

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

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**JANUARY 31, 2022**

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

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying financial 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 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Synod as of January 31 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Synod and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Synod's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Synod's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Synod's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited the Synod's January 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements, in our report dated March 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of receipts and disbursements – operating, designated and donor restricted net assets and sale of church properties, are 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.



**Philadelphia, Pennsylvania  
April 4, 2022**

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

**STATEMENT OF FINANCIAL POSITION**

**January 31, 2022 With Summarized Information For 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2022</u>	<u>2021</u>
<b>ASSETS</b>				
Cash	\$ 274,072	\$ -	\$ 274,072	\$ 405,186
Investments, at market <i>(Note 2)</i>	-	250,987	250,987	347,604
Miscellaneous receivables	25,555	-	25,555	4,827
Prepaid expenses	<u>23,034</u>	<u>-</u>	<u>23,034</u>	<u>41,421</u>
<b>Total current assets</b>	<u>322,661</u>	<u>250,987</u>	<u>573,648</u>	<u>799,038</u>
<b>OTHER ASSETS</b>				
Investments, at market <i>(Note 2)</i>	9,146,474	1,350,348	10,496,822	9,063,588
Beneficial interest in perpetual trust	-	2,922,514	2,922,514	2,617,826
Real estate	110,350	-	110,350	110,350
Land, buildings and improvements – Bear Creek Synod	440,004	-	440,004	440,004
Equity in Chapel and Student Synod	<u>484,429</u>	<u>-</u>	<u>484,429</u>	<u>484,429</u>
<b>Total other assets</b>	<u>10,181,257</u>	<u>4,272,862</u>	<u>14,454,119</u>	<u>12,716,197</u>
<b>Total assets</b>	<u>\$10,503,918</u>	<u>\$4,523,849</u>	<u>\$15,027,767</u>	<u>\$13,515,235</u>
<b>CURRENT LIABILITIES</b>				
Payables				
Evangelical Lutheran Church in America	\$ 107,358	\$ -	\$ 107,358	\$ 110,508
Other accounts payable and accrued expenses	44,975	-	44,975	28,189
Deferred revenue	<u>2,247</u>	<u>-</u>	<u>2,247</u>	<u>3,525</u>
<b>Total liabilities</b>	<u>154,580</u>	<u>-</u>	<u>154,580</u>	<u>142,222</u>
<b>NET ASSETS <i>(Note 1)</i></b>				
<b>Without donor restrictions</b>				
Operating	<u>969,105</u>	<u>-</u>	<u>969,105</u>	<u>863,213</u>
Designated				
Fund for Mission	7,208,622	-	7,208,622	6,258,512
Forward Together in Faith	540,142	-	540,142	567,863
St. Michael's Germantown Cemetery	295,135	-	295,135	272,373
St. John's Quakertown Cemetery Restoration Fund	281,643	-	281,643	242,727
Other	<u>19,908</u>	<u>-</u>	<u>19,908</u>	<u>19,908</u>
<b>Total designated</b>	<u>8,345,450</u>	<u>-</u>	<u>8,345,450</u>	<u>7,361,383</u>
Real estate and property	<u>1,034,783</u>	<u>-</u>	<u>1,034,783</u>	<u>1,034,783</u>
<b>Total without donor restrictions</b>	10,349,338	-	10,349,338	9,259,379
<b>With donor restrictions <i>(Note 3)</i></b>	<u>-</u>	<u>4,523,849</u>	<u>4,523,849</u>	<u>4,113,634</u>
<b>Total net assets</b>	<u>10,349,338</u>	<u>4,523,849</u>	<u>14,873,187</u>	<u>13,373,013</u>
<b>Total liabilities and net assets</b>	<u>\$10,503,918</u>	<u>\$4,523,849</u>	<u>\$15,027,767</u>	<u>\$13,515,235</u>

