

**NORTHERN TEXAS - NORTHERN LOUISIANA
SYNOD OF THE EVANGELICAL LUTHERAN
CHURCH IN AMERICA**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

JANUARY 31, 2021 AND 2020

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
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January 31, 2021 and 2020**

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INDEPENDENT AUDITORS' REPORT

To the Council
Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of January 31, 2021 and 2020, and the related statements of revenues, expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America as of January 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, 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 Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 GAAS 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

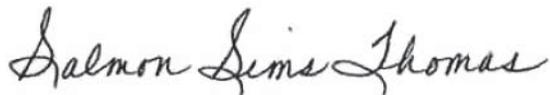
In performing an audit in accordance with GAAS, we:

- 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 Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America'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 Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 17-20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Salmon Sims Thomas".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

August 17, 2021

**Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
January 31, 2021 and 2020**

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	\$ 573,059	\$ 375,956
Prepaid expenses	320	2,613
Total Current Assets	573,379	378,569
Noncurrent Assets		
Property and equipment, net	1,070	2,904
Certificate of deposit	-	100,000
Investments	2,089,676	1,908,460
Total Noncurrent Assets	2,090,746	2,011,364
TOTAL ASSETS	\$ 2,664,125	\$ 2,389,933

LIABILITIES AND NET ASSETS

Current Liabilities		
Deferred revenue	\$ -	\$ 218
Paycheck Protection Program loan	64,495	-
Other liabilities	1,271	-
Total Current Liabilities	65,766	218
Net Assets		
<i>Without Donor Restrictions</i>		
Board designated	891,088	785,952
Undesignated	532,585	429,077
Total Without Donor Restrictions	1,423,673	1,215,029
<i>With Donor Restrictions</i>		
	1,174,686	1,174,686
Total Net Assets	2,598,359	2,389,715
TOTAL LIABILITIES AND NET ASSETS	\$ 2,664,125	\$ 2,389,933

The accompanying notes are an integral part of these financial statements.

**Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended January 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 1,420,568	\$ -	\$ 1,420,568
Assembly registration	593	-	593
Interest	3,003	-	3,003
Investment return	248,179	-	248,179
Other	7,990	-	7,990
Total Revenues and Support	<u>1,680,333</u>	<u>-</u>	<u>1,680,333</u>
Expenses			
Program services:			
Mission support	752,842	-	752,842
Mission programs	71,619	-	71,619
Planning	371	-	371
Registration	300	-	300
Fellowship and meals	310	-	310
Hospitality	596	-	596
Facilities	200	-	200
Thematic development	500	-	500
Worship	3,902	-	3,902
Congregational grants	136,731	-	136,731
Miscellaneous expenses	1,342	-	1,342
Supporting activities:			
Support salaries and expenses	386,530	-	386,530
General and administrative	104,004	-	104,004
Travel	10,584	-	10,584
Depreciation	1,834	-	1,834
Transaction fees	24	-	24
Total Expenses	<u>1,471,689</u>	<u>-</u>	<u>1,471,689</u>
Change in Net Assets	208,644	-	208,644
Net Assets, beginning of year	<u>1,215,029</u>	<u>1,174,686</u>	<u>2,389,715</u>
Net Assets, end of year	<u>\$ 1,423,673</u>	<u>\$ 1,174,686</u>	<u>\$ 2,598,359</u>

The accompanying notes are an integral part of this financial statement.

**Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended January 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 1,506,971	\$ -	\$ 1,506,971
Assembly registration	36,010	-	36,010
Board member income	166	-	166
Interest	4,997	-	4,997
Investment return	210,050	-	210,050
Other	5,565	-	5,565
Total Revenues and Support	<u>1,763,759</u>	<u>-</u>	<u>1,763,759</u>
Expenses			
Program services:			
Mission support	807,486	-	807,486
Mission programs	73,515	-	73,515
Planning	212	-	212
Registration	186	-	186
Fellowship and meals	6,578	-	6,578
Hospitality	151	-	151
Facilities	9,625	-	9,625
Thematic development	318	-	318
Publicity	106	-	106
Venue	2,574	-	2,574
Worship	2,293	-	2,293
Congregational grants	80,000	-	80,000
Miscellaneous expenses	1,881	-	1,881
Supporting activities:			
Support salaries and expenses	375,069	-	375,069
General and administrative	121,833	-	121,833
Travel	46,904	-	46,904
Depreciation	1,834	-	1,834
Transaction fees	162	-	162
Total Expenses	<u>1,530,727</u>	<u>-</u>	<u>1,530,727</u>
Change in Net Assets	233,032	-	233,032
Net Assets, beginning of year	<u>981,997</u>	<u>1,174,686</u>	<u>2,156,683</u>
Net Assets, end of year	<u>\$ 1,215,029</u>	<u>\$ 1,174,686</u>	<u>\$ 2,389,715</u>

The accompanying notes are an integral part of this financial statement.

**Northern Texas - Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Statements of Cash Flows - Modified Cash Basis
For the Years Ended January 31, 2021 and 2020**

	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	\$ 208,644	\$ 233,032
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,834	1,834
Unrealized and realized gain on investments	(215,118)	(182,745)
Change in operating assets and liabilities:		
Prepaid expenses	2,293	(279)
Deferred revenue	(218)	218
Other liabilities	1,271	(725)
Net Cash Provided (Used) by Operating Activities	(1,294)	51,335
Cash Flows From Investing Activities		
Proceeds from sale of investment	85,867	66,000
Proceeds from certificate of deposit	100,000	-
Purchases and reinvested income of investments	(51,965)	(20,380)
Net Cash Provided By Investing Activities	133,902	45,620
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	64,495	-
Net Cash Provided By Financing Activities	64,495	-
Net Increase in Cash	197,103	96,955
Cash, beginning of year	375,956	279,001
Cash, end of year	\$ 573,059	\$ 375,956

The accompanying notes are an integral part of these financial statements.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 1: NATURE OF OPERATIONS

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America ("Synod") is a Texas nonprofit corporation located in Argyle, Texas. The Synod was formed to promote the Christian religion according to the tenets of faith set forth in the Constitution of the Evangelical Lutheran Church in America ("ELCA"). The accompanying financial statements include the assets, liabilities, net assets and other material financial activities of the Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America.

The Synod maintains three separate funds to account for different activities. The Operating Fund is organized and operated to support the general and administrative and program activities of the Synod, as well as to support the annual meeting of the Synod and member congregations' governing bodies. The Mission Endowment Fund is organized and operated to develop endowment funds, the income from which supports congregations and religious and spiritual activities of the Synodical region. The DiscipleLife Alive! Fund focuses on congregational missions, personal discipleship, and mission leadership. These financial statements include the accounts and activity of the three separate funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Synod is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Synod's management, which is responsible for their integrity and objectivity. These accounting policies conform to the modified cash basis of accounting and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements of the Synod have been prepared on the modified cash basis of accounting. This method of presentation is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and therefore precludes the strict application of many professional pronouncements; however, management believes that this method most clearly coincides with the common methods of accounting used by the member congregations of this Synod.

Under the modified cash basis of accounting, certain revenues and the related assets are typically recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Synod has not recognized accounts receivable from members, nor has it recognized accounts payable to vendors.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The following are exceptions to the modified cash basis of accounting in the Synod's financial statements:

1. Registration fees for the fiscal year 2022 assembly conference collected in fiscal year 2021 are deferred at January 31, 2021 to be recognized as income in the year of the conference,
2. Expenses for the fiscal year 2022 assembly conference paid in fiscal year 2021 are recorded as prepaid expenses, to be recognized as expense in the year of the conference,
3. Fixed assets and the related depreciation are recorded, and
4. Investments are recorded at fair value.

