

**Report of the  
Treasurer  
and  
Budget Proposal**

**Southeastern Pennsylvania Synod, ELCA**  
 2014 Congregational Giving from February 1, 2014 - January 31, 2015

ID	Congregation	Location	2014		2014		2014 Mission		World
			Intent	Support Actual	Regular Giving	Support as % of Regular Giving	Mission Partners	Lutheran Charities	
<b>Central Philadelphia Conference</b>									
412	Atonement Lutheran Church	Philadelphia	2,000	2,000	14,000	14.3%	-	-	-
415	Christ Lutheran Church	Philadelphia	-	-	-	0.0%	-	-	-
416	Emanuel Lutheran Church	Philadelphia	-	130	55,000	0.2%	-	-	-
418	Grace Lutheran Church	Philadelphia	1,000	1,500	77,428	1.9%	-	-	-
419	Holy Communion Lutheran Church	Philadelphia	17,000	17,000	185,000	9.2%	-	-	645
30217	Iglesia Luterana Nueva Creacion	Philadelphia	-	1,000	-	0.0%	-	-	-
31007	Living Gospel Ministries	Philadelphia	-	-	-	0.0%	-	-	-
423	Mediator Lutheran Church	Philadelphia	2,500	465	-	0.0%	-	-	-
30899	New Life Ministries of the ELCA	Philadelphia	3,000	700	89,633	0.8%	-	-	-
431	St. Michael Lutheran Church	Philadelphia	-	-	-	0.0%	-	-	-
729	St. Peter Lutheran Church	Philadelphia	5,000	3,750	158,987	2.4%	-	1,012	1,526
433	Tabernacle Lutheran Church	Philadelphia	2,000	1,426	41,500	3.4%	-	-	-
30848	The Welcome Church	Philadelphia	-	406	-	0.0%	-	-	-
434	Trinity Lutheran Church	Philadelphia	-	-	-	0.0%	-	231	-
730	Trinity Lutheran Church	Philadelphia	1,200	150	-	0.0%	-	-	-
422	University Lutheran Church of the Incarnation	Philadelphia	15,000	16,000	95,382	16.8%	-	5,005	2,725
<b>Summary of: Philadelphia Conference</b>			<b>48,700</b>	<b>44,527</b>	<b>716,930</b>			<b>6,249</b>	<b>4,896</b>

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			Intent	Support Actual	2014 Regular Giving	Support as % of Regular Giving	Mission Partners	Lutheran Charities	World Hunger	
<b>Chester Conference</b>										
886	Advent Lutheran Church	West Chester	-	7,600	-	0.0%	-	-	-	-
461	Calvary Lutheran Church	West Chester	92,000	91,087	921,224	9.9%	-	3,190	1,215	-
852	Centennial Lutheran Church	Kimberton	-	3,371	-	0.0%	-	-	-	-
30224	Christ the King Deaf Church	West Chester	-	6,000	-	0.0%	-	-	-	-
30309	Community of Love Lutheran Church	Oxford	3,000	2,000	97,064	2.1%	-	-	-	-
880	Good Shepherd Lutheran Church	Coatesville	16,865	15,447	318,804	4.8%	-	193	391	-
30170	Living God Lutheran Church	Honey Brook	1,200	1,100	-	0.0%	-	-	195	-
833	Messiah Lutheran Church	Downingtown	17,000	17,000	421,862	4.0%	-	-	5,250	-
7204	St. John Lutheran Church	Phoenixville	40,050	36,179	374,492	9.7%	-	500	-	-
441	St. Luke Lutheran Church	Devon	85,000	89,266	758,957	11.8%	-	-	-	-
830	St. Matthew Lutheran Church	Chester Springs	38,000	26,250	363,820	7.2%	-	-	-	-
449	St. Michael Lutheran Church	Unionville	31,500	31,500	-	0.0%	-	-	-	-
837	St. Paul Lutheran Church	Exton	44,500	32,478	440,089	7.4%	-	131	-	-
853	St. Peter Lutheran Church	Chester Springs	11,700	12,236	143,732	8.5%	-	640	-	-
834	Zion Lutheran Church	Spring City	-	10,995	-	0.0%	-	-	-	-
<b>Sub Totals</b>			<b>380,815</b>	<b>382,510</b>	<b>3,840,044</b>			<b>4,654</b>	<b>7,051</b>	
<b>Summary of: Chester Conference</b>										

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<b>Delaware Conference</b>									
460	Christ Lutheran Church	Upper Darby	500	1,410	134,000	1.1%	-	-	-
30854	Faith-Immanuel Lutheran Church	Lansdowne	11,120	1,232	82,824	1.5%	-	-	-
442	Grace Lutheran Church	Drexel Hill	5,000	3,750	82,813	4.5%	-	-	92
20249	Grace Lutheran Church	Broomall	8,500	8,500	62,615	13.6%	-	-	-
458	Holy Spirit Lutheran Church	Secane	8,250	8,250	150,648	5.5%	-	-	-
436	Holy Trinity Lutheran Church	Wallingford	20,345	23,415	188,244	12.4%	-	-	-
453	Holy Trinity Lutheran Church	Narberth	2,131	4,633	114,230	4.1%	-	-	-
455	Immanuel Lutheran Church	Norwood	3,000	3,322	104,419	3.2%	-	-	94
454	Messiah Lutheran Church	Newtown Square	7,000	3,500	72,458	4.8%	-	225	300
30787	Oromo Evangelical Christian Mission	Havertown	-	-	-	0.0%	-	-	-
452	Reformation Lutheran Church	Media	-	50,000	-	0.0%	-	-	-
30541	Spirit and Truth Worship Center	Yeadon	-	2,500	-	0.0%	-	-	-
445	St. John Lutheran Church	Folcroft	9,000	9,067	89,143	10.2%	-	126	641
444	St. John - Tinticum Lutheran Church	Essington	-	-	-	0.0%	-	200	600
438	St. Mark Lutheran Church	Clifton Heights	5,000	4,007	-	0.0%	-	-	-
459	St. Matthew Lutheran Church	Springfield	40,000	40,125	449,484	8.9%	-	-	-
463	St. Matthew Lutheran Church	Woodlyn	1,500	1,500	58,767	2.6%	-	-	-
435	St. Paul Lutheran Church	Ardmore	-	45,377	-	0.0%	650	140	463
450	St. Paul Lutheran Church	Lansdowne	-	-	-	0.0%	-	-	-
462	St. Timothy Lutheran Church	Aston	-	4,866	-	0.0%	-	-	590
447	Temple Lutheran Church	Havertown	11,800	12,741	127,274	10.0%	-	1,875	3,541
448	Trinity Lutheran Church	Havertown	-	4,708	-	0.0%	-	884	976
<b>Summary of: Delaware Conference</b>			<b>133,146</b>	<b>232,903</b>	<b>1,716,919</b>		<b>650</b>	<b>3,450</b>	<b>7,297</b>