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

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

**Year Ended January 31, 2022 With Summarized Information For 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2022</u>	<u>2021</u>
<b>Operating Support and Revenue</b>				
<b>Support</b>				
Contributions from congregations				
Partnership support	\$ 1,662,489	\$ -	\$ 1,662,489	\$ 1,655,732
Beneficial interest in perpetual trust	-	-	-	42,178
PPP SBA grant <i>(Note 8)</i>	-	-	-	168,073
Other contributions	<u>189,976</u>	<u>217,287</u>	<u>407,263</u>	<u>323,732</u>
<b>Total support</b>	<u>1,852,465</u>	<u>217,287</u>	<u>2,069,752</u>	<u>2,189,715</u>
<b>Revenue</b>				
Investment income	826,716	15,434	842,150	498,318
Income from outside trusts	-	74,711	74,711	75,482
Registration fees	41,324	-	41,324	2,868
Remittance to designated agencies	-	(25,976)	(25,976)	(24,932)
Other	<u>29,500</u>	<u>-</u>	<u>29,500</u>	<u>29,550</u>
<b>Total revenue</b>	<u>897,540</u>	<u>64,169</u>	<u>961,709</u>	<u>581,286</u>
<b>Net assets released from restrictions <i>(Note 3)</i></b>	<u>186,055</u>	<u>(186,055)</u>	<u>-</u>	<u>-</u>
<b>Total operating support and revenue</b>	<u>2,936,060</u>	<u>95,401</u>	<u>3,031,461</u>	<u>2,771,001</u>
<b>Expenses <i>(Note 4)</i></b>				
Evangelical Lutheran Church in America				
Apportionment and other gifts	831,244	-	831,244	827,866
Budgeted operating expenses and disbursements	1,278,981	-	1,278,981	1,291,825
Distributions to beneficiary agencies	91,700	-	91,700	91,000
Grants to organizations	<u>202,834</u>	<u>-</u>	<u>202,834</u>	<u>163,525</u>
<b>Total expenses</b>	<u>2,404,759</u>	<u>-</u>	<u>2,404,759</u>	<u>2,374,216</u>
<b>Excess of operating support and Revenue over expenses</b>	<u>531,301</u>	<u>95,401</u>	<u>626,702</u>	<u>396,785</u>
<b>Nonoperating Changes in Net Assets</b>				
Unrealized gain on investments	146,491	10,126	156,617	870,163
Realized gain on investments	10,612	-	10,612	-
Change in beneficial interest in perpetual trusts	-	304,688	304,688	113,909
Maintenance expenses for closed churches	(128,614)	-	(128,614)	(129,286)
Proceeds from sale of Church property – net <i>(Note 7)</i>	<u>530,169</u>	<u>-</u>	<u>530,169</u>	<u>516,340</u>
<b>Total nonoperating changes</b>	<u>558,658</u>	<u>314,814</u>	<u>873,472</u>	<u>1,371,126</u>
<b>Changes in net assets</b>	1,089,959	410,215	1,500,174	1,767,911
<b>Net assets</b>				
Beginning of year	<u>9,259,379</u>	<u>4,113,634</u>	<u>13,373,013</u>	<u>11,605,102</u>
<b>End of year</b>	<u>\$10,349,338</u>	<u>\$4,523,849</u>	<u>\$14,873,187</u>	<u>\$13,373,013</u>

*See notes to financial statements.*

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

**STATEMENTS OF CASH FLOWS**

Years Ended January 31, 2022 And 2021

	<u>2022</u>	<u>2021</u>
<b>INCREASE (DECREASE) IN CASH</b>		
<i>Change in net assets</i>	\$ 1,500,174	\$ 1,767,911
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Dividends reinvested	(824,432)	(480,810)
Net realized and unrealized gains on investments	(167,229)	(870,163)
Contributions of beneficial interest in perpetual trust	-	(42,178)
Change in beneficial interest in perpetual trust	(304,688)	(113,909)
(Increase) decrease in		
Contributions receivable	-	38,470
Receivable for Property Sales	-	756,983
Miscellaneous receivables	(20,728)	(4,827)
Prepaid expenses	18,387	(4,935)
Increase (decrease) in		
ELCA payable	(3,150)	13,090
Accounts payable and other accrued expenses	16,786	(2,381)
Deferred revenue	<u>(1,278)</u>	<u>825</u>
<b>Net cash provided by operating activities</b>	<u>213,842</u>	<u>1,058,076</u>
<i>Cash flows from investing activities</i>		
Purchase of long-term investments	(1,591,051)	(1,973,902)
Proceeds from sales of long-term investments	1,149,478	15,288
Changes in short-term investments	<u>96,617</u>	<u>97,748</u>
<b>Net cash used in investing activities</b>	<u>(344,956)</u>	<u>(1,860,866)</u>
<b>Net decrease in cash</b>	(131,114)	(802,790)
<i>Cash</i>		
Beginning of year	<u>405,186</u>	<u>1,207,976</u>
<b>End of year</b>	<u>\$ 274,072</u>	<u>\$ 405,186</u>

# SOUTHEASTERN PENNSYLVANIA SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

## NOTES TO FINANCIAL STATEMENTS

January 31, 2022 And 2021

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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, 2022 and 2021, 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.

#### ***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing Program Services and Supporting Services have been summarized on a functional basis in footnote 4. Accordingly, certain costs have been allocated among Program Services and Supporting Services as follows:

*Program Services* – Certain expenses are charged to Program Services that benefit directly from the expenditure. Salaries, employee benefits, and payroll taxes directly related to programs are charged to Program Services. Office and occupancy expenses are allocated based on square footage of the Synod’s facility. All other program costs are allocated to the programs based on a predetermined percentage.