Financial Statement Presentation

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

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Synod and/or the passage of time.

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value. There were no non-cash assets contributed during the years ended January 31, 2021 and 2020.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Synod considers all highly-liquid investments with maturities of three months or less when purchased to be cash equivalents. The Synod places its cash and cash equivalents which, at times, may exceed federally insured limits, with high-credit quality financial institutions. The Synod has not experienced any losses on such assets. The Synod did not have any cash equivalents at January 31, 2021 and 2020.

Property and Equipment/Depreciation

Property and equipment are stated at cost, if purchased, or if donated, at fair value as of the date of donation, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are recorded as expenses in the statements of revenues, expenses, and changes in net assets – modified cash basis when incurred. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are removed, and any resulting gain or loss is included in the statements of revenues, expenses, and changes in net assets – modified cash basis.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives were as follows:

Furniture and fixtures	7 years
Computer equipment	5 years

Investments

The Synod carries investments at their fair values. Unrealized gains and losses are included in the accompanying statements of revenues, expenses, and changes in net assets – modified cash basis.

Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Synod has the ability to access.

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at January 31, 2021 and 2020.

Marketable Securities: Valued at the closing price reported in an active market in which the security is traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Synod believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of FASB ASC Topic 820 did not have an impact on the Synod's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pass Through Gifts

The donor pass through gifts account represents contributions collected and held at the end of the year for other organizations and missions. The Synod's policy is to recognize contributions received and deposited as a liability until paid to the beneficiary. There were no pass through gift liabilities at January 31, 2021 and 2020.

Donated Services

Donations of noncash assets are recorded as contributions at their estimated fair value as of the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Synod. For the years ended January 31, 2021 and 2020, the Synod recorded donations of services valued at \$0 and \$175, respectively.

Income Taxes

The Synod is a nonprofit organization that is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Synod has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Synod qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Synod's exempt purpose is subject to tax under IRC Section 511.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statements of revenues, expenses, and changes in net assets – modified cash basis or accrued in the statements of assets, liabilities, and net assets – modified cash basis. Federal and state tax returns of the Synod are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Concentrations

The Synod's revenues are primarily derived from member churches, and their attendees, living in the same geographic area which the Synod covers.

Date of Management's Review

The Synod has evaluated subsequent events for potential recognition or disclosure through August 17, 2021, which is the date the financial statements were available to be issued. See Note 10 for subsequent events.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment at January 31, 2021 and 2020 consisted of the following:

	2021	2020
Furniture and fixtures	\$ 13,298	\$ 13,298
Computer equipment	36,801	36,801
	50,099	50,099
Less: accumulated depreciation	(49,029)	(47,195)
	\$ 1,070	\$ 2,904

NOTE 4: INVESTMENTS

As of January 31, 2021 and 2020, investments consisted of the following:

	2021	2020
Marketable securities	\$ 2,089,676	\$ 1,908,460

For the years ended January 31, 2021 and 2020, investment income consisted of the following:

	2021	2020
Unrealized and realized gain (loss)	\$ 215,118	\$ 182,745
Interest and dividends, net of fees	33,061	27,305
	\$ 248,179	\$ 210,050

NOTE 5: CERTIFICATE OF DEPOSIT

At January 31, 2020, the Synod's certificate of deposit with the ELCA Mission Investment Fund, valued at cost (which approximated the fair market value), was \$100,000. The certificate of deposit accrued interest at 1.98% and matured in May 2020.

NOTE 6: LEASE OBLIGATIONS

The Synod leased a copier under a noncancelable operating lease. The lease required monthly payments of approximately \$590 and expired in February 2020. The lease was renewed for another five years in February 2020, requiring monthly payments of approximately \$220, expiring in February 2025.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 6: LEASE OBLIGATIONS (CONTINUED)

The Synod also leases certain space within a facility from Briarwood Lutheran Ministries for \$1 a year. As part of the lease, the Synod is required to pay for a prorated share of certain operating costs and is bound by the terms of the lease to provide sufficient funding to cover the mortgage obligation on Briarwood Lutheran Ministries.

