

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

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

**YEAR ENDED JANUARY 31, 2020  
(with comparative totals for year ended 2019)**

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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, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended January 31, 2020, 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 2020 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, 2020, and the changes in its net assets and its cash flows for the year ended January 31, 2020 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our 2020 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 22, 2020

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENT OF FINANCIAL POSITION  
JANUARY 31, 2020  
(with comparative totals for January 31, 2019)**

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 421,216	\$ 417,449
Investments	2,374,629	2,210,478
Contributions receivable	57,276	68,904
Prepaid expenses	14,837	18,228
Property and equipment, less accumulated depreciation	31,266	52,584
TOTAL ASSETS	\$ 2,899,224	\$ 2,767,643
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 129,498	\$ 117,765
Assets held on behalf of others	45,902	45,457
Accrued payroll and related	13,296	12,606
Deferred revenue	13,165	15,955
TOTAL LIABILITIES	201,861	191,783
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	155,747	112,735
Designated	618,377	574,176
Total without donor restrictions	774,124	686,911
With donor restrictions	1,923,239	1,888,949
TOTAL NET ASSETS	2,697,363	2,575,860
TOTAL LIABILITIES AND NET ASSETS	\$ 2,899,224	\$ 2,767,643

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JANUARY 31, 2020  
(with comparative totals for the year ended January 31, 2019)**

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND SUPPORT</b>				
Mission support	\$ 1,348,726	\$ -	\$ 1,348,726	\$ 1,384,971
Center for mission and ministry	-	4,697	4,697	2,520
Committee revenue	30,433	-	30,433	30,193
Investment return, net	62,092	165,838	227,930	(111,275)
Grant revenue	28,578	-	28,578	18,120
New and renewing congregations	-	256	256	2,890
Registration fees - synod assembly	52,106	-	52,106	53,746
Seminary education assistance	-	1,519	1,519	1,708
Synod congregational support	-	46,932	46,932	25,440
Synod-wide revenue	11,803	7,490	19,293	25,455
Other income	-	500	500	7,372
Gain on disposal of assets	7,500	-	7,500	-
Transfers from closed congregations	-	-	-	30,000
Net assets released from restrictions	192,942	(192,942)	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>1,734,180</b>	<b>34,290</b>	<b>1,768,470</b>	<b>1,471,140</b>
<b>EXPENSES</b>				
Program services				
Agency-organizational ministry support				
ELCA church-wide support	674,363	-	674,363	693,996
Living Water Ministries	40,000	-	40,000	43,000
Samaritas	3,000	-	3,000	3,000
Region 6 support (includes archives)	4,800	-	4,800	4,800
Trinity Lutheran Seminary	20,000	-	20,000	30,000
Total agency-organizational ministry support	742,163	-	742,163	774,796
Synod ministries				
Closed congregation expense	-	-	-	20,475
Synod assembly	45,205	-	45,205	62,464
Synod council	7,203	-	7,203	3,078
Total synod ministries	52,408	-	52,408	86,017
Special programs				
Paul Trapp endowment	13,950	-	13,950	11,300
Wilson trust	10,651	-	10,651	11,333
Seminarian education assistance	6,000	-	6,000	7,430
Center for mission and ministry	1,865	-	1,865	1,158
Honduras companion support	15,500	-	15,500	15,620
Helmerts trust	9,554	-	9,554	6,000
Muskegon cooperative ministry	1,735	-	1,735	2,520
New and renewing congregations	3,950	-	3,950	9,811
Grace mission endowment fund	36,000	-	36,000	15,000
Total special programs	99,205	-	99,205	80,172

See notes to financial statements.