*Supporting Services* – These expenses comprise general and administrative expenses attributable to the general operations of the Synod. These expenses also included fundraising costs incurred to generate contributions for the Synod.



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

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

**January 31, 2022 And 2021**

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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.

***NET ASSETS***

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

***Net assets without donor restrictions*** include the following:

- ◆ ***Operations*** – Undesignated net assets include the revenues and expenses associated with the principal mission.
- ◆ ***Designated for Fund for Mission*** – The Fund for Mission shall serve as a vehicle for providing financial support for specific mission initiatives and strategies of the Synod, in its efforts to equip the saints and congregations for the work of ministry for building up of the body of Christ.
- ◆ ***Designated for Forward Together in Faith*** – The vision encompasses:
  - ◆ **Equipping** our congregations' lay and rostered leaders for innovative risk-taking to reach out beyond their walls and making the Congregational Assessment Tool (CAT) available to all who want it.
  - ◆ **Innovating** the birth of new ministries through the Synod and through congregations listening to their neighborhoods.
  - ◆ **Communicating** our stories more effectively by improving Synod technologies that link congregational leaders and equipping congregations in social media, web and electronic communications.
  - ◆ **Networking** lay and rostered leaders in new ways, using results of the CAT and by supporting local initiatives to partner with church and community groups.
- ◆ ***Designated for St. Michael's Germantown Cemetery*** – for perpetual care of St. Michael's Germantown Cemetery.
- ◆ ***Designated for St. John's Quakertown Cemetery Restoration Fund*** – for perpetual care of St. John's Quakertown Cemetery.
- ◆ ***Designated for Other*** – includes various other designations by Synod Council.

# SOUTHEASTERN PENNSYLVANIA SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

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

January 31, 2022 And 2021

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*Net assets with donor restrictions* include gifts for which donor-imposed restrictions have not been met. Also included in this category are gifts 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. In conjunction with net asset held in perpetuity, accumulated net gains on long-term investments from such net assets includes a time restriction which can be designated for use in future periods.

### **REVENUE AND REVENUE RECOGNITION**

The Synod recognizes contributions when cash, securities or other assets, and unconditional promise to give is received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the Synod is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The Synod recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “*net assets released from restrictions.*” The Synod records unconditional promises to give (pledges) as a receivable and revenue in the year pledged. Additionally, the Synod recognizes revenue from registration fees at the time of the event.

### **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.

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

### **PRIOR YEAR SUMMARIZED INFORMATION**

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 financial statements of the Synod, as of, and for the year ended, January 31, 2021, from which the summarized information was derived.

### **RECENT ACCOUNTING PRONOUNCEMENTS – NOT YET ADOPTED**

#### **Leases**

In February 2016, the FASB issued ASU 2016-02 “*Leases (Topic 842).*” The primary objective of the standard is to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Synod is currently evaluating the standard and its impact on the financial statements.

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

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

January 31, 2022 And 2021

**(2) INVESTMENTS**

Investments at January 31 were as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
<b>Short-Term Investments</b>				
Savings and Certificates	\$ 250,987	\$ 250,987	\$ 347,604	\$ 347,604
<b>Total Short-Term Investments</b>	250,987	250,987	347,604	347,604
<b>Long-Term Investments</b>				
Mission Development Certificates – ELCA	300,000	300,000	300,000	300,000
Pooled Funds – ELCA Endowment	178,394	212,273	178,394	202,147
Mutual Funds – Equity	8,101,937	9,984,549	6,825,320	8,561,441
<b>Total Long-Term Investments</b>	8,580,331	10,496,822	7,303,714	9,063,588
<b>Total – Pooled Investment Funds</b>	<u>\$8,831,318</u>	<u>\$10,747,809</u>	<u>\$7,651,318</u>	<u>\$9,411,192</u>
<b>Equity in Pooled Investment Funds is allocated as follows:</b>				
Without donor restrictions		\$ 9,146,474		\$7,915,384
With donor restrictions		1,601,335		1,495,808
		<u>\$10,747,809</u>		<u>\$9,411,192</u>

At January 31, 2022 and 2021, gross unrealized gains on investments were \$1,916,491 and \$1,759,874, respectively.

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.