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			Intent	Support Actual	2014 Regular Giving	Support as % of Regular Giving	Mission Partners	Lutheran Charities	World Hunger	
<b>Lower Bucks Conference</b>										
667	Advent Lutheran Church	Richboro	2,000	1,944		0.0%	-	615	-	-
16432	Ascension Lutheran Church	Newtown	17,436	17,750	225,815	7.9%	-	-	119	-
30804	Emmaus Road Lutheran Church	Levittown	6,000	6,000	183,781	3.3%	-	-	-	127
7372	Family of God Lutheran Church	Buckingham	11,000	13,232	160,624	8.2%	-	-	-	373
665	Good Shepherd Lutheran Church	Southampton	32,400	31,549	517,771	6.1%	11	528	3,420	-
651	Immanuel Lutheran Church	Philadelphia	12,000	12,000		0.0%	-	400	450	-
887	Lutheran Church of God's Love	Newtown	15,772	14,510	382,894	3.8%	-	450	1,665	-
20255	Lutheran Church of the Resurrection	Yardley	32,592	30,837	315,568	9.8%	-	100	595	-
666	Peace Lutheran Church	Bensalem	500	270		0.0%	-	-	-	-
645	Redeemer Lutheran Church	Penn del	4,000	6,099	115,922	5.3%	-	-	-	-
678	Redeemer Lutheran Church	Jamison	21,380	23,343	285,337	8.2%	-	-	-	-
644	St. John Lutheran Church	Morrisville	6,159	6,087	128,703	4.7%	-	-	1,317	-
674	St. John Lutheran Church	Hatboro	39,200	30,002	332,113	9.0%	-	-	-	-
672	St. Paul Lutheran Church	Doylestown	65,000	81,368	763,870	10.7%	-	-	8,325	-
639	St. Stephen Lutheran Church	Feasterville	20,000	20,000	219,188	9.1%	-	-	700	-
637	Zion Lutheran Church	Bristol	-	679		0.0%	-	-	-	-
<b>Sub Totals</b>			<b>285,439</b>	<b>295,670</b>	<b>3,631,586</b>		<b>11</b>	<b>2,093</b>	<b>17,091</b>	
<b>Summary of: Bucks Conference</b>										

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			Intent	Support Actual	2014 Regular Giving	Mission Support as % of Regular Giving	Mission Partners	Lutheran Charities	Mission Support as % of Regular Giving	Mission Partners	Lutheran Charities		
<b>Lower Montgomery Conference</b>													
719	Bethany Lutheran Church	Philadelphia	1,600	2,915		0.0%	-	-	-	-	-	619	
720	Christ Ascension Lutheran Church	Philadelphia	9,000	9,000	130,482	6.9%	-	-	-	5	150		
698	Christ Lutheran Church	Kulpsville	-	25,024	407,306	6.1%	-	-	-	1,356	1,356		
716	Christ's Evangelical Lutheran Church	Oreland	36,278	34,740	302,526	11.5%	-	-	-	227	40		
702	Faith Lutheran Church	Montgomeryville	5,000	7,040	126,937	5.5%	-	-	-	-	80		
640	Gloria Dei Lutheran Church	Huntingdon Valley	-	2,500	531,586	0.5%	-	-	-	-	-		
711	Good Shepherd Lutheran Church	King of Prussia	22,000	23,186	231,865	10.0%	-	-	-	-	91		
676	Grace Lutheran Church	Hatfield	-	22,425	201,911	11.1%	-	-	-	215	2,091		
713	Grace Lutheran Church	Norristown	10,200	10,200	83,443	12.2%	-	-	-	-	-		
732	Grace Lutheran Church	Wyndmoor	13,600	13,596	139,644	9.7%	-	-	-	475	454		
731	Living Word Lutheran Church	Roslyn	4,000	3,566	132,111	2.7%	-	-	-	503	865		
30960	Philadelphia Korean Lutheran Church	North Wales	2,000	2,000	11,991	16.7%	-	-	-	-	-		
10482	Prince of Peace Lutheran Church	Plymouth Meeting	-	-	-	0.0%	-	-	-	-	-		
710	Resurrection Lutheran Church	Horsham	12,875	12,875	102,521	12.6%	-	-	-	165	1,550		
827	St. Andrew Lutheran Church	Audubon	30,000	30,638	409,407	7.5%	-	-	-	-	-		
643	St. John Lutheran Church	Melrose Park	19,000	20,691	-	0.0%	-	-	-	-	-		
670	St. John Lutheran Church	Centre Square	29,000	29,000	221,000	13.1%	-	-	-	-	300		
704	St. John Lutheran Church	Ambler	-	9,421	94,210	10.0%	-	-	-	-	-		
706	St. Mark Lutheran Church	Conshohocken	5,000	6,000	86,664	6.9%	-	-	-	202	45		
728	St. Michael Lutheran Church	Philadelphia	-	5,788	-	0.0%	-	-	-	-	234		
709	St. Paul Lutheran Church	Glenside	15,000	14,000	294,120	4.8%	1,000	-	-	-	-		
714	St. Paul Lutheran Church	Norristown	-	425	-	0.0%	-	-	-	100	69		
681	St. Peter Lutheran Church	North Wales	22,309	22,308	371,836	6.0%	-	-	-	-	835		
712	St. Peter Lutheran Church	Lafayette Hill	20,000	16,917	433,233	3.9%	-	-	-	-	235		
680	Trinity Lutheran Church	Lansdale	131,127	147,951	1,603,287	9.2%	-	-	-	6,469	12,599		
708	Trinity Lutheran Church	Fort Washington	-	1,000	63,037	1.6%	-	-	-	-	-		
715	Trinity Lutheran Church	Fairview Village	12,000	5,000	-	0.0%	-	-	-	-	-		
705	Upper Dublin Lutheran Church	Ambler	54,300	54,300	-	0.0%	2,000	-	-	-	2,704		
707	Zion Lutheran Church	Flourtown	1,000	100	-	0.0%	-	-	-	-	-		
<b>Summary of: Lower Montgomery Conference</b>			<b>455,289</b>	<b>532,605</b>	<b>5,979,117</b>			<b>3,000</b>		<b>9,717</b>	<b>24,317</b>		