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>EXPENSES</b>				
Program support				
Publicly engaged church committee	\$ 11,782	\$ -	\$ 11,782	\$ 19,471
Faith formation table committee	-	-	-	42
Mission support table committee	2,455	-	2,455	4,023
Global missions committee	7,921	-	7,921	9,805
Ministry committee	28,837	-	28,837	29,322
Campus ministry committee	55,000	-	55,000	56,130
New and redeveloping congregation table committee	45,900	-	45,900	45,644
Multicultural ministry committee	-	-	-	1,555
Worship committee	866	-	866	337
Youth committee	1,639	-	1,639	2,293
Total program support	154,400	-	154,400	168,622
Total program services	1,048,176	-	1,048,176	1,109,607
Support services				
Staff salaries and benefits				
Salary - administrative support staff	54,649	-	54,649	49,910
Salary and housing - called staff	220,540	-	220,540	226,567
Salary - deployed staff	40,783	-	40,783	33,049
Social security allowance	18,167	-	18,167	20,524
Payroll taxes	7,741	-	7,741	6,217
Health insurance and retirement	102,177	-	102,177	104,425
Continuing education	4,000	-	4,000	6,995
Other insurance	1,959	-	1,959	9,617
Total staff salaries and benefits	450,016	-	450,016	457,304
Synod administration				
Bishop's discretionary fund	6,444	-	6,444	1,273
Insurance	9,046	-	9,046	10,737
Lease expense	16,800	-	16,800	16,800
Office equipment - maintenance	5,359	-	5,359	5,851
Office supplies	10,033	-	10,033	10,513
Postage	2,453	-	2,453	2,336
Professional fees	27,595	-	27,595	23,475
Telephone	10,971	-	10,971	8,813
Travel - staff	35,299	-	35,299	34,766
Website and network	3,457	-	3,457	6,761
Total synod administration	127,457	-	127,457	121,325
Depreciation expense	21,318	-	21,318	22,372
Total support services	598,791	-	598,791	601,001
Total expenses	1,646,967	-	1,646,967	1,710,608
CHANGE IN NET ASSETS	87,213	34,290	121,503	(239,468)
NET ASSETS, beginning of year	686,911	1,888,949	2,575,860	2,815,328
NET ASSETS, end of year	\$ 774,124	\$ 1,923,239	\$ 2,697,363	\$ 2,575,860

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, 2020  
(with comparative totals for the year ended January 31, 2019)**

	2020			2019
	Program Services	Management and General	Total	Total
Church-wide and other mission support	\$ 1,048,176	\$ -	\$ 1,048,176	\$ 1,109,607
Salaries and related	295,661	154,355	450,016	457,304
Bishop's discretionary fund	4,234	2,210	6,444	1,273
Insurance	5,943	3,103	9,046	10,737
Lease expense	11,038	5,762	16,800	16,800
Office equipment - maintenance	3,521	1,838	5,359	5,851
Office supplies	6,592	3,441	10,033	10,513
Postage	1,612	841	2,453	2,336
Professional fees	18,130	9,465	27,595	23,475
Telephone	7,208	3,763	10,971	8,813
Travel - staff	23,191	12,108	35,299	34,766
Website and network	2,271	1,186	3,457	6,761
Depreciation	14,006	7,312	21,318	22,372
	<u>\$ 1,441,583</u>	<u>\$ 205,384</u>	<u>\$ 1,646,967</u>	<u>\$ 1,710,608</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, 2020  
(with comparative totals for the year ended January 31, 2019)**

	2020	2019
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	\$ 121,503	\$ (239,468)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	21,318	22,372
Gain on disposal of assets	(7,500)	-
Realized and unrealized (gain) loss on investments	(149,865)	188,846
Contributions receivable	11,628	(14,483)
Prepaid expenses	3,391	7,087
Accounts payable	11,733	88,290
Accrued payroll and related	690	(2,196)
Assets held on behalf of others	445	457
Deferred revenue	(2,790)	12,792
Total adjustments	(110,950)	303,165
Net cash provided by operating activities	10,553	63,697
Cash flows from investing activities		
Purchase of investments	(80,643)	(68,261)
Sale of investments	66,357	66,568
Purchase of property and equipment	-	(3,804)
Proceeds from sale of property and equipment	7,500	-
Net cash used by investing activities	(6,786)	(5,497)
INCREASE IN CASH AND CASH EQUIVALENTS	3,767	58,200
CASH AND CASH EQUIVALENTS		
Beginning of year	417,449	359,249
End of year	\$ 421,216	\$ 417,449

See notes to financial statements.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.
- 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.

**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):**

➤ 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.
- Publically 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.

**NOTE 2 - ORGANIZATION, RISKS AND UNCERTAINTIES**

The North/West Lower Michigan Synod of the Evangelical Lutheran Church in America (the "Synod") is a Michigan Non-Profit Corporation. The purpose 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.

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

**NOTE 2 - ORGANIZATION, RISKS AND UNCERTAINTIES (continued)**

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 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 3 to 4 years.

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 22, 2020, which is the date the financial statements were available to be issued.