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

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

**January 31, 2022 And 2021**

The summary of inputs used to value the Synod’s investments as of January 31, 2022 are as follows:

	<u>2022</u>				<u>Net Asset Value</u>
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>	
Savings, Certificates and Loans	\$ 250,987	\$ 250,987	\$ -	\$ -	\$ -
Mission Development Certificates	300,000	300,000	-	-	-
Pooled Funds	212,273	-	-	-	212,273
Mutual Funds - Equity	<u>9,984,549</u>	<u>9,984,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$10,747,809</u>	<u>\$10,535,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$212,273</u>
Beneficial interest in perpetual Trusts	<u>\$ 2,922,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,922,514</u>	<u>\$ -</u>

The summary of inputs used to value the Synod’s investments as of January 31, 2021 are as follows:

	<u>2021</u>				<u>Net Asset Value</u>
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>	
Savings, Certificates and Loans	\$ 347,604	\$ 347,604	\$ -	\$ -	\$ -
Mission Development Certificates	300,000	300,000	-	-	-
Pooled Funds	202,147	-	-	-	202,147
Mutual Funds - Equity	<u>8,561,441</u>	<u>8,561,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$9,411,192</u>	<u>\$9,209,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$202,147</u>
Beneficial interest in perpetual Trusts	<u>\$2,617,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,617,826</u>	<u>\$ -</u>

There were no transfers between Level 1 and Level 2 during the years ended January 31, 2022 and 2021.

The changes in the beneficial interest in perpetual trusts measured at fair value for which the Synod used Level 3 inputs to determine fair value are as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 2,617,826	\$ 2,461,739
Contributions	-	42,178
Realized/unrealized gains – net/change in valuation	<u>304,688</u>	<u>113,909</u>
Ending balance	<u>\$ 2,922,514</u>	<u>\$ 2,617,826</u>

The beneficial interest in perpetual trusts is measured at the fair value of the underlying investments. Since the Synod does not have access to the underlying investments, the fair value measurement is Level 3.

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

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

**January 31, 2022 And 2021**

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**(3) NET ASSETS**

Net assets with donor restrictions are available for the following purposes at January 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for a specific purpose:		
Urban Philadelphia Conference	\$ 14,819	\$ 12,828
Youth Ministry	21,071	21,071
Auxiliary Pastor	34,697	34,697
University/Incarnation Air Rights	106,549	106,549
Companion Synod Reserve	11,262	12,762
Candidacy Bequest	136,599	136,099
Grace Norristown Fund	149,313	-
Stewardship Extravaganza	16,993	-
World Hunger	16,486	16,486
Saints United – Inner City Ministries	26,737	26,737
St. John’s Quakertown – Cemetery Restoration	92,968	158,837
Blessed to be a Blessing (COVID-19)	4,356	4,510
Fisher Trust Income – Churches in Bucks County	-	11,527
Other	<u>28,686</u>	<u>33,992</u>
Total subject to expenditure for a specific purpose:	<u>660,536</u>	<u>576,095</u>
Subject to the passage of time:		
Accumulated gains on endowment	<u>33,879</u>	<u>23,753</u>
Total subject to the passage of time:	<u>33,879</u>	<u>23,753</u>
Perpetual in nature:		
Beneficial interest in perpetual trust	2,922,514	2,617,826
St. John’s Quakertown Cemetery Restoration	178,394	178,394
Investment in perpetuity	<u>728,526</u>	<u>717,566</u>
Total perpetual in nature:	<u>3,829,434</u>	<u>3,513,786</u>
	<u>\$4,523,849</u>	<u>\$4,113,634</u>

Income generated on the investment in perpetuity is separated into income reinvested in perpetuity, income remitted to beneficiary agencies and income which is expendable to support any activities of the Synod.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Total net assets used in various synodical programs totaled \$186,055 for the year ended January 31, 2022.

As of January 31, 2021, the Synod held title to one church which had closed, the value of which was not included in the net assets of the Synod. The church, Grace, Norristown, sold in June 2021. The Synod does not hold title to any churches as of January 31, 2022.

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

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

**January 31, 2022 And 2021**

The Synod classifies the original value of gifts received with donor stipulations that require them to be held in perpetuity as net assets with donor restrictions. Interest and dividend income earned on such gifts was classified as without donor restriction except for those endowment gifts for which the donor had designated the income to be reinvested in perpetuity or to be remitted to beneficiary agencies. Cumulative net unrealized gains on net assets with donor restrictions - perpetual endowment funds were classified as net assets with donor restrictions – time/purpose since the Synod had not adopted a total return investment policy in accordance with Commonwealth of Pennsylvania law.

During the year ended January 31, 2022 the Synod adopted an endowment policy in accordance with PA Act 141. Under this policy realized and unrealized gains on Synod endowment assets may be expended for the purposes stipulated by the donors only to the extent that the total of such expenditures, including dividends and interest and less fees, do not exceed 7% of the average of the three most recent fiscal years' fair values of the net assets with donor restriction held in perpetuity. Realized and unrealized gains in excess of the annual limitation would be included in the statement of activities as increases in the net assets with donor restriction. Such restricted amounts may be released to net assets without donor restriction in future years based on authorization of the Synod only to the extent of the 7% limitation applicable to the year in which they are to be released.

During the years ended January 31, 2022 and 2021, only investment income was withdrawn for operations.