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<b>Northeast Philadelphia Conference</b>											
10464	Faith Lutheran Church	Philadelphia	4,800	4,000	102,215	3.9%	630	-	-	1,203	
647	Good Shepherd Lutheran Church	Philadelphia	1,000	100	44,719	0.2%	-	-	-	-	
650	Immanuel Lutheran Church	Philadelphia	7,000	8,951	203,975	4.4%	-	100	-	-	
652	Prince of Peace Lutheran Church	Philadelphia	7,200	7,589	-	0.0%	-	-	-	-	
653	Redemption Lutheran Church	Philadelphia	2,700	1,350	-	0.0%	-	446	-	-	
726	Reformation Lutheran Church	Philadelphia	-	4,667	346,897	1.3%	-	-	-	561	
30849	Rhawnhurst Turning Point	Philadelphia	-	-	-	0.0%	-	-	-	-	
30809	Saints United Lutheran Church	Philadelphia	7,500	7,728	77,287	10.0%	-	-	-	-	
654	St. David Lutheran Church	Philadelphia	10,000	11,771	113,956	10.3%	-	5	-	-	
656	St. John Lutheran Church	Philadelphia	29,000	25,141	276,744	9.1%	-	-	-	3,780	
727	St. Mark Lutheran Church	Philadelphia	6,500	3,250	95,000	3.4%	-	-	-	-	
658	St. Paul Lutheran Church	Philadelphia	23,800	24,082	-	0.0%	-	650	10	-	
659	St. Petri-Hope Lutheran Church	Philadelphia	-	5,107	-	0.0%	-	-	-	-	
71278	St. Philip's Deaf Lutheran Church	Philadelphia	-	-	-	0.0%	-	-	-	-	
661	St. Timothy Lutheran Church	Philadelphia	7,000	12,460	93,445	13.3%	-	124	239	-	
663	Tabor Lutheran Church	Philadelphia	4,000	5,420	44,529	12.2%	-	-	-	-	
<b>Summary of: Northeast Philadelphia Conference</b>			<b>110,500</b>	<b>121,616</b>	<b>1,398,767</b>		<b>630</b>	<b>1,325</b>	<b>5,793</b>		

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<b>Upper Bucks Conference</b>												
408	Christ Lutheran Church	Springtown	400	459			0.0%				-	
697	Christ Lutheran Church	Pipersville	-	-	118,838		0.0%				-	
699	Christ's Evangelical Lutheran Church	Trumbauersville	3,000	3,043	104,863		2.9%	30			226	
692	Emmanuel Lutheran Church	Souderton	22,600	10,845			0.0%			130	870	
409	Evangelical Lutheran Church	Duham	6,050	6,650	125,090		5.3%				700	
668	Jerusalem Lutheran Church	Sellersville	5,000	1,617	86,881		1.9%				-	
696	Little Zion Lutheran Church	Telford	11,500	13,232	218,502		6.1%			773	2,339	
675	Peace-Tohickon Lutheran Church	Perkasie	24,000	34,206			0.0%	354	2,222		-	
684	St. Andrew Lutheran Church	Perkasie	17,335	15,895	355,818		4.5%	1,250			275	
686	St. John Lutheran Church	Quakertown	5,000	1,667	101,241		1.6%				166	
689	St. John Lutheran Church	Richlandtown	-	14,500	100,320		14.5%			500	-	
690	St. John Lutheran Church	Sellersville	-	8,976	171,102		5.2%			37	185	
693	St. John Lutheran Church	Spinnerstown	-	2,885	174,223		1.7%				-	
479	St. Luke Lutheran Church	Ferndale	-	6,000			0.0%				-	
679	St. Matthew Lutheran Church	Perkasie	49,000	46,448	350,774		13.2%		2,478		2,874	
691	St. Michael Lutheran Church	Sellersville	26,000	26,117	150,000		17.4%		336		687	
669	St. Paul Evangelical Lutheran Church	Applebachsville	10,719	9,557	121,063		7.9%				-	
695	St. Paul Lutheran Church	Telford	32,000	28,440			0.0%				125	
498	St. Peter Lutheran Church	Riegelsville	3,000	115	81,529		0.1%				-	
677	St. Peter Lutheran Church	Hilltown	2,400	3,456			0.0%				-	
410	Trinity Lutheran Church	Coopersburg	17,527	14,656	147,146		10.0%	905	800		1,200	
685	Trinity Lutheran Church	Perkasie	39,000	38,733	341,116		11.4%	445	200		6,778	
687	Trinity Lutheran Church	Quakertown	15,000	13,750			0.0%		202		1,383	
480	Upper Tinticum Lutheran Church	Upper Black Eddy	6,000	6,000			0.0%				-	
701	Zion Lutheran Church	Zion Hill	5,000	1,986	145,497		1.4%				-	
<b>Summary of: Upper Bucks Conference</b>			<b>300,531</b>	<b>309,231</b>	<b>2,894,003</b>			<b>2,984</b>	<b>7,678</b>		<b>17,882</b>	

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<b>Upper Montgomery Conference</b>									
700	Advent Lutheran Church	Harleysville	26,291	13,146	252,549	5.2%	-	-	-
851	Augustus Lutheran Church	Trappe	5,000	5,000	271,654	1.8%	-	-	-
839	Christ Lutheran Church	Barto	15,000	9,053	192,728	4.7%	-	-	1,304
842	Emmanuel Lutheran Church	Pottstown	25,000	26,534	248,768	10.7%	1,338	219	-
843	Grace Lutheran Church	Pottstown	7,500	7,629	118,255	6.5%	-	-	244
848	Grace Lutheran Church	Royersford	25,000	25,000	313,000	8.0%	-	-	-
850	Jerusalem Lutheran Church	Schwenksville	13,500	13,503	294,201	4.6%	420	-	260
838	New Hanover Ev. Lutheran Church	Gilbertsville	17,175	15,617	-	0.0%	-	-	4,422
836	St. James Lutheran Church	Limerick	-	23,619	-	0.0%	-	-	-
844	St. James Lutheran Church	Pottstown	22,990	21,153	211,531	10.0%	-	-	1,100
845	St. John Lutheran Church	Pottstown	-	3,973	-	0.0%	-	-	4,958
694	St. John's Lutheran Church	Sumneytown	-	11,312	282,865	4.0%	-	-	159
682	St. Luke Lutheran Church	Zieglerville	-	5,692	239,584	2.4%	-	-	-
835	St. Luke Lutheran Church	Gilbertsville	12,624	12,624	163,784	7.7%	-	-	238
683	St. Mark Lutheran Church	Pennsburg	14,400	14,500	275,761	5.3%	-	-	1,545
688	St. Paul Lutheran Church	Red Hill	12,000	12,000	192,594	6.2%	-	280	242
849	St. Paul Lutheran Church	Sassamansville	-	2,249	104,837	2.1%	-	-	-
846	St. Peter Lutheran Church	Pottstown	4,000	4,000	135,772	2.9%	-	295	286
<b>Summary of: Upper Montgomery Conference</b>			<b>200,480</b>	<b>226,604</b>	<b>3,297,883</b>		<b>1,758</b>	<b>794</b>	<b>14,758</b>
<b>Grand Total:</b>			<b>1,914,900</b>	<b>2,145,664</b>	<b>23,475,249</b>		<b>9,033</b>	<b>35,960</b>	<b>99,084</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2015