**Subsequent event** - 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.

**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, 2020 and 2019, 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 421,216	\$ 417,449
Investments	2,374,629	2,210,478
Contributions receivable	<u>57,276</u>	<u>68,904</u>
Total financial assets	2,853,121	2,696,831
Less donor-restricted net assets	(1,923,239)	(1,888,949)
Less Synod-designated net assets	<u>(618,377)</u>	<u>(574,176)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 311,505</u>	<u>\$ 233,706</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>2020</u>	<u>2019</u>
ELCA Mission Investment Fund		
Money market fund	\$ 236,629	\$ 231,993
Certificates of deposit	46,463	46,018
ELCA Endowment Fund Pooled Trust	<u>2,091,537</u>	<u>1,932,467</u>
	<u>\$ 2,374,629</u>	<u>\$ 2,210,478</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:

	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 (loss) on investments - net	39,616	110,249	149,865
Total investment return, net	\$ 62,092	\$ 165,838	\$ 227,930
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net	\$ 2,115	\$ -	\$ 2,115
ELCA pooled trust dividend	20,040	55,416	75,456
Realized/unrealized gain (loss) on investments - net	(50,201)	(138,645)	(188,846)
Total investment return, net	\$ (28,046)	\$ (83,229)	\$ (111,275)

**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, 2020 and 2019.

*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, 2020 and 2019, 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	2020	2019
Level 2 measurement		
ELCA Mission Investment Fund		
Certificates of deposit	\$ 46,463	\$ 46,018
Level 3 measurement		
ELCA Endowment Fund Pooled Trust	2,091,537	1,932,467
ELCA Mission Investment Fund		
Money market funds at cost	236,629	231,993
Total	<u>\$ 2,374,629</u>	<u>\$ 2,210,478</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, 2018	\$ 2,112,425
ELCA pooled trust dividend	75,456
Realized/unrealized gain on investments - net	(188,846)
Proceeds from sale	<u>(66,568)</u>
Balance January 31, 2019	1,932,467
ELCA pooled trust dividend	75,565
Realized/unrealized gain on investments - net	149,865
Proceeds from sale	<u>(66,357)</u>
Balance January 31, 2020	<u>\$ 2,091,540</u>

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

**NOTE 6 - PROPERTY AND EQUIPMENT**

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

	Estimated Useful Life (in Years)	2020	2019
Furniture and equipment	5	\$ 33,193	\$ 33,193
Vehicles	3	58,240	76,887
		91,433	110,080
Less accumulated depreciation		60,167	57,496
Net property and equipment		<u>\$ 31,266</u>	<u>\$ 52,584</u>
Depreciation expense		<u>\$ 21,318</u>	<u>\$ 22,372</u>

**NOTE 7 - 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, 2020 and 2019 amounted to \$16,800 and \$16,800, respectively.

**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 full-time employees. The Synod contributes between 6% and 12% of each participant's annual wages. Contributions made by the Synod amounted to \$26,955 and \$30,424 for the years ended January 31, 2020 and 2019, respectively.

**NOTE 9 - RELATED PARTY TRANSACTIONS**

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.

**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>2020</u>	<u>2019</u>
Without donor restrictions, designated		
Cash flow reserve	\$ 17,205	\$ 18,620
Severance pay - called staff	20,000	20,000
Shared risk deductible	5,000	5,000
New and renewing congregations endowment fund	11,770	13,270
Synod staff growth fund	5,539	5,539
Automobile purchases	7,500	-
Synod-designated endowment fund	<u>551,363</u>	<u>511,747</u>
Total designated net assets	618,377	574,176
Without donor restrictions, undesignated	<u>155,747</u>	<u>112,735</u>
Total net assets without donor restrictions	<u>\$ 774,124</u>	<u>\$ 686,911</u>

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

	<u>2020</u>	<u>2019</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	109,227	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	912,868	912,868
Gifts and accumulated investment gains subject to appropriation and expenditure when a specified event occurs		
Paul Trapp endowment fund	141,884	111,084
Honduran education endowment fund	56,782	52,847
New and renewing congregations endowment fund	35,031	17,816
Seminary education assistance endowment fund	20,787	10,526
Grace mission endowment fund	57,770	41,091
Wilson trust endowment fund	<u>339,567</u>	<u>315,025</u>
Total gifts and accumulated investment gains available	651,821	548,389
Total endowment related restricted net assets	<u>1,564,689</u>	<u>1,461,257</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>2020</u>	<u>2019</u>
Net assets subject to expenditure for a specified purpose:		
New and renewing congregations fund	\$ 33,974	\$ 36,167
Seminary education assistance fund	62,200	60,681
Center for mission and ministry - program support fund	26,397	23,564
Coalitions / Multi-cultural ministries fund	66,104	66,104
Prince of Peace - equipping leaders for mission and ministry scholarship fund	26,141	28,141
Papua New Guinea Companion Synod fund	1,344	250
Honduras health team Salud Para La Vida fund	12,825	17,361
Honduras water filter fund	-	1,106
Honduras three P's fund	2,905	2,905
Honduras companion fund	1,459	1,403
Honduras LaCanada kindergarten snack program fund	2,692	2,692
Outreach fund	19,345	14,855
Bishop's teaching fund	2,063	5,328
Interim minister's support fund	5,086	5,086
Other congregational support fund	320	320
Bishop's fund	8,457	8,503
Seminary debt reduction fund	11,331	6,563
Living stones fund	27,032	2,175
Muskegon cooperative ministry fund	20,745	22,480
Kent City targeted giving fund	-	3,750
Synod staff growth fund	3,096	83,574
Synod disaster fund	18,857	20,407
Helmerts trust fund	6,177	14,277
	<u>358,550</u>	<u>427,692</u>
Total net assets subject to expenditure for a specified purpose		
Total net assets with donor restrictions	<u>\$ 1,923,239</u>	<u>\$ 1,888,949</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, 2020 and 2019 as presented on the statement of activities are comprised of the following:

	2020	2019
Paul Trapp endowment fund	\$ 13,950	\$ 11,300
Honduran education endowment fund	1,806	-
Grace mission endowment fund	36,000	15,000
Wilson trust endowment fund	10,650	11,333
Total endowment related restricted net assets released	<u>62,406</u>	<u>37,633</u>
New and renewing congregations fund	2,450	9,811
Seminary education assistance fund	-	7,430
Center for mission and ministry - program support fund	1,865	1,158
Prince of Peace - equipping leaders for mission and ministry scholarship fund	2,000	600
Muskegon cooperative ministry fund	1,735	2,520
Honduras project - church leaders education fund	-	133
Coalitions / Multi-cultural ministries fund	-	1,555
Outreach fund	2,450	420
Papua New Guinea Companion Synod fund	1,454	-
Honduras health team Salud Para La Vida fund	10,500	4,500
Honduras water filter fund	-	1,000
Honduras three P's fund	-	2,560
Honduras women's health program fund	-	2,700
Honduras companion support fund	3,194	1,202
Honduras LaCanada kindergarten snack program fund	-	3,400
Bishop's teaching fund	3,765	-
Bishop's fund	46	-
Seminary debt reduction fund	6,000	-
Kent City targeted giving fund	3,750	-
Synod staff growth fund	81,027	-
Synod disaster fund	2,200	-
Helmerts trust fund	8,100	6,000
Total purpose restricted net assets released	<u>130,536</u>	<u>44,989</u>
Total donor restricted net assets released	<u>\$ 192,942</u>	<u>\$ 82,622</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, 2020 and 2019, 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, 2020 and 2019, 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		
	Board Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	Total Net Endowment Assets
Endowment net assets at February 1, 2018	\$ 561,948	\$ 669,251	\$ 912,868	\$ 2,144,067
Investment return				
Investment income, net	20,040	55,416	-	75,456
Net depreciation	(50,201)	(138,645)	-	(188,846)
Appropriation of endowment assets for expenditure	(20,040)	(37,633)	-	(57,673)
Endowment net assets at January 31, 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	(19,976)	(62,406)	-	(82,382)
Endowment net assets at January 31, 2020	<u>\$ 551,363</u>	<u>\$ 651,821</u>	<u>\$ 912,868</u>	<u>\$ 2,116,052</u>

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

	2020	2019
Cash and cash equivalents	\$ 24,512	\$ 40,537
ELCA Endowment Fund Pooled Trust (Note 4)	<u>2,091,540</u>	<u>1,932,467</u>
Endowment net assets	<u>\$ 2,116,052</u>	<u>\$ 1,973,004</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, 2020, were comprised of the following:

	Without Donor Restrictions	With Donor Restrictions		Total Net Endowment Assets
	Board Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	
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>

The composition of endowment net assets at January 31, 2019, were comprised of the following:

	Without Donor Restrictions	With Donor Restrictions		Total Net Endowment Assets
	Board Designated	Gifts and Accumulated Investment Gains	Original Gifts in Perpetuity	
Synod-designated fund	\$ 511,747	\$ -	\$ -	\$ 511,747
Paul Trapp fund	-	111,084	279,545	390,629
New and renewing congregations fund	-	17,816	109,227	127,043
Seminary education assistance fund	-	10,526	76,308	86,834
Honduran education fund	-	52,847	-	52,847
Wilson trust fund	-	315,025	-	315,025
Grace mission fund	-	41,091	447,788	488,879
	<u>\$ 511,747</u>	<u>\$ 548,389</u>	<u>\$ 912,868</u>	<u>\$ 1,973,004</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, 2020**