Changes in endowment net assets for the year ended January 31, 2022 and 2021:

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 31, 2021	\$ -	\$ 919,713	\$ 919,713
Investment income, net	-	28,355	28,355
Endowment income designated for current operations	-	(7,269)	(7,269)
Endowment net assets, January 31, 2022	<u>\$ -</u>	<u>\$ 940,799</u>	<u>\$ 940,799</u>

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 31, 2020	\$ -	\$ 902,299	\$ 902,299
Investment income, net	-	24,372	24,372
Endowment income designated for current operations	-	(6,958)	(6,958)
Endowment net assets, January 31, 2021	<u>\$ -</u>	<u>\$ 919,713</u>	<u>\$ 919,713</u>

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

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

January 31, 2022 And 2021

**(4) EXPENSES BY NATURE AND FUNCTION**

	Program Activities						Program Activities Subtotal
	Youth And Young Adult Ministries	ELCA Proportionate	Ministry And Agency Support	Global	Candidacy And Deans	Missions	
Salaries & Benefits	\$17,341	\$ -	\$ -	\$ 1,500	\$ 125,420	\$ 54,714	\$ 198,975
Distributions to agencies	-	831,244	91,700	-	-	-	922,944
Ecumenical distributions	-	-	63,254	1,000	-	-	64,254
ELCA grant distributions	-	-	56,000	-	-	-	56,000
Forward Together grants	-	-	87,004	-	-	-	87,004
Trust Fund distributions	-	-	133,488	-	-	-	133,488
Grants to organizations	-	-	71,263	-	-	-	71,263
Supplies & Travel	993	-	-	-	2,064	6,593	9,650
Services & Professional	-	-	-	-	1,878	-	1,878
Office & Occupancy	5,137	-	-	-	3,424	5,136	13,697
Events	-	-	-	-	-	-	-
<b>Total Expenses</b>	<u>\$23,471</u>	<u>\$ 831,244</u>	<u>\$ 502,709</u>	<u>\$ 2,500</u>	<u>\$ 132,786</u>	<u>\$ 66,443</u>	<u>\$ 1,559,153</u>

	Supporting Activities				
	Management And General	Fund- Raising	Supporting Activities Subtotal	2022 Total Expenses	2021 Total Expenses
Salaries & Benefits	\$ 590,727	\$ 20,923	\$ 611,650	\$ 810,625	\$ 834,894
Distributions to agencies	-	-	-	922,944	918,866
Ecumenical distributions	-	-	-	64,254	105,469
ELCA distributions	-	-	-	56,000	53,000
Forward Together grants	-	-	-	87,004	26,025
Trust Fund distributions	-	-	-	133,488	112,455
Grants to organizations	-	-	-	71,263	84,500
Supplies & Travel	42,142	-	42,142	51,792	49,326
Services & Professional	88,553	-	88,553	90,431	86,086
Office & Occupancy	51,364	3,424	54,788	68,485	89,830
Events	48,473	-	48,473	48,473	13,765
<b>Total Expenses</b>	<u>\$ 821,259</u>	<u>\$ 24,347</u>	<u>\$ 845,606</u>	<u>\$ 2,404,759</u>	<u>\$ 2,374,216</u>

**(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, 2022 and 2021 were \$60,206 and \$62,209, respectively.

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

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

**January 31, 2022 And 2021**

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**(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 Synodus. 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. 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 original lease. Effective June 30, 2013 the rental agreement was extended to December 31, 2018 and the monthly rent reduced. Beginning January 1, 2019, the Synod is now paying cash rent of \$4,642 on a month-to-month basis.

**(7) REAL ESTATE SALES**

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, 2022, Grace, Norristown, was sold for a net sales price, after closing costs, of \$530,169, which was transferred to the Synod, of which \$387,091 was recorded in the Fund for Mission and the remainder in operations for the 15% share the general operating budget and as reimbursement for expenses incurred in managing the various church properties.

During the year ended January 31, 2021, St. John’s Church of Ambler was sold for a net sales price, after closing costs, of \$516,340, which was transferred to the Synod, of which \$383,820 was recorded in the Fund for Mission and the remainder in operations for the 15% share the general operating budget and as reimbursement for expenses incurred in managing the various church properties.

**(8) COVID-19 AND PAYCHECK PROTECTION PROGRAM**

In December 2019, a novel strain of the coronavirus (“COVID-19”) was reported in China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern”. This outbreak has affected virtually every industry and has created volatility in the stock markets throughout the world. Many federal and state governments have implemented numerous restrictions, mandated various closures and quarantine requirements in connection with the COVID-19 outbreak. The extent of the impact of COVID-19 on the Synod’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the Synod’s funders, donors, employees and investments, all of which are uncertain and cannot be predicted.



