



Grand Canyon Synod

Communicating • Connecting • Creating

Exhibit 1

Stirred Up in the Spirit 2022 Grand Canyon Synod Assembly

June 10-11, 2022

Rules of Procedure

Constitutional Provisions:

- S7.14.** One-half of the members of the Synod Assembly shall constitute a quorum.
- †**S7.31.** Proxy and absentee voting shall not be permitted in the transaction of any business of the Synod Assembly.
- S7.32.** *Robert's Rules of Order*, latest edition, shall govern parliamentary procedure of the Synod Assembly, unless otherwise ordered by the assembly.

Adoption of Agenda and Rules of Procedure

The first items of business upon the call to order of the assembly shall be the adoption of the Rules of Procedure and the Agenda. Once adopted, neither document may be amended except by a two-thirds majority vote of the assembly.

General Guidelines

The assembly is meant to be a meaningful experience for all. Everyone should feel free to participate. Good order at an assembly is not intended to restrict participation but to protect the rights of each voting member.

Floor Seating and Voting

Identification

Member badges are non-transferable and shall be worn while the assembly is in plenary sessions.

Seating

Seating for voting members shall be at designated places.

Youth Voting Members

Youth who are voting members shall be seated at places designated for voting members.

Non-voting members

During portions of the assembly that include voting, non-voting members shall be restricted to areas off the assembly floor; except for children visiting voting members who may not vote.

Voting in General

Voting may be conducted by voice vote, show of hands, or written ballot. If a show of hands is used for voting, those in favor of the question shall raise a green card; and those opposed a red card.

Abstentions

Abstentions do not represent votes and thus are not counted (Robert's Rules, Section 44:7-8). If a voting member wishes to have their abstention on a question recorded by name, they may privately request that the secretary do so in the published minutes of the assembly by emailing the synod secretary at davidb@christsedona.org by the time the assembly adjourns.

Obtaining the Floor

Prior to speaking in the assembly, whether to make or amend a motion, or to engage in debate, it is necessary to obtain the floor.

Members wishing to address the assembly shall proceed to one of the designated floor microphones and wait until recognized by the Chair. Please address the chair as "Bishop" or "Mr. / Ms. Vice President" (when the Vice President is presiding).

When recognized by the Chair, a speaker shall: clearly state their name and the congregation or capacity which entitles this person to speak (e.g., "I am a voting member," or "I am a member of the Synod Council."), give a clear indication why they are speaking, or in matters of debate, if they are "for" or "against" the question using the provided red "against" or green "for" cards.

Motions, Resolutions and Memorials

Synod Council Resolutions

Motions, resolutions, and memorials submitted by the Synod Council shall be presented directly to the Assembly as a motion made and seconded.

Other Resolutions

Resolutions or memorials from congregations, conferences, or voting members shall be submitted to the Committee of Reference and Counsel for presentation to the Assembly.

Resolution Deadline

The deadline for resolutions or memorials from congregations, conferences, or voting members shall be April 22, 2022.

Urgent Matters

Any resolution or memorial submitted on an urgent matter after that deadline shall require the concurrence of the Synod Assembly voting members by a majority vote for consideration before the assembly.

Review

The Committee of Reference and Counsel shall receive, review, and prepare resolutions and memorials, in consultation with the submitters, for presentation to the Synod Assembly, and may edit or consolidate such actions for clarity and procedural purposes.

A voting member of the Assembly may move to substitute the original resolution or memorial in place of the revised version submitted by the Committee of Reference and Counsel.

Presentation

A resolution or memorial submitted to the Committee of Reference and Counsel by a voting member who is not present to speak at the time of its consideration by the Assembly will be considered only after decisions on all other resolutions and memorials have been completed as time allows.

Balloting

At the discretion of the Chair, a request for a written ballot on any motion, resolution, or memorial may be taken.

Referral

Any duly submitted resolution or memorial that is not considered during the assembly due to time limitations will be referred automatically to the Synod Council for the council's consideration at its next regular meeting.

Debate

Time Limitation

Debate on any motion, resolution, or memorial shall be limited to 20 minutes. That time limit may be extended once for 10 minutes by majority vote of the assembly.

Offering an Amendment

If any voting member wishes to offer an amendment to a motion, resolution, or memorial on the floor, such a voting member must state the amendment immediately after recognition by the chair and prior to speaking on the proposed amendment.