Future minimum obligations under these agreements are as follows:

For the years ending January 31,		
2022	\$	2,641
2023		2,641
2024		2,641
2025		2,641
2026		221
2027 and thereafter		<u>88</u>
	\$	<u><u>10,873</u></u>

Lease expense for the years ended January 31, 2021 and 2020 was \$3,723 and \$6,695, respectively.

NOTE 7: PENSION BENEFITS

The Synod participates in the ELCA Board of Pension’s defined benefit plan, through which all employees (clergy and laity) of the Synod have pension benefits. The Synod contributes a percentage of each employee’s compensation to the retirement plan as required by the plan. This percentage varies between 10 and 12 percent, depending on the staff position and the year they joined the plan.

Pension benefits expense for the years ended January 31, 2021 and 2020 was \$85,432 and \$83,596, respectively.

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 8: NET ASSETS

Net Assets Without Donor Restrictions

The Synod’s governing body has designated certain net assets without donor restrictions to be set aside for various needs of the Synod. These amounts have been included in the line item called “Board designated” on the statements of assets, liabilities, and net assets – modified cash basis.

At January 31, 2021 and 2020, the balances in the specific board designated funds consisted of the following:

	2021	2020
Congregational life planning	\$ 13,867	\$ 12,522
Bishop’s fund	124,665	154,596
Outreach commission	57,223	76,878
Leadership commission	78,220	36,558
DiscipleLife Alive!	26,052	25,337
Ascension of Garland endowment	110,000	-
Teggermann fund	229,677	229,677
Kanouse fund	8,955	7,955
Mark Herbner fund	93,270	93,270
Leif Johnson fund	50,555	50,555
Lutheran endowment	98,604	98,604
	\$ 891,088	\$ 785,952

Net Assets With Donor Restrictions

At January 31, 2021 and 2020, net assets with donor restrictions consisted of the following:

	2021	2020
General endowment	\$ 363,800	\$ 363,800
DL Endowment for Mission	400,000	400,000
Stone endowment	15,000	15,000
St. Paul, Farmers Branch	75,000	75,000
LFSW (Ester Brittain endowment)	53,985	53,985
St. John, Grand Prairie	41,550	41,550
Messiah, Monroe	65,000	65,000
Synodical gifts	160,351	160,351
	\$ 1,174,686	\$ 1,174,686

**Northern Texas – Northern Louisiana Synod
of the Evangelical Lutheran Church in America
Notes to the Financial Statements
January 31, 2021 and 2020**

NOTE 9: RELATED PARTY TRANSACTIONS AND CONTINGENT LIABILITY

The Synod provided a guarantee on the conversion of a construction loan to a long-term loan between the lender, Mission Investment Fund of ELCA, and the borrower, Briarwood Lutheran Ministries. The conversion date of the loan was January 22, 2015. The amount of the loan is \$600,000 and is payable in monthly installments of \$2,885, including interest at 4.875%. The interest rate and payment amount will be adjusted every five years through its maturity date of January 2040. As of January 31, 2021 and 2020, the balance was \$447,408 and \$443,881, respectively.

NOTE 10: PAYCHECK PROTECTION PROGRAM LOAN

The Synod received funding of \$64,495 in April 2020 under the Paycheck Protection Program (PPP) as part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) to provide payroll assistance. All funding was spent as of January 31, 2021. In accordance with the provisions of the PPP loan program, the Synod may apply for forgiveness of all or a portion of the loan which was used by the Synod, during the 24-week period from the funding disbursement date, to pay eligible payroll cost, interest on mortgage obligations incurred before February 15, 2020, rent obligations under leases dated before February 15, 2020, and utility obligations under service agreements dated before February 15, 2020. At least 60% of the loan proceeds must be used for payroll costs. In addition, the Synod is required to maintain full-time equivalent (FTE) employee levels through the end of the 24-week period to avoid a reduction in forgiveness.