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

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

**January 31, 2022 And 2021**

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In May 2020, the Synod received \$168,073 in funds from the federal Paycheck Protection Program (PPP). The PPP loan was designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Small Business Administration (SBA) would forgive loans if all employees were kept on the payroll for a specific period of time and the money was used for certain allowable costs. Any amounts not forgiven at the end of the program period converted into a loan with 1% interest, payable over 24 months. The AICPA released guidance on recording options and the Synod decided to record these funds under the government grant model (FASB ASC 958-605). The cash received under the PPP was recorded as a liability until the conditions were substantially met. When the Synod had substantially met the conditions of the program and qualifying expenses were incurred, the cancellation of the liability was recorded as revenue. During the year ended January 31, 2021, the Synod had met conditions and incurred expenses in the amount of \$168,073. As such, the loan had been recognized in the Statement of Activities and Changes in Net Assets as PPP SBA grant revenue in fiscal year 2021. On May 7, 2021, the Synod was notified that the SBA had granted full forgiveness for the loan.

**(9) FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The following table reflects the Synod’s financial assets as of January 31, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual and/or donor restrictions. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions and assets designated by the Synod Council.

Financial Assets	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 274,072	\$ 405,186
Investments	10,747,809	9,411,192
Miscellaneous receivable	<u>25,555</u>	<u>4,827</u>
Total financial assets	11,047,436	9,821,205
Less:		
Designated by the Synod Council	(8,345,450)	(7,361,383)
Net assets with donor restrictions	<u>(1,601,335)</u>	<u>(1,495,808)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,100,651</u>	<u>\$ 964,014</u>

The Synod strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in mission development certificates and savings accounts. The Synod can spend from the designated funds of approximately \$8.3 million and \$7.4 million as of January 31, 2022 and 2021, respectively, with the approval of the Synod Council.

**(10) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 4, 2022 the date which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

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

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

Year Ended January 31, 2022

	<u>Balance January 31, 2021</u>	<u>Including Interfund Transfers</u>	<u>Receipts</u> <u>Disbursements</u>	<u>Balance January 31, 2022</u>
<b>Undesignated</b>				
General operating	\$ 863,213	\$ 2,336,935	\$ 2,231,043	\$ 969,105
<b>Designated net assets</b>				
<b>Fund for Mission</b>	\$ 6,258,512	\$ 1,143,967	\$ 193,857	\$ 7,208,622
<b>Forward Together in Faith</b>	567,863	59,283	87,004	540,142
<b>St. Michael's Germantown - Cemetery</b>	272,373	44,231	21,469	295,135
<b>St. John's Quakertown Fund</b>	242,727	38,916	-	281,643
<b>Other</b>				
Educational Ministry	4,479	-	-	4,479
Salary Sustentation	7,458	-	-	7,458
Youth Ministry	7,891	-	-	7,891
Other	80	-	-	80
<b>Total other</b>	19,908	-	-	19,908
<b>Total designated net assets</b>	\$ 7,361,383	\$ 1,286,397	\$ 302,330	\$ 8,345,450
<b>Net Assets with donor restrictions</b>				
Urban Philadelphia Conference	\$ 12,828	3,305	1,314	14,819
Blessed to be a Blessing (COVID-19)	4,510	3,676	3,830	4,356
Fisher Trust Income for Churches (Bucks)	11,527	10,022	21,549	-
Stewardship Extravaganza	-	16,993	-	16,993
Youth Ministry	21,071	-	-	21,071
Auxiliary Pastor	34,697	-	-	34,697
University/Incarnation Air Rights Fund	106,549	8,868	8,868	106,549
Comp Synod Reserve	12,762	-	1,500	11,262
Candidacy Bequest	136,099	-	(500)	136,599
Grace, Norristown	-	151,313	2,000	149,313
World Hunger	16,486	-	-	16,486
Saints United – Inner City Ministries	26,737	-	-	26,737
St. John's Quakertown	158,837	7,269	73,138	92,968
St. John's Cemetery Perpetual Care Fund	202,147	10,126	-	212,273
Other	33,992	4,361	9,667	28,686
<b>Total net assets</b>				
<b>With donor restrictions*</b>	\$ 778,242	\$ 215,933	\$ 121,366	\$ 872,809

\* Excludes Investment in Perpetuity of \$728,526 and \$717,566 as of January 31, 2022 and 2021, respectively and Beneficial Interest in Perpetual Trusts of \$2,922,514 and \$2,617,826 as of January 31, 2022 and 2021, respectively.