All motions and amendments (except those of an incidental or procedural nature) shall be delivered to the Chair in writing at the time of the presentation. (Forms are available from the synod secretary.)

Identification

During debate, after being recognized by the chair, the person speaking shall:

- (a) state their name and the congregation or capacity which entitles that person to speak (e.g., “I am a voting member,” or “I am a member of the Synod Council.”) and,
- (b) give a clear indication whether they are speaking “for” or “against” the question, the best way being to bring your red (against) or green (for) card to the microphone, held so the chair can easily see it.

Sharing the Discussion

During debate, no person shall speak more than twice for no more than two minutes on the same question. The Chair will not recognize a member who wishes to speak for a second time on the same question unless all others who wish to speak have been heard first.

A person speaking to a question during debate may not—at the conclusion of the statement—move to close debate on the matter under discussion.

"Previous Question"

To move the "previous question" is a unique motion to bring the assembly to an immediate decision as to whether debate on the question should cease. A two-thirds vote is required to close debate. It is not debatable. If adopted, the assembly proceeds, without further debate, to vote at once on the pending question(s).

Orders of the Day

At the discretion of the Chair, the agenda may be adjusted, except that a change in an Order of the Day, as listed in the adopted agenda, shall require – upon recommendation of the Chair – a two-thirds majority vote of the assembly.

Mission Spending Plan

Anyone wishing to revise the proposed Mission Spending Plan for 2023–2024 (February 1, 2023-January 31, 2024) must give notice to the Synod Council prior to 2:45 pm on Friday, June 10, 2022.

The Chair will give notice to the assembly as soon as possible of the intent to revise the Mission Spending Plan.

The person(s) proposing a revision shall meet with designated members of the Synod Council and explain the proposed change.

The Synod Council will provide a recommendation regarding the proposed revision to the Assembly.

A revision to the Mission Spending Plan that increases spending without the endorsement of the Synod Council requires a two-thirds vote of the Assembly.

A revision to the Mission Spending Plan that does not have the endorsement of the Synod Council but does not increase total expenditures may be approved by a majority vote of the Assembly.

Elections (other than as specified in the bylaws for the election of officers)

A separate ticket shall be established for each position for which an election is to take place with the requirements for nomination and election designated on that ticket (e.g., lay female, lay male, rostered leader).

A majority of the votes cast in relation to each ticket shall be required for election. If no election occurs on the first ballot, the two persons receiving the greatest number of votes on that ballot shall be presented on the second ballot with a majority required for election.

Reference and Counsel Advisory Capacity

In addition to the preparation and presentation of resolutions and memorials submitted prior to the assembly, the Committee of Reference and Counsel shall serve in an advisory capacity to the assembly. Motions or assembly business may be referred to the Committee for recommendations or options, at the discretion of the chair.

Technical Notes

Online Documents

Each voting member is responsible for their own electronic access or printing of assembly documents unless arrangements are made with the appropriate synod staff person at least one week prior to the opening of the assembly.

Exhibit 2

		Actual	Approved Mission Plan	Proposed Mission Plan
		2021-22	2022-23	2023-24
Ordinary Income/Expense				
	Income			
	Congregation Support - Pledged	1,804,481	1,874,000	1,810,000
	Congregation Support - Other	1,225,671	25,000	65,000
	Other Gifts	2,828	25,000	5,000
	Restricted Contributions	465,239	150,000	90,000
	Other Income	84,305	21,000	30,000
	Total Income	3,582,524	2,095,000	2,000,000
	Expense			
	Personnel	383,777	402,000	430,000
	Professional Fees/Services	138,464	179,000	184,000
	Communication	7,414	10,000	10,000
	Postage and Supplies	8,099	8,000	10,000
	Administrative	17,381	27,000	23,000
	Equipment and Software	8,025	10,000	12,000
	Building	31,625	40,000	38,000
	Travel	24,708	50,000	50,000
	Mission Support - Churchwide	1,018,115	937,000	905,000
	Mission Support - Other	265,000	290,000	290,000
	Grants	174,667	210,000	218,000
	Mission & Ministry Program	0 137,249	0 80,000	250,000 100,000
	Total Expense	2,214,524	2,243,000	2,520,000
	Net Ordinary Income	1,368,000	(148,000)	(520,000)
Other Income/Expense				
	Other Income			
	Restricted Investment Income (Loss)	94,317	82,000	75,000
	Other Investment Income (Loss)	92,082	38,000	50,000
	Total Other Income	186,399	120,000	125,000
	Other Expense			
	Restricted Release - Net Assets	326,414	148,000	520,000
	Net Assets Released	(326,414)	(148,000)	(520,000)
	Depreciation & Other	5,340	5,000	5,000
	Total Other Expense	5,340	5,000	5,000
	Net Other Income	181,059	115,000	120,000
	Net Income	1,549,059	(33,000)	(400,000)