	Audited	2015	2015	2016
	YTD Actual	YTD Budget	Variance	Budget
			Forecast	Budget
<b>01 - Unrestricted</b>				
<b>Revenues</b>				
00 - Other Income	744,529	146,300	598,229	146,300
21 - Bishop/Director of Operations	100	-	100	-
24 - Communications	152	-	152	-
31 - Candidacy	7,800	4,800	3,000	4,800
51 - Congregational Support	2,148,802	2,100,000	48,802	2,100,000
<b>Total Revenues</b>	<b>2,901,382</b>	<b>2,251,100</b>	<b>650,282</b>	<b>2,251,100</b>
			<b>2,442,680</b>	<b>2,472,680</b>
<b>Expenses</b>				
00 - Other Income	-	-	-	600
21 - Bishop/Director of Operations	237,916	241,651	3,734	247,508
22 - Administration	395,187	263,507	(131,680)	304,057
23 - Deans	70,564	77,760	7,196	67,600
24 - Communications	174,077	189,847	15,770	191,350
25 - Finance	79,999	96,605	16,606	116,507
26 - Special Events	-	-	-	1,800
27 - Stewardship/Development	1,153	2,500	1,347	1,500
31 - Candidacy	73,516	78,976	5,460	78,198
51 - Congregational Support	1,232,927	1,206,880	(26,047)	1,204,380
52 - Ecumenical Organizations/Agenc	8,700	8,700	-	8,700
<b>Total Expenses</b>	<b>2,274,039</b>	<b>2,166,425</b>	<b>(107,614)</b>	<b>2,222,200</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>627,343</b>	<b>84,675</b>	<b>542,668</b>	<b>28,900</b>
			<b>2,306,044</b>	<b>2,340,649</b>
			<b>136,636</b>	<b>132,031</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2015

	Audited		2015		2015	2016
	YTD Actual	YTD Budget	Variance	Budget	Forecast	Budget
<b>02 - Temporarily Restricted Revenues</b>						
00 - Other Income	29,261	2,600	26,661	100	3,350	3,350
21 - Bishop/Director of Operations	59,593	74,500	(14,907)	97,000	75,250	78,000
26 - Special Events	44,900	44,200	700	53,100	45,000	45,200
32 - Interim Ministry	-	2,500	(2,500)	-	-	-
42 - Global Vision	21,093	42,000	(20,907)	17,002	10,000	10,000
45 - Youth Ministry	147,427	86,700	60,727	70,850	81,800	122,000
51 - Congregational Support	248,106	462,000	(213,894)	185,800	15,000	15,000
<b>Total Revenues</b>	<b>550,380</b>	<b>714,500</b>	<b>(164,120)</b>	<b>423,852</b>	<b>230,400</b>	<b>273,550</b>
<b>Expenses</b>						
21 - Bishop/Director of Operations	68,495	73,350	4,855	69,500	75,250	78,000
25 - Finance	6,354	-	(6,354)	-	3,300	3,300
26 - Special Events	43,131	45,100	1,969	48,400	46,500	46,700
32 - Interim Ministry	-	3,000	3,000	-	-	-
41 - Congregations	57,000	-	(57,000)	-	25,000	25,000
42 - Global Vision	25,376	38,000	12,624	15,002	12,281	10,000
45 - Youth Ministry	132,810	72,500	(60,310)	67,500	80,000	121,000
51 - Congregational Support	248,107	459,997	211,890	185,800	15,000	15,000
<b>Total Expenses</b>	<b>581,273</b>	<b>691,947</b>	<b>110,674</b>	<b>386,202</b>	<b>257,331</b>	<b>299,000</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(30,893)</b>	<b>22,553</b>	<b>(53,446)</b>	<b>37,650</b>	<b>(26,931)</b>	<b>(25,450)</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2015

	Audited		2015		2016	
	YTD Actual	YTD Budget	Variance	Budget	Forecast	Budget
<b>03 - Mission Revenues</b>						
00 - Other Income	63,771	158,250	(94,479)	53,500	68,500	68,800
26 - Special Events	-	2,000	(2,000)	-	2,000	2,000
41 - Congregations	15,000	30,000	(15,000)	-	-	-
43 - Missions	45,060	51,500	(6,440)	74,000	70,000	65,000
45 - Youth Ministry	890	-	890	2,500	-	-
53 - Mission Congregations	72,466	80,700	(8,234)	80,000	56,000	56,000
<b>Total Revenues</b>	<b>197,187</b>	<b>322,450</b>	<b>(125,263)</b>	<b>210,000</b>	<b>196,500</b>	<b>191,800</b>
<b>Expenses</b>						
25 - Finance	-	5,000	5,000	-	-	-
26 - Special Events	2,523	2,000	(523)	2,000	2,000	2,000
41 - Congregations	13,804	4,900	(8,904)	4,750	5,625	2,250
42 - Global Vision	56,505	71,241	(14,736)	76,337	47,956	23,900
43 - Missions	121,639	124,404	(2,765)	129,653	125,944	139,120
44 - Transformational Ministry	929	3,000	2,072	-	1,500	1,500
45 - Youth Ministry	120,477	113,354	(7,123)	114,993	92,106	151,862
53 - Mission Congregations	148,569	168,335	(19,766)	171,367	134,840	133,840
<b>Total Expenses</b>	<b>464,445</b>	<b>492,234</b>	<b>27,789</b>	<b>499,100</b>	<b>409,971</b>	<b>454,472</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(267,258)</b>	<b>(169,784)</b>	<b>(97,475)</b>	<b>(289,100)</b>	<b>(213,471)</b>	<b>(262,672)</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2015