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

***RECEIPTS AND DISBURSEMENTS – SALE OF CHURCH PROPERTIES***

**Years Ended January 31, 2022 And 2021**

	<u>January 31,</u> <u>2022</u>	<u>January 31,</u> <u>2021</u>	<u>Total</u>
Proceeds from Sale of Church Property			
Grace, Norristown	\$ 530,169	\$ -	\$ 530,169
St. John's of Ambler	<u>-</u>	<u>516,340</u>	<u>516,340</u>
<b>Total Proceeds</b>	<u>530,169</u>	<u>516,340</u>	<u>1,046,509</u>
Reimbursement of Property Management Expenses for closed churches	(63,553)	(55,069)	(118,622)
Operating Income for the Synod	(79,525)	(77,451)	(156,976)
Transfer to Fund for Mission	<u>(387,091)</u>	<u>(383,820)</u>	<u>(770,911)</u>
<b>Total Disbursements</b>	<u>(530,169)</u>	<u>(516,340)</u>	<u>(1,046,509)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
January 31, 2022

	2021		2022		2022	2023
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
<b>01 - Unrestricted</b>						
<b>Revenues</b>						
00 - Other Income	413,702	340,021	73,681	271,109	318,018	291,991
21 - Bishop/Director of Operations	3,560	400	3,160	400	400	400
31 - Candidacy	4,500	6,500	(2,000)	6,500	6,500	6,500
51 - Congregations/Mission Support	1,662,489	1,700,000	(37,511)	1,750,000	1,650,000	1,700,000
<b>Total Revenues</b>	<b>2,084,251</b>	<b>2,046,921</b>	<b>37,330</b>	<b>2,028,009</b>	<b>1,974,918</b>	<b>1,998,891</b>
<b>Expenses</b>						
21 - Bishop/Director of Operations	292,323	312,017	19,695	316,065	325,771	330,771
22 - Administration	189,225	219,194	29,968	215,521	157,339	181,212
23 - Deans	64,304	64,350	46	68,750	66,750	68,750
24 - Communications	215,458	219,448	3,990	214,182	214,123	213,123
25 - Finance	127,471	128,075	604	125,553	133,690	133,690
27 - Stewardship/Development	-	4,000	4,000	4,000	2,000	4,000
31 - Candidacy	85,731	97,087	11,356	97,475	102,845	103,845
51 - Congregations/Mission Support	968,944	991,700	22,756	995,000	942,000	970,000
52 - Ecumenical Organizations/Agency	9,900	9,900	-	7,900	10,400	10,400
<b>Total Expenses</b>	<b>1,953,357</b>	<b>2,045,771</b>	<b>92,415</b>	<b>2,044,446</b>	<b>1,954,918</b>	<b>2,015,791</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>130,894</b>	<b>1,149</b>	<b>129,745</b>	<b>(16,437)</b>	<b>20,000</b>	<b>(16,899)</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
January 31, 2022

	2021			2022	2022	2023
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
<b>02 - Temporarily Restricted</b>						
<b>Revenues</b>						
00 - Other Income	(10,222)	90	(10,312)	90	12,045	12,045
21 - Bishop/Director of Operations	39,483	48,750	(9,267)	88,595	26,450	26,450
22 - Administration	100,655	44,000	56,655	46,100	46,200	46,200
26 - Special Events	5,783	35,050	(29,267)	35,050	34,890	34,890
27 - Stewardship/Development	16,993	-	16,993	-	15,000	-
41 - Congregations	6,981	2,500	4,481	2,500	2,500	2,500
42 - Global Vision	-	1,000	(1,000)	1,000	1,000	1,000
45 - Youth, Young Adult & Spiritual Formation Programing	-	52,000	(52,000)	52,000	52,000	52,000
51 - Congregational Support	83,247	77,500	5,747	77,500	72,250	72,250
<b>Total Revenues</b>	<b>242,920</b>	<b>260,890</b>	<b>(17,970)</b>	<b>302,835</b>	<b>262,335</b>	<b>247,335</b>
<b>Expenses</b>						
00 - Other Income	3,366	-	(3,366)	-	3,000	3,000
21 - Bishop/Director of Operations	35,231	46,750	11,519	86,595	24,450	24,450
22 - Administration	94,607	73,000	(21,607)	23,000	25,000	25,000
25 - Finance	8,868	-	(8,868)	-	-	-
26 - Concovation	5,783	35,140	29,357	35,140	34,890	34,890
32 - Interim Ministry	-	-	-	-	31,000	-
41 - Congregations	3,830	22,010	18,180	17,500	21,831	17,500
42 - Global Vision	8,854	3,805	(5,049)	1,000	7,000	6,262
44 - Transformational Ministry	2,315	5,000	2,685	5,000	5,000	5,000
45 - Youth, Young Adult & Spiritual Formation Programing	-	55,500	55,500	57,000	57,000	57,000
51 - Congregational Support	96,774	77,500	(19,274)	77,500	81,295	81,295
53 - Mission Congregations	1,314	2,500	1,186	2,500	2,500	2,500
<b>Total Expenses</b>	<b>260,942</b>	<b>321,205</b>	<b>60,263</b>	<b>305,235</b>	<b>292,966</b>	<b>256,897</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(18,022)</b>	<b>(60,315)</b>	<b>42,293</b>	<b>(2,400)</b>	<b>(30,631)</b>	<b>(9,562)</b>