	Budget	Actual	Favorable (unfavorable)
<b>REVENUES AND SUPPORT</b>			
Mission support	\$ 1,425,435	\$ 1,348,726	\$ (76,709)
Committee revenue	15,000	30,433	15,433
Investment income - net	19,150	62,092	42,942
Grant revenue	25,000	28,578	3,578
Registration fees - leadership event	5,300	-	(5,300)
Registration fees - synod assembly	50,000	52,106	2,106
Synod-wide revenue	15,000	11,803	(3,197)
Other income	1,000	-	(1,000)
Gain on disposal of assets	-	7,500	7,500
Net assets released from restrictions	87,000	192,942	105,942
<b>TOTAL REVENUE AND SUPPORT</b>	<u>1,642,885</u>	<u>1,734,180</u>	<u>91,295</u>
<b>EXPENSES</b>			
Program services			
Agency-organizational ministry support			
ELCA church-wide support	712,717	674,363	38,354
Living Water Ministries	40,000	40,000	-
Samaritas	3,000	3,000	-
Region 6 support (includes archives)	4,850	4,800	50
Trinity Lutheran Seminary	20,000	20,000	-
Total agency-organizational ministry support	<u>780,567</u>	<u>742,163</u>	<u>38,404</u>
Synod ministries			
Synod events and Leadership events	6,300	-	6,300
Synod assembly	50,000	45,205	4,795
Synod council	5,000	7,203	(2,203)
Total synod ministries	<u>61,300</u>	<u>52,408</u>	<u>8,892</u>
Special programs			
Paul Trapp endowment	-	13,950	(13,950)
Wilson trust	-	10,651	(10,651)
Seminarian education assistance	-	6,000	(6,000)
Center for mission and ministry	-	1,865	(1,865)
Honduras companion support	-	15,500	(15,500)
Helmerts trust	-	9,554	(9,554)
Muskegon cooperative ministry	-	1,735	(1,735)
New and renewing congregations	-	3,950	(3,950)
Grace mission endowment fund	-	36,000	(36,000)
Total special programs	<u>-</u>	<u>99,205</u>	<u>(99,205)</u>
Program support			
Faith formation table committee	500	-	500
Publically engaged church committee	15,000	11,782	3,218
Mission support table committee	500	2,455	(1,955)

**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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
EXPENSES (continued)			
Program services (continued)			
Program support (continued)			
Global missions committee	\$ 10,000	\$ 7,921	\$ 2,079
Equipping leaders for Mission and Ministry	6,000	-	6,000
Ministry committee	5,000	28,837	(23,837)
Candidacy committee	18,000	-	18,000
Campus ministry committee	55,000	55,000	-
New and redeveloping congregation table committee	48,000	45,900	2,100
Worship committee	2,500	866	1,634
Youth committee	3,000	1,639	1,361
Total program support	<u>163,500</u>	<u>154,400</u>	<u>9,100</u>
Total program services	<u>1,005,367</u>	<u>1,048,176</u>	<u>(42,809)</u>
Support services			
Staff salaries and benefits			
Salary - administrative support staff	52,500	54,649	(2,149)
Salary and housing - called staff	255,000	220,540	34,460
Salary - deployed staff	34,000	40,783	(6,783)
Social security allowance	25,600	18,167	7,433
Payroll taxes	6,617	7,741	(1,124)
Health insurance and retirement	120,000	102,177	17,823
Continuing education	4,000	4,000	-
Other insurance	12,600	1,959	10,641
Total staff salaries and benefits	<u>510,317</u>	<u>450,016</u>	<u>60,301</u>
Synod administration			
Bishop's discretionary fund	2,500	6,444	(3,944)
Insurance - operating	11,000	9,046	1,954
Lease expense	16,800	16,800	-
Office equipment - maintenance	4,000	5,359	(1,359)
Office supplies	10,500	10,033	467
Postage	2,400	2,453	(53)
Professional fees	28,000	27,595	405
Telephone	9,000	10,971	(1,971)
Travel - staff	38,000	35,299	2,701
Website and network	5,000	3,457	1,543
Total synod administration	<u>127,200</u>	<u>127,457</u>	<u>(257)</u>
Depreciation expense	<u>25,000</u>	<u>21,318</u>	<u>3,682</u>
Total support services	<u>662,517</u>	<u>598,791</u>	<u>63,726</u>
TOTAL EXPENSES	<u>1,667,884</u>	<u>1,646,967</u>	<u>20,917</u>
CHANGE IN NET ASSETS	<u>\$ (24,999)</u>	<u>\$ 87,213</u>	<u>\$ 112,212</u>