	Audited	2015		2015	2016
	YTD Actual	YTD Budget	Variance	Budget	Forecast
				Budget	Budget
<b>04 - Permanently Restricted Revenues</b>					
00 - Other Income	1,047	25,500	(24,453)	-	-
27 - Stewardship/Development	6,667	-	6,667	-	-
32 - Interim Ministry	985	-	985	-	-
41 - Congregations	-	10,000	(10,000)	5,000	-
44 - Transformational Ministry	-	4,000	(4,000)	-	-
45 - Youth Ministry	950	1,000	(50)	-	1,000
51 - Congregational Support	55,042	25,000	30,042	28,000	55,000
<b>Total Revenues</b>	<b>64,691</b>	<b>65,500</b>	<b>(809)</b>	<b>33,000</b>	<b>56,000</b>
				<b>55,000</b>	<b>55,000</b>
<b>Expenses</b>					
27 - Stewardship/Development	900	5,000	4,100	-	-
31 - Candidacy	9,000	20,000	11,000	20,000	19,000
32 - Interim Ministry	3,109	5,000	1,891	5,050	5,050
41 - Congregations	-	10,000	10,000	-	-
44 - Transformational Ministry	319	4,000	3,681	-	1,500
45 - Youth Ministry	-	1,000	1,000	-	-
51 - Congregational Support	55,042	25,000	(30,042)	10,000	55,000
<b>Total Expenses</b>	<b>68,370</b>	<b>70,000</b>	<b>1,630</b>	<b>35,050</b>	<b>80,550</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(3,679)</b>	<b>(4,500)</b>	<b>821</b>	<b>(2,050)</b>	<b>(25,000)</b>
<b>TOTAL ALL FUNDS</b>	<b>325,513</b>	<b>(67,055)</b>	<b>392,568</b>	<b>(224,600)</b>	<b>(128,316)</b>
Transfers - candidacy	7,000	20,000	(13,000)	20,000	7,000
Transfers - global vision	-	-	-	7,500	-
Transfers - youth ministry	(7,133)	-	(7,133)	-	-
Transfers - interim ministry	-	5,000	(5,000)	5,000	-
Transfers - salary sustentation	-	-	-	10,000	7,458
Transfers - Spirit & Truth/Clark Grant	40,000	-	40,000	-	20,000
Transfers - Univ. Incarnation Air Rights Fund	3,088	-	3,088	-	-
Transfers - Est. Brickajlik - World Hunger	(22,978)	-	(22,978)	-	5,000
Transfers - Urban Phila. Conference Grant	12,000	-	12,000	-	-
Transfers - NED 125th Ann. Donations	(2,281)	-	(2,281)	-	-
Transfers - Fund For Mission	-	42,055	(42,055)	182,100	76,535
<b>TOTAL ALL FUNDS AFTER TRANSFERS</b>	<b>355,209</b>	<b>-</b>	<b>355,209</b>	<b>-</b>	<b>-</b>

**SOUTHEASTERN PENNSYLVANIA SYNOD OF THE  
EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS*

**JANUARY 31, 2015**

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Synod Council of Southeastern Pennsylvania Synod  
of the Evangelical Lutheran Church in America  
Philadelphia, Pennsylvania**

We have audited the accompanying statements of Southeastern Pennsylvania Synod of the Evangelical Lutheran Church in America (the "Synod") which comprise the statement of financial position as of January 31, 2015, and the related statements of activities, changes in net assets, and cash flows for the year then ended, 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 of 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 financial statements referred to above present fairly, in all material respects, the financial position of the Synod as of January 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Synod Council of Southeastern Pennsylvania Synod  
of the Evangelical Lutheran Church in America**

***Report on Summarized Comparative Information***

We have previously audited the Synod's January 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplemental schedule of receipts and disbursements – operating, designated and temporarily restricted net assets and sale of churches, on pages 13 and 14, is presented for purposes of additional analysis and is not a required part of the basic 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.

*Tait, Weller & Baker LLP*

Philadelphia, Pennsylvania  
April 17, 2015

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**STATEMENT OF FINANCIAL POSITION**