The note bears interest at 1%, with principal and interest of \$3,630 due monthly until its maturity in April 2022. The Synod received full forgiveness of the loan in May 2021, however, the entire amount of the loan is accounted for as a non-current note payable as of January 31, 2021.

SUPPLEMENTAL SCHEDULES

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis - By Fund
January 31, 2021

ASSETS

	Operating	Missions	Disciple Life Alive	TOTAL
Current Assets				
Cash and cash equivalents	\$ 354,831	\$ 218,228	\$ -	\$ 573,059
Prepaid expenses	320	-	-	320
Total Current Assets	355,151	218,228	-	573,379
Noncurrent Assets				
Property and equipment, net	1,070	-	-	1,070
Investments	-	1,533,633	556,043	2,089,676
Total Noncurrent Assets	1,070	1,533,633	556,043	2,090,746
TOTAL ASSETS	\$ 356,221	\$ 1,751,861	\$ 556,043	\$ 2,664,125

LIABILITIES AND NET ASSETS

Current Liabilities				
Paycheck Protection Program loan	\$ 64,495	\$ -	\$ -	\$ 64,495
Other liabilities	1,271	-	-	1,271
Total Current Liabilities	65,766	-	-	65,766
Net Assets				
<i>Without Donor Restrictions</i>				
Board designated	300,027	591,061	-	891,088
Undesignated	(9,572)	386,114	156,043	532,585
Total Without Donor Restrictions	290,455	977,175	156,043	1,423,673
<i>With Donor Restrictions</i>				
Total Net Assets	290,455	1,751,861	556,043	2,598,359
TOTAL LIABILITIES AND NET ASSETS	\$ 356,221	\$ 1,751,861	\$ 556,043	\$ 2,664,125

See auditors' report and notes.

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis - By Fund
January 31, 2020

ASSETS

	Operating	Missions	Disciple Life Alive	TOTAL
Current Assets				
Cash and cash equivalents	\$ 330,422	\$ 45,534	\$ -	\$ 375,956
Prepaid expenses	2,613	-	-	2,613
Total Current Assets	<u>333,035</u>	<u>45,534</u>	<u>-</u>	<u>378,569</u>
Noncurrent Assets				
Property and equipment, net	2,904	-	-	2,904
Certificate of deposit	-	100,000	-	100,000
Investments	-	1,394,508	513,952	1,908,460
Total Noncurrent Assets	<u>2,904</u>	<u>1,494,508</u>	<u>513,952</u>	<u>2,011,364</u>
TOTAL ASSETS	<u>\$ 335,939</u>	<u>\$ 1,540,042</u>	<u>\$ 513,952</u>	<u>\$ 2,389,933</u>

LIABILITIES AND NET ASSETS

Current Liabilities				
Deferred Revenue	\$ 218	\$ -	\$ -	\$ 218
Total Current Liabilities	<u>218</u>	<u>-</u>	<u>-</u>	<u>218</u>
Net Assets				
<i>Without Donor Restrictions</i>				
Board designated	305,891	480,061	-	785,952
Undesignated	29,830	285,295	113,952	429,077
Total Without Donor Restrictions	<u>335,721</u>	<u>765,356</u>	<u>113,952</u>	<u>1,215,029</u>
<i>With Donor Restrictions</i>				
Total Net Assets	<u>-</u>	<u>774,686</u>	<u>400,000</u>	<u>1,174,686</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 335,939</u>	<u>\$ 1,540,042</u>	<u>\$ 513,952</u>	<u>\$ 2,389,933</u>

See auditors' report and notes.