**Southeastern Pennsylvania Synod**  
**Income Statement**  
January 31, 2022

	2021			2022	2022	2023
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
<b>03 - Mission</b>						
<b>Revenues</b>						
00 - Other (includes investment income & property sales)	1,005,255	897,043	108,212	469,601	469,251	469,251
01 - Forward Together in Faith	56,033	39,331	16,702	42,084	42,084	42,084
02 - St. Petri-Hope Fund for Mission	75,709	33,000	42,709	34,750	34,750	34,750
41 - Congregations	7,000	-	7,000	-	-	-
43 - Mission Developers and DEM Support	-	28,000	(28,000)	28,000	30,000	30,000
53 - Mission Congregations	56,000	18,000	38,000	18,000	12,000	12,000
<b>Total Revenues</b>	<b>1,199,998</b>	<b>1,015,374</b>	<b>184,624</b>	<b>592,435</b>	<b>588,085</b>	<b>588,085</b>
<b>Expenses</b>						
01 - Forward Together in Faith	87,004	25,000	(62,004)	25,000	85,000	45,000
02 - St. Petri-Hope Fund for Mission	-	-	-	-	28,000	28,000
26 - Special Events (RME 2)	-	2,000	2,000	2,000	2,000	2,000
41 - Congregations	17,025	7,350	(9,675)	7,350	7,350	7,350
42 - Global Vision	1,000	1,000	-	6,000	1,000	7,000
43 - Mission Developers and DEM Salary & Benefits	57,307	78,006	20,699	83,873	82,016	87,766
44 - Vitality Outreach	21,000	5,000	(16,000)	5,000	5,000	5,000
45 - Youth, YA & Spiritual Formation Salary & Benefits	17,216	91,600	74,384	124,467	127,548	132,294
46 - Youth, Young Adult & Spiritual Formation Programing	12,893	34,750	21,857	37,250	25,250	25,250
53 - Mission Congregations	67,415	42,500	(24,915)	42,500	34,500	34,500
<b>Total Expenses</b>	<b>280,861</b>	<b>287,206</b>	<b>6,346</b>	<b>333,439</b>	<b>397,664</b>	<b>374,160</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>919,137</b>	<b>728,168</b>	<b>190,970</b>	<b>258,996</b>	<b>190,421</b>	<b>213,925</b>
<b>NET DEFICIT w/o investment income &amp; property sales</b>	<b>(103,133)</b>	<b>(187,206)</b>	<b>(84,074)</b>	<b>(225,547)</b>	<b>(214,014)</b>	<b>(222,619)</b>
<b>(the 2022 budget includes a transfer from the Fund for Mission for \$225,547 to cover the Mission fund deficit)</b>						
<b>(the 2023 budget includes a transfer from the Fund for Mission for \$222,619 to cover the Mission fund deficit)</b>						

**Southeastern Pennsylvania Synod**  
**Income Statement**  
 January 31, 2022

	2021		2022		2022	2023
	YTD Actual	Forecast	Variance	Budget	Forecast	Budget
<b>04 - Permanently Restricted</b>						
<b>Revenues</b>						
00 - Other Income	467,664	60,000	407,664	60,000	60,000	60,000
51 - Congregational Support	64,689	55,000	9,689	55,000	60,000	60,000
<b>Total Revenues</b>	<b>532,353</b>	<b>115,000</b>	<b>417,353</b>	<b>115,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Expenses</b>						
31 - Candidacy	(500)	9,000	9,500	9,000	9,000	9,000
51 - Congregational Support	64,689	55,000	(9,689)	55,000	60,000	60,000
<b>Total Expenses</b>	<b>64,189</b>	<b>64,000</b>	<b>(189)</b>	<b>64,000</b>	<b>69,000</b>	<b>69,000</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>468,164</b>	<b>51,000</b>	<b>417,164</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>
<b>TOTAL ALL FUNDS</b>	<b>1,500,174</b>	<b>720,002</b>	<b>780,172</b>	<b>291,159</b>	<b>230,790</b>	<b>238,464</b>
<b>TOTAL TRANSFERS</b>	<b>(1,366,032)</b>	<b>(720,002)</b>	<b>(646,031)</b>	<b>(291,159)</b>	<b>(210,790)</b>	<b>(243,464)</b>
<b>TOTAL ALL FUNDS AFTER TRANSFERS</b>	<b>134,141</b>	<b>-</b>	<b>134,141</b>	<b>-</b>	<b>20,000</b>	<b>(5,000)</b>