**January 31, 2015 With Summarized Information For 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
<b>ASSETS</b>					
Cash	\$ 233,486	\$ -	\$ -	\$ 233,486	\$ 554,569
Investments, at market <i>(Note 2)</i>	135,352	420,403	-	555,755	999,276
Miscellaneous receivable	19,913	-	-	19,913	2,380
Prepaid expenses	<u>49,638</u>	<u>-</u>	<u>-</u>	<u>49,638</u>	<u>21,984</u>
<b>Total current assets</b>	<u>438,389</u>	<u>420,403</u>	<u>-</u>	<u>858,792</u>	<u>1,578,209</u>
<b>OTHER ASSETS</b>					
Investments, at market <i>(Note 2)</i>	499,024	-	701,416	1,200,440	1,131,965
Prepaid rent <i>(Note 6)</i>	218,161	-	-	218,161	273,862
Real estate	110,350	-	-	110,350	110,350
Leasehold improvements and equipment (net of accumulated depreciation of \$495,236 in 2015 and \$484,005 in 2014)	17,525	-	-	17,525	18,365
Land, buildings and improvements – Bear Creek Camp	440,004	-	-	440,004	440,004
Equity in Chapel and Student Center	<u>484,429</u>	<u>-</u>	<u>-</u>	<u>484,429</u>	<u>484,429</u>
<b>Total other assets</b>	<u>1,769,493</u>	<u>-</u>	<u>701,416</u>	<u>2,470,909</u>	<u>2,458,975</u>
<b>Total assets</b>	<u>\$ 2,207,882</u>	<u>\$ 420,403</u>	<u>\$ 701,416</u>	<u>\$ 3,329,701</u>	<u>\$ 4,037,184</u>
<b>CURRENT LIABILITIES</b>					
Payables					
Evangelical Lutheran Church in America	\$ 176,377	\$ -	\$ -	\$ 176,377	\$ 770,083
Other accounts payable and accrued expenses	18,302	-	-	18,302	129,675
Deferred Revenue	17,025	-	-	17,025	9,343
Note payable, current portion <i>(Note 3)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,059</u>
<b>Total current liabilities</b>	<u>211,704</u>	<u>-</u>	<u>-</u>	<u>211,704</u>	<u>925,160</u>
<b>OTHER LIABILITIES</b>					
Note payable <i>(Note 3)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,003</u>
<b>Total liabilities</b>	<u>211,704</u>	<u>-</u>	<u>-</u>	<u>211,704</u>	<u>1,145,163</u>
<b>NET ASSETS</b>					
<b>Unrestricted</b>					
Operating	<u>231,321</u>	<u>-</u>	<u>-</u>	<u>231,321</u>	<u>-</u>
<b>Designated</b>					
Fund for Mission	801,269	-	-	801,269	484,172
Other	<u>39,155</u>	<u>-</u>	<u>-</u>	<u>39,155</u>	<u>30,522</u>
<b>Total designated</b>	<u>840,424</u>	<u>-</u>	<u>-</u>	<u>840,424</u>	<u>514,694</u>
Church Renewal and Endowment	-	-	-	-	264,229
Real estate and property	<u>924,433</u>	<u>-</u>	<u>-</u>	<u>924,433</u>	<u>924,433</u>
	<u>924,433</u>	<u>-</u>	<u>-</u>	<u>924,433</u>	<u>1,188,662</u>
<b>Total unrestricted</b>	1,996,178	-	-	1,996,178	1,703,356
Temporarily restricted <i>(Note 4)</i>	-	420,403	-	420,403	489,256
Permanently restricted <i>(Note 4)</i>	<u>-</u>	<u>-</u>	<u>701,416</u>	<u>701,416</u>	<u>699,409</u>
<b>Total net assets</b>	<u>1,996,178</u>	<u>420,403</u>	<u>701,416</u>	<u>3,117,997</u>	<u>2,892,021</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,207,882</u>	<u>\$ 420,403</u>	<u>\$ 701,416</u>	<u>\$ 3,329,701</u>	<u>\$ 4,037,184</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**Year Ended January 31, 2015 With Summarized Information For 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
<b>Support and revenue</b>					
<b>Support</b>					
Contributions from congregations					
Partnership support	\$ 2,148,802	\$ -	\$ -	\$ 2,148,802	\$ 2,138,677
World Hunger	-	98,942	-	98,942	124,220
Other designated gifts	-	13,564	-	13,564	25,384
Mission Partners	-	1,560	-	1,560	6,527
Malaria	-	5,583	-	5,583	48,770
Remittance to designated agencies	-	(119,649)	-	(119,649)	(204,901)
Lutheran Charities Appeal	-	75,795	-	75,795	129,008
<b>Total from congregations</b>	<u>2,148,802</u>	<u>75,795</u>	<u>-</u>	<u>2,224,597</u>	<u>2,267,685</u>
Other contributions	<u>358,807</u>	<u>82,922</u>	<u>-</u>	<u>441,729</u>	<u>391,410</u>
<b>Total support</b>	<u>2,507,609</u>	<u>158,717</u>	<u>-</u>	<u>2,666,326</u>	<u>2,659,095</u>
<b>Revenue</b>					
Investment income	57,248	3,768	2,007	63,023	54,612
Unrealized gain on investments	47,497	-	-	47,497	29,213
Income from outside trusts	-	55,042	-	55,042	27,884
Proceeds from sale of Church property – net ( <i>Note 7</i> )	502,981	-	-	502,981	802,703
Registration fees	241,122	65	-	241,187	281,070
Remittance to designated agencies	-	(52,663)	-	(52,663)	(77,070)
Other	<u>17,936</u>	<u>-</u>	<u>-</u>	<u>17,396</u>	<u>20,310</u>
<b>Total revenue</b>	<u>866,784</u>	<u>6,212</u>	<u>2,007</u>	<u>875,003</u>	<u>1,138,722</u>
<b>Net assets released from restrictions (<i>Note 4</i>)</b>	<u>233,782</u>	<u>(233,782)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>3,608,175</u>	<u>(68,853)</u>	<u>2,007</u>	<u>3,541,329</u>	<u>3,797,817</u>
<b>Expenses</b>					
Evangelical Lutheran Church in America					
Apportionment and other gifts	1,076,047	-	-	1,076,047	1,135,335
Budgeted operating expenses and disbursements	1,913,848	-	-	1,913,848	1,880,969
Distributions to beneficiary agencies	156,880	-	-	156,880	154,880
Distribution to Lutheran Charities agencies	75,795	-	-	75,795	129,008
Grants to organizations	<u>92,783</u>	<u>-</u>	<u>-</u>	<u>92,783</u>	<u>95,400</u>
<b>Total expenses</b>	<u>3,315,353</u>	<u>-</u>	<u>-</u>	<u>3,315,353</u>	<u>3,395,592</u>
<b>Changes in net assets</b>	<u>292,822</u>	<u>(68,853)</u>	<u>2,007</u>	<u>225,976</u>	<u>402,225</u>
<b>Net assets</b>					
Beginning of year	<u>1,703,356</u>	<u>489,256</u>	<u>699,409</u>	<u>2,892,021</u>	<u>2,489,796</u>
<b>End of year</b>	<u>\$ 1,996,178</u>	<u>\$ 420,403</u>	<u>\$ 701,416</u>	<u>\$ 3,117,997</u>	<u>\$ 2,892,021</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**STATEMENTS OF CASH FLOWS**

**Years Ended January 31, 2015 And 2014**

	<u>2015</u>	<u>2014</u>
<b>INCREASE IN CASH</b>		
<i>Change in net assets</i>	\$ 225,976	\$ 402,225
<i>Adjustments to reconcile change in net assets provided by operating activities</i>		
Depreciation	11,230	14,007
Dividends reinvested	(20,249)	(18,111)
Unrealized gain on investments	(47,497)	(29,213)
(Increase) decrease in		
Prepaid rent	55,701	69,257
Miscellaneous receivable	(17,533)	-
Prepaid expenses	(27,654)	19,954
Increase (decrease) in		
ELCA payable	(593,706)	518,477
Accounts payable and other accrued expenses	(111,373)	(199,634)
Deferred Revenue	<u>7,682</u>	<u>(29,822)</u>
<b>Net cash (used in) provided by operating activities</b>	<u>(517,423)</u>	<u>747,140</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment	(10,390)	(5,321)
Purchase of long-term investments	(66,347)	(39,974)
Proceeds from sale of long-term investments	65,618	35,000
Changes in short-term investments	<u>443,521</u>	<u>(399,638)</u>
<b>Net cash provided by (used for) investing activities</b>	<u>432,402</u>	<u>(409,933)</u>
<i>Cash flows from financing activities</i>		
Repayments on note payable	<u>(236,062)</u>	<u>(16,231)</u>
<b>Net cash used for financing activities</b>	<u>(236,062)</u>	<u>(16,231)</u>
<b>Net (decrease) increase in cash</b>	(321,083)	320,976
<i>Cash</i>		
Beginning of year	<u>554,569</u>	<u>233,593</u>
<b>End of year</b>	<u>\$ 233,486</u>	<u>\$ 554,569</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**NOTES TO FINANCIAL STATEMENTS**

**January 31, 2015 And 2014**

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**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***ORGANIZATION AND PURPOSE***

The Southeastern Pennsylvania Synod of the Evangelical Lutheran Church in America (“*Synod*”) is one of sixty-five geographical synodical units of the Evangelical Lutheran Church in America (“*ELCA*”). The Synod lies within Region 7 of the ELCA.

***BASIS OF ACCOUNTING***

The financial statements have been prepared on the accrual basis of accounting. Contributions from congregations received by the Synod represent calendar year (January through December) giving by congregations. These contributions are remitted to and support the fiscal year operations of the Synod.

