowment related restricted net assets released	<u>39,730</u>	<u>62,406</u>
New and renewing congregations fund	11,280	2,450
Seminary education assistance fund	7,050	-
Center for mission and ministry - program support fund	248	1,865
Prince of Peace - equipping leaders for mission and ministry scholarship fund	2,000	2,000
Coalitions / Multi-cultural ministries fund	9,000	-
Outreach fund	10,430	2,450
Papua New Guinea Companion Synod fund	-	1,454
Honduras health team Salud Para La Vida fund	10,000	10,500
Honduras three P's fund	500	-
Honduras companion support fund	600	3,194
Bishop's teaching fund	1,355	3,765
Bishop's fund	2,000	46
Seminary debt fund	6,000	6,000
Living stones fund	27,354	-
Muskegon cooperative ministry fund	521	1,735
Kent City targeted giving fund	-	3,750
Synod staff growth fund	3,296	81,027
Synod disaster fund	71,226	2,200
Helmerts trust fund	<u>-</u>	<u>8,100</u>
Total purpose restricted net assets released	<u>162,860</u>	<u>130,536</u>
Total donor restricted net assets released	<u>\$ 202,590</u>	<u>\$ 192,942</u>

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - ENDOWMENTS

The Synod's endowment includes both donor restricted funds and funds designated by the Synod to function as endowments. Net assets associated with endowment funds, both donor restricted and funds designated by the Synod, are reported based on the existence or absence of donor-imposed restrictions.

The Synod has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) as permitting the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At January 31, 2021 and 2020, there were no such donor stipulations. As a result of this interpretation, the Synod classifies as net assets with donor restrictions (a time restriction in perpetuity) (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Investment income from the donor restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Synod in a manner consistent with the donor stipulated purpose within the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Synod considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds.

1. The duration and preservation of the fund.
2. The purposes of the Synod and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Synod.
7. The investment policies of the Synod.

The Synod's investment and spending practices for endowment assets attempt to provide a predictable stream of funding to programs supported while seeking to maintain the purchasing power of the endowment assets.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies for the years ended January 31, 2021 and 2020, respectively.

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - ENDOWMENTS (continued)

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		
	Synod Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	Total Net Endowment Assets
Endowment net assets at February 1, 2019	\$ 511,747	\$ 548,389	\$ 912,868	\$ 1,973,004
Investment return				
Investment income, net	19,976	55,589	-	75,565
Net appreciation	39,616	110,249	-	149,865
Appropriation of endowment assets for expenditure	<u>(19,976)</u>	<u>(62,406)</u>	-	<u>(82,382)</u>
Endowment net assets at January 31, 2020	551,363	651,821	912,868	2,116,052
Investment return				
Investment income, net	20,462	57,732	-	78,194
Net appreciation	43,128	125,224	-	168,352
Transfer to reclassify donor contribution	-	17,200	11,770	28,970
Appropriation of endowment assets for expenditure	<u>(20,462)</u>	<u>(39,730)</u>	-	<u>(60,192)</u>
Endowment net assets at January 31, 2021	<u>\$ 594,491</u>	<u>\$ 812,247</u>	<u>\$ 924,638</u>	<u>\$ 2,331,376</u>

The composition of endowment net assets at January 31 were comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 48,323	\$ 24,515
ELCA Endowment Fund Pooled Trust (Note 4)	<u>2,283,053</u>	<u>2,091,537</u>
Endowment net assets	<u>\$ 2,331,376</u>	<u>\$ 2,116,052</u>

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - ENDOWMENTS (continued)

The composition of endowment net assets at January 31, 2021, were comprised of the following:

	Without Donor Restrictions	With Donor Restrictions		
	Synod Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	Total Net Endowment Assets
Synod-designated fund	\$ 594,491	\$ -	\$ -	\$ 594,491
Paul Trapp fund	-	175,855	279,545	455,400
New and renewing congregations fund	-	77,043	120,997	198,040
Seminary education assistance fund	-	32,499	76,308	108,807
Honduran education fund	-	61,469	-	61,469
Wilson trust fund	-	366,747	-	366,747
Grace mission fund	-	98,634	447,788	546,422
	<u>\$ 594,491</u>	<u>\$ 812,247</u>	<u>\$ 924,638</u>	<u>\$ 2,331,376</u>

The composition of endowment net assets at January 31, 2020, were comprised of the following:

	Without Donor Restrictions	With Donor Restrictions		
	Synod Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	Total Net Endowment Assets
Synod-designated fund	\$ 551,363	\$ -	\$ -	\$ 551,363
Paul Trapp fund	-	141,884	279,545	421,429
New and renewing congregations fund	-	35,031	109,227	144,258
Seminary education assistance fund	-	20,787	76,308	97,095
Honduran education fund	-	56,782	-	56,782
Wilson trust fund	-	339,567	-	339,567
Grace mission fund	-	57,770	447,788	505,558
	<u>\$ 551,363</u>	<u>\$ 651,821</u>	<u>\$ 912,868</u>	<u>\$ 2,116,052</u>