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis - By Fund
For the Year Ended January 31, 2021

	<u>Operating</u>	<u>Missions</u>	<u>Disciple Life Alive</u>	<u>Total</u>
Revenues and Support				
Contributions	\$ 1,246,864	\$ 173,704	\$ -	\$ 1,420,568
Assembly registration	593	-	-	593
Interest	1,416	1,587	-	3,003
Investment return	-	186,088	62,091	248,179
Other	7,990	-	-	7,990
Total Revenues and Support	<u>1,256,863</u>	<u>361,379</u>	<u>62,091</u>	<u>1,680,333</u>
Expenses				
Program services:				
Mission support	752,842	-	-	752,842
Mission programs	71,619	-	-	71,619
Planning	371	-	-	371
Registration	300	-	-	300
Fellowship and meals	310	-	-	310
Hospitality	596	-	-	596
Facilities	200	-	-	200
Thematic development	500	-	-	500
Worship	3,902	-	-	3,902
Congregational grants	-	136,731	-	136,731
Miscellaneous expenses	-	1,342	-	1,342
Supporting activities:				
Support salaries and expenses	375,730	10,800	-	386,530
General and administrative	83,317	687	20,000	104,004
Travel	10,584	-	-	10,584
Depreciation	1,834	-	-	1,834
Transaction fees	24	-	-	24
Total Expenses	<u>1,302,129</u>	<u>149,560</u>	<u>20,000</u>	<u>1,471,689</u>
Change in Net Assets	(45,266)	211,819	42,091	208,644
Net Assets, beginning of year	<u>335,721</u>	<u>1,540,042</u>	<u>513,952</u>	<u>2,389,715</u>
Net Assets, end of year	<u>\$ 290,455</u>	<u>\$ 1,751,861</u>	<u>\$ 556,043</u>	<u>\$ 2,598,359</u>

See auditors' report and notes.

Northern Texas - Northern Louisiana Synod of the Evangelical Lutheran Church in America
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis - By Fund
For the Year Ended January 31, 2020

	<u>Operating</u>	<u>Missions</u>	<u>Disciple Life Alive</u>	<u>Total</u>
Revenues and Support				
Contributions	\$ 1,473,974	\$ 32,997	\$ -	\$ 1,506,971
Assembly registration	36,010	-	-	36,010
Board member income	-	166	-	166
Interest	2,713	2,284	-	4,997
Investment return	-	160,394	49,656	210,050
Other	5,565	-	-	5,565
Total Revenues and Support	<u>1,518,262</u>	<u>195,841</u>	<u>49,656</u>	<u>1,763,759</u>
Expenses				
Program services:				
Mission support	807,486	-	-	807,486
Mission programs	72,173	1,342	-	73,515
Planning	212	-	-	212
Registration	186	-	-	186
Fellowship and meals	6,578	-	-	6,578
Hospitality	151	-	-	151
Facilities	9,625	-	-	9,625
Thematic development	318	-	-	318
Publicity	106	-	-	106
Worship	2,293	-	-	2,293
Venue	2,574	-	-	2,574
Congregational grants	-	80,000	-	80,000
Miscellaneous expenses	-	1,881	-	1,881
Supporting activities:				
Support salaries and expenses	364,269	10,800	-	375,069
General and administrative	105,833	-	16,000	121,833
Travel	46,904	-	-	46,904
Depreciation	1,834	-	-	1,834
Transaction fees	162	-	-	162
Total Expenses	<u>1,420,704</u>	<u>94,023</u>	<u>16,000</u>	<u>1,530,727</u>
Change in Net Assets	97,558	101,818	33,656	233,032
Net Assets, beginning of year	<u>238,163</u>	<u>1,438,224</u>	<u>480,296</u>	<u>2,156,683</u>
Net Assets, end of year	<u>\$ 335,721</u>	<u>\$ 1,540,042</u>	<u>\$ 513,952</u>	<u>\$ 2,389,715</u>

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