***ACCOUNTING ESTIMATES***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities as of January 31, 2015 and 2014, and the reported amounts of revenues and expenses for the years then ended. Actual results may differ from those estimates.

***CASH AND CASH EQUIVALENTS***

Cash and cash equivalents consist of amounts held in highly liquid securities with maturities less than three months at the time of purchase are stated at cost, which approximates fair value.

***CONCENTRATION OF CREDIT RISK***

The Synod occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“*ASC*”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

***INVESTMENTS***

Investments are stated at market value with gains and losses, both realized and unrealized included in the statement of activities. The fair value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

***PROMISES TO GIVE***

Contributions are recognized when the donor makes a promise to give to the Synod that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets and reported in the statement of activities and changes in net assets as “*net assets released from restrictions.*”

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2015 And 2014**

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***REAL ESTATE***

Real estate held consists of property of active congregations acquired by the Synod and is recorded at cost.

***LEASEHOLD IMPROVEMENTS AND EQUIPMENT***

Equipment and furniture are carried at cost. Depreciation is provided on a straight-line basis over their useful lives, which is 3-7 years. Leasehold improvements are carried at cost and amortization of such costs is provided over the term of the lease. Depreciation expense for the years ended January 31, 2015 and 2014 was \$11,230 and \$14,007, respectively.

***NET ASSETS***

***Unrestricted Net Assets*** – consist of net assets available for current operations.

***Temporarily Restricted Net Assets*** – consist of gifts and contributions for which donor-imposed restrictions have not been met.

***Permanently Restricted Net Assets*** – include gifts and contributions which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

***TAX-EXEMPT STATUS***

The Internal Revenue Service (“***IRS***”) has determined the Synod to be an “association of churches” and, therefore, exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The IRS has further determined that contributions made to the Synod are deductible by the donors to the extent allowed by law.

The Synod has reviewed their tax positions and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2015 And 2014**

**(2) INVESTMENTS**

Investments at January 31 were as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
<b>Short-Term Investments</b>				
Savings, Certificates and Loans	\$ 514,399	\$ 514,399	\$ 958,085	\$ 958,085
Lutheran Brotherhood Money Market Fund	19,108	19,108	19,040	19,040
Mission Development Certificates – ELCA	<u>22,248</u>	<u>22,248</u>	<u>22,151</u>	<u>22,151</u>
<b>Total Short-Term Investments</b>	<u>555,755</u>	<u>555,755</u>	<u>999,276</u>	<u>999,276</u>
<b>Long-Term Investments</b>				
<b>Custodian Account</b>				
Money Market Funds	27,337	27,337	80,918	80,918
Mutual Funds	535,335	399,080	442,976	328,441
Common Stocks	<u>74,890</u>	<u>93,613</u>	<u>112,940</u>	<u>100,112</u>
<b>Total – Custodian Account</b>	<u>637,562</u>	<u>520,030</u>	<u>636,834</u>	<u>509,471</u>
Mission Development Certificates – ELCA	106,089	106,089	106,089	106,089
Mutual Funds – Bond	53,570	65,563	51,426	60,523
Mutual Funds – Equity	<u>269,574</u>	<u>508,758</u>	<u>251,468</u>	<u>455,882</u>
<b>Total Long-Term Investments</b>	<u>1,066,795</u>	<u>1,200,440</u>	<u>1,045,817</u>	<u>1,131,965</u>
<b>Total – Pooled Investment Funds</b>	<u>\$ 1,622,550</u>	<u>\$ 1,756,195</u>	<u>\$ 2,045,093</u>	<u>\$ 2,131,241</u>
<b>Equity in Pooled Investment Funds is allocated as follows:</b>				
Unrestricted	\$ 634,376		\$ 942,576	
Temporarily Restricted	420,403		489,256	
Permanently Restricted	<u>701,416</u>		<u>699,409</u>	
	<u>\$ 1,756,195</u>		<u>\$ 2,131,241</u>	

At January 31, 2015 and 2014, gross unrealized gains on investments were \$269,899 and \$226,090 and gross unrealized losses were \$136,254 and \$127,363, respectively.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**January 31, 2015 And 2014**

The Synod utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

- Level 1 – Unadjusted quoted prices in active markets at the measurement date for identical assets and/or liabilities. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes contracts traded on active exchange markets valued using unadjusted prices quoted directly from the exchange.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost benefit constraints.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Synod’s investments as of January 31, 2015 are as follows:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
<b>Investments</b>				
Savings, Certificates and Loans	\$ 514,399	\$ 514,399	\$ -	\$ -
Money Market Funds	46,445	46,445	-	-
Mission Development Certificates	128,337	128,337	-	-
Common Stocks	93,613	93,613	-	-
Mutual Funds - Bond	65,563	65,563	-	-
Mutual Funds - Equity	<u>907,838</u>	<u>907,838</u>	-	-
	<u>\$ 1,756,195</u>	<u>\$ 1,756,195</u>	<u>\$ -</u>	<u>\$ -</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2015 And 2014**

The summary of inputs used to value the Synod’s investments as of January 31, 2014 are as follows:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
<b>Investments</b>				
Savings, Certificates and Loans	\$ 958,085	\$ 958,085	\$ -	\$ -
Money Market Funds	99,958	99,958	-	-
Mission Development Certificates	128,240	128,240	-	-
Common Stocks	100,112	100,112	-	-
Mutual Funds - Bond	60,523	60,523	-	-
Mutual Funds - Equity	<u>784,323</u>	<u>784,323</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,131,241</u>	<u>\$ 2,131,241</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2015 and 2014.

**(3) NOTE PAYABLE**

	<u>2015</u>	<u>2014</u>
ELCA Mission Investment Fund, 6.5%, due in monthly payments of \$2,577	\$ -	<u>\$236,062</u>

The note payable was assumed by the Synod upon the closing of St. James Lutheran Church in Chalfont during the year ended January 31, 2008. On December 19, 2014, St. James Lutheran Church in Chalfont was sold and the note was repaid in full. Interest expense charged to operations during the years ended January 31, 2015 and 2014 totaled \$11,789 and \$15,877, respectively.