SUPPLEMENTARY INFORMATION

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NET ASSETS WITHOUT DONOR RESTRICTIONS
BUDGET TO ACTUAL SCHEDULE
YEAR ENDED JANUARY 31, 2021**

	Budget	Actual	Favorable (Unfavorable)
REVENUES AND SUPPORT			
Mission support	\$ 1,308,306	\$ 1,307,209	\$ (1,097)
Committee revenue	13,500	20,127	6,627
Investment income - net	16,350	65,369	49,019
Grant revenue	25,000	11,415	(13,585)
Living Stones	5,300	-	(5,300)
Synod-wide revenue	9,000	7,464	(1,536)
Other income	1,000	-	(1,000)
Transfer to reclassify donor contributions	-	(11,770)	(11,770)
Net assets released from restrictions	32,000	202,590	170,590
TOTAL REVENUES AND SUPPORT	<u>1,410,456</u>	<u>1,602,404</u>	<u>191,948</u>
EXPENSES			
Program services			
Agency-organizational ministry support			
ELCA church-wide support	654,153	653,580	573
Living Water Ministries	32,000	32,000	-
Samaritas	2,400	2,400	-
Region 6 support (includes archives)	4,800	2,800	2,000
Trinity Lutheran Seminary	16,000	16,000	-
Total agency-organizational ministry support	<u>709,353</u>	<u>706,780</u>	<u>2,573</u>
Synod ministries			
Synod events and Leadership events	6,300	-	6,300
Synod council	2,500	1,700	800
Total synod ministries	<u>8,800</u>	<u>1,700</u>	<u>7,100</u>
Special programs			
Paul Trapp endowment	-	13,780	(13,780)
Wilson trust	-	10,600	(10,600)
Seminarian education assistance	-	13,050	(13,050)
Center for mission and ministry	-	248	(248)
Outreach education	-	10,430	(10,430)
Synod disaster relief fund	-	71,226	(71,226)
Honduras companion support	-	11,100	(11,100)
Muskegon cooperative ministry	-	521	(521)
New and renewing congregations	-	11,280	(11,280)
Grace mission endowment fund	-	15,350	(15,350)
Total special programs	<u>-</u>	<u>157,585</u>	<u>(157,585)</u>
Program support			
Faith formation table committee	400	-	400
Publically engaged church committee	12,000	1,114	10,886
Mission support table committee	400	-	400

**NORTH/WEST LOWER MICHIGAN SYNOD
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
NET ASSETS WITHOUT DONOR RESTRICTIONS
BUDGET TO ACTUAL SCHEDULE
YEAR ENDED JANUARY 31, 2021**

	Budget	Actual	Favorable (Unfavorable)
EXPENSES (continued)			
Program services (continued)			
Program support (continued)			
Global missions committee	\$ 8,000	\$ 4,500	\$ 3,500
Equipping leaders for mission and ministry	5,760	4,303	1,457
Ministry committee	4,000	2,000	2,000
Candidacy committee	14,400	3,682	10,718
Campus ministry committee	55,000	55,000	-
Multicultural ministry committee	400	9,000	(8,600)
New and redeveloping congregation table committee	38,400	28,605	9,795
Worship committee	2,000	293	1,707
Youth committee	5,600	880	4,720
Total program support	<u>146,360</u>	<u>109,377</u>	<u>36,983</u>
Total program services	<u>864,513</u>	<u>975,442</u>	<u>(110,929)</u>
Support services			
Staff salaries and benefits			
Salary - administrative support staff	67,218	49,078	18,140
Salary and housing - called staff	197,765	202,444	(4,679)
Salary - deployed staff	49,506	40,559	8,947
Social security allowance	14,456	14,456	-
Payroll taxes	8,784	6,869	1,915
Health insurance and retirement	96,022	88,010	8,012
Continuing education	4,000	7,000	(3,000)
Other insurance	2,436	1,374	1,062
Total staff salaries and benefits	<u>440,187</u>	<u>409,790</u>	<u>30,397</u>
Synod administration			
Bishop's discretionary fund	2,500	4,755	(2,255)
Insurance - operating	10,608	12,445	(1,837)
Lease expense	16,800	16,800	-
Office equipment - maintenance	4,500	4,152	348
Office supplies	11,000	8,465	2,535
Postage	2,400	1,324	1,076
Professional fees	26,000	25,300	700
Telephone	9,000	10,588	(1,588)
Travel - staff	20,000	6,820	13,180
Website and network	6,000	2,957	3,043
Total synod administration	<u>108,808</u>	<u>93,606</u>	<u>15,202</u>
Depreciation expense	<u>25,000</u>	<u>14,178</u>	<u>10,822</u>
Total support services	<u>573,995</u>	<u>517,574</u>	<u>56,421</u>
TOTAL EXPENSES	<u>1,438,508</u>	<u>1,493,016</u>	<u>(54,508)</u>
CHANGE IN NET ASSETS	<u>\$ (28,052)</u>	<u>\$ 109,388</u>	<u>\$ 137,440</u>