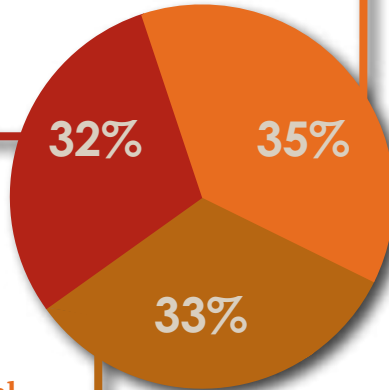
	Actual	Approved Mission Plan	Proposed Mission Plan
	2021-22	2022-23	2023-24
Mission Support - Other			
Lutheran Social Services of the Southwest	50,000	50,000	47,000
Lutheran Social Services of Nevada	15,000	15,000	15,000
Pacific Lutheran Theological Seminary	35,000	35,000	35,000
California Lutheran University	12,000	12,000	12,000
ASU Campus Ministry	37,000	37,000	37,000
ASU Polytech - Campus Ministry	0	5,000	5,000
NAU Campus Ministry	37,000	37,000	37,000
UArizona Campus Ministry	37,000	37,000	37,000
Native American Urban Ministry	0	15,000	15,000
Border Ministry - Cruzando Fronteras	10,000	12,000	12,000
Iglesia Luterana Mexicana (ILM)	0	5,000	7,000
Lutheran Church of Senegal	0	5,000	7,000
Spirit in the Desert Retreat Center	10,000	9,000	9,000
Advocacy/Lutheran Engagement & Advocacy in Nevada	5,000	5,000	3,000
Navajo Evangelical Lutheran Mission	5,000	5,000	5,000
ELCA Disaster Relief	6,000		
ELCA Region 2 Program Support	4,000	5,000	5,000
Evangelical Lutheran Church of Jordan & the Holy Land	1,000		
Arizona Faith Network	1,000	1,000	2,000
Total Mission Support - Other	265,000	290,000	290,000



Where does my congregation's mission support go?

Communicate Jesus

- Funds the work of [Lutheran Advocacy Ministry of Arizona](#) (LAMA) and [Lutheran Engagement and Advocacy in Nevada](#) (LEAN), and supports [Arizona Faith Network](#) (AFN)
- Contributes funds to [Pacific Lutheran Theological Seminary](#), [California Lutheran University](#), and supports **3 Lutheran Campus Ministries** ([UofA](#), [ASU](#), [NAU](#))
- Expands ministry and resources to **serve the poor and provide basic needs** to 70,000+ through partnership with [Lutheran Social Services of the Southwest](#) (LSS-SW) and [Lutheran Social Services of Nevada](#) (LSSN)
- Nurtures **companion synod relationship** ([Senegal](#)) and **develops new synodical relationships** (Mexico)
- Funds **22 project grants** for congregations and organizations to better Communicate Jesus, Connect People, and Create Possibilities
- Supports [Lutheran Disaster Response](#) and [Lutheran World Relief](#)
- Supports ELCA membership in the [Lutheran World Federation](#): 145 members for ecumenical work and world service relief and development



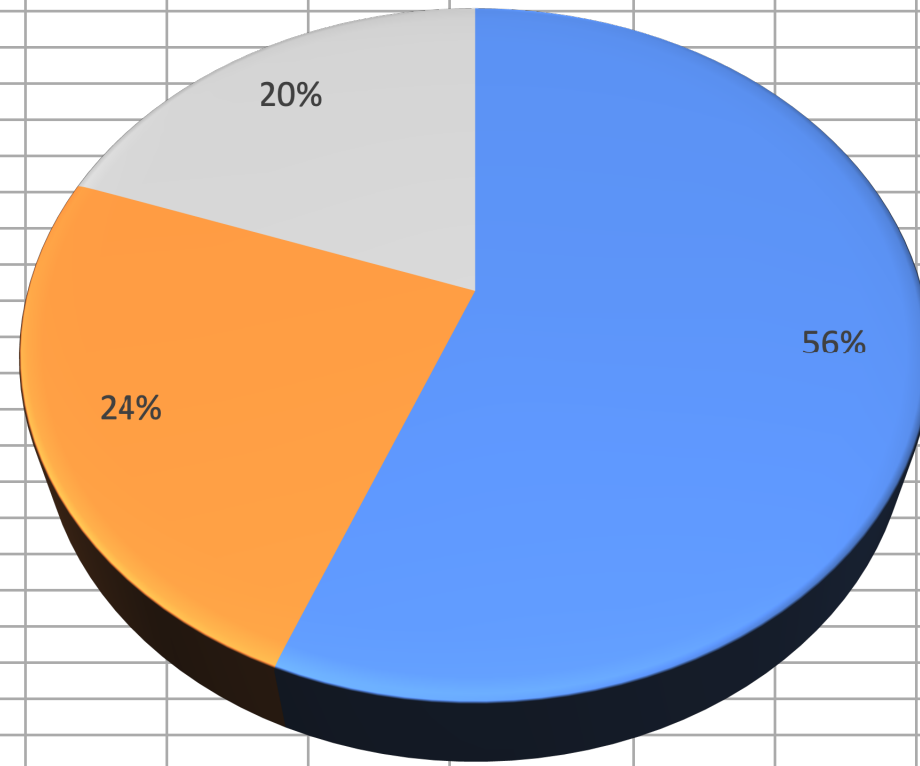
Create Possibilities

- Supports & oversees **5 congregational renewals** and **8 new starts** across the synod
- Organizes **candidacy** process supporting 23 candidates in the process for ordination and 7 candidates in discernment
- Supports pastors and deacons in **mobility** and **leadership**
- Supports **17 congregations in transition**
- Funds **ACTS grants for 8 congregations under development and renewal, or strategic ministry**
- Works in collaboration with Rocky Mountain Synod on [Lilly 3E program](#) ([Stewardship for all Seasons](#), [Beginning a Culture of Generosity](#), [Ministerial Excellence Fund](#), [Vital Right-Shaped Congregations](#))
- Applies funds from church property sale to encourage **diverse** and **new emerging ministries**

Connect People

- Shares **mission support** dollars with [ELCA](#) (churchwide) and [Region 2](#) (southwest)
- Provides a ministry of presence for congregations & pastors during **crisis & transition**
- Leads Convocation of **rostered leaders** (active and retired pastors/deacons) for theological discussion and fellowship, and supports the **retired pastors' retreat**
- Supports and helps lead [youth faith formation camp](#)
- Organizes [Synod Assembly](#) meeting and voting based on congregational identity
- Participates in [Churchwide Assembly](#), [ELCA Youth Gathering](#), and [Rostered Ministers Gathering](#) every 3 years
- Funds [Diakonia](#) lay leadership program, 3 cohorts
- Supports the work of [Phoenix Fusion](#) and [Northeast Valley Consortium](#) (collaborating initiatives)

Proposed 2023-2024 Mission Plan - Percentage of Expenses



● Mission Support & Grants ● Personnel / Professional Fees & Services ● Mission & Ministry / Program / Travel / Rent

Mission Support & Grants	1413000	56%
Personnel / Professional Fees & Services	614000	24%
Mission & Ministry / Program / Travel / Rent	493000	20%
	2520000	100%

Exhibit 3

GRAND CANYON SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

(a non-profit religious corporation)

Financial Statements

January 31, 2022



**GRAND CANYON SYNOD OF THE EVANGELICAL
LUTHERAN CHURCH IN AMERICA**
(a non-profit religious corporation)

TABLE OF CONTENTS
January 31, 2022

	PAGE
Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplemental Information:	
Schedule of Financial Support	13

INDEPENDENT AUDITORS' REPORT

To the Council of
Grand Canyon Synod of the Evangelical Lutheran Church in America

Opinion

We have audited the financial statements of