**(4) NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Urban Philadelphia Conference	\$ 7,958	\$ 19,958
Faith and Leadership	375	375
Auxiliary Pastor	34,697	34,697
University/Incarnation Air Rights	106,733	109,319
Companion Synod Reserve	10,812	10,812
Candidacy Bequest	175,185	182,185
Resurrection Scholarships	7,000	7,000
Frank Clark Trust	-	20,000
World Hunger	22,978	-
Other	<u>54,665</u>	<u>104,910</u>
	<u>\$ 420,403</u>	<u>\$ 489,256</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**January 31, 2015 And 2014**

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Permanently restricted net assets are available for the following purpose:

	<u>2015</u>	<u>2014</u>
Investment in perpetuity, the income from which is separated into income reinvested in perpetuity, income remitted to beneficiary agencies and income which is expendable to support any activities of the Synod.	<u>\$701,416</u>	<u>\$699,409</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. These net assets were used for the following purposes:

Lutheran Charities agencies distributions	\$ 108,161
Various synodical programs	<u>125,621</u>
	<u>\$ 233,782</u>

As of January 31, 2015, the Synod holds title to three churches which have closed, the value of which is not included in the net assets of the Synod.

**(5) PENSIONS**

The Synod participates in pension plans administered by Portico Benefit Services of the ELCA for all eligible employees. Contributions made on behalf of such employees are accumulated in separate accounts and, upon retirement, pension benefits are provided based on the balance in the separate account of the participant. The Synod's policy is to fund all pension costs on a current basis. Contributions to the pension plan for the years ended January 31, 2015 and 2014 were \$71,120 and \$62,327, respectively.

**(6) LEASE COMMITMENTS**

The Synod entered into a lease agreement on May 15, 2008 with Lutheran Theological Seminary at Philadelphia (the "*Seminary*") to occupy space in the basement of the Chapel on the Seminary's campus. In connection with the lease agreement, the Synod would contribute \$1.5 million to cover one-half the cost of renovating the area for the Synod's use to be borrowed from the Synod's Fund for Mission. This payment would constitute payment of rent in advance for a term of 17 years. On January 15, 2009, this agreement was amended due to the economic conditions delaying the raising of necessary funds by the Seminary to complete the project, which was postponed. Under the terms of the amendment, the Seminary has provided interim space for the Synod to occupy for the term of the lease. As of January 31, 2009, the Synod had advanced \$696,061 of prepaid rent to the Seminary to be expensed over the term of the lease. Effective June 30, 2013 the rental agreement was extended to December 31, 2018 and the monthly rent reduced. The Synod shall be reimbursed all sums advanced less rent at \$7,353 per month through June 30, 2013 and \$4,642 after June 30, 2013, for the period from the date of its initial move to the date it has vacated the premises. The balance in prepaid rent was \$218,161 and \$273,862 as of January 31, 2015 and 2014, respectively.

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

***NOTES TO FINANCIAL STATEMENTS – (Continued)***

**January 31, 2015 And 2014**

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**(7) REAL ESTATE SALES**

Beginning in fiscal year 2014, in connection with the sale of properties, the Synod records the net proceeds as follows: 15% to the general operating budget, reimbursement for the Synod's expenses related to the church properties under management is deducted from the net proceeds and the remaining net proceeds, if any, to the Fund for Mission.

During the year ended January 31, 2015, the Synod sold St. James Lutheran Church, Chalfont for a net sales price, after closing costs, of \$502,981, of which all of the proceeds was recorded in operations for the 15% share to the general operating budget and as reimbursement for expenses incurred in managing the various church properties in fiscal year 2014 and prior.

During the year ended January 31, 2014 the Synod sold St. Luke, Dublin for a net sales price, after closing costs, of \$802,703, of which \$436,503 was recorded in the Fund for Mission and the remainder in operations for the 15% share to the general operating budget and as reimbursement for expenses incurred in managing the various church properties.

**(8) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 17, 2015, the date which the financial statements were available to be issued. There were no material subsequent events required to be disclosed.

## **SUPPLEMENTAL INFORMATION**

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**RECEIPTS AND DISBURSEMENTS –  
OPERATING, DESIGNATED AND TEMPORARILY RESTRICTED NET ASSETS**

**Year Ended January 31, 2015**

	<u>Balance January 31, 2014</u>	<u>Including Interfund Transfers</u>		<u>Balance January 31, 2015</u>
		<u>Receipts</u>	<u>Disbursements</u>	
<b>Undesignated</b>				
General operating	\$ -	\$ 3,443,794	\$ 3,212,473	\$ 231,321
<b>Designated net assets</b>				
<b>Fund for Mission</b>	\$ 484,172	\$ 317,097	\$ -	\$ 801,269
<b>Other</b>				
Educational Ministry	4,479	-	-	4,479
Salary Sustentation	17,458	-	-	17,458
Youth Ministry	8,505	8,633	-	17,138
Other	80	-	-	80
<b>Total other</b>	<u>30,522</u>	<u>8,633</u>	<u>-</u>	<u>39,155</u>
<b>Total designated net assets</b>	<u>\$ 514,694</u>	<u>\$ 325,730</u>	<u>\$ -</u>	<u>\$ 840,424</u>
<b>Temporarily restricted net assets</b>				
Auxiliary Pastor	\$ 34,697	\$ -	\$ -	\$ 34,697
Candidacy Bequest	182,185	-	7,000	175,185
Faith and Leadership	375	-	-	375
Resurrection Scholarships	7,000	-	-	7,000
Comp Synod Reserve	10,812	-	-	10,812
University/Incarnation Air Rights Fund	109,319	3,768	6,354	106,733
Urban Philadelphia Conference	19,958	-	12,000	7,958
Frank Clark Trust	20,000	-	20,000	-
World Hunger	-	27,978	5,000	22,978
Other	<u>104,910</u>	<u>2,281</u>	<u>52,526</u>	<u>54,665</u>
<b>Total temporarily     restricted net assets</b>	<u>\$ 489,256</u>	<u>\$ 34,027</u>	<u>\$ 102,880</u>	<u>\$ 420,403</u>

**SOUTHEASTERN PENNSYLVANIA SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**RECEIPTS AND DISBURSEMENTS – SALE OF CHURCHES**

**Years Ended January 31, 2015 And 2014**

	<u>January 31,</u> <u>2015</u>	<u>January 31,</u> <u>2014</u>	<u>Total</u>
Proceeds from Sale of Church			
Saint James, Chalfont	\$ 502,981	\$ -	\$ 502,981
Saint Luke's, Dublin	<u>-</u>	<u>802,703</u>	<u>802,703</u>
<b>Total Proceeds</b>	<u>502,981</u>	<u>802,703</u>	<u>1,305,684</u>
Reimbursement of Property Management Expenses for closed churches	(206,371)	(245,795)	(452,166)
Repayment of Note Payable - Saint James	(221,163)	-	(221,163)
Operating Income for the Synod	(75,447)	(120,405)	(195,852)
Transfer to Fund for Mission	<u>-</u>	<u>(436,503)</u>	<u>(436,503)</u>
<b>Total Disbursements</b>	<u>(502,981)</u>	<u>(802,703)</u>	<u>(1,305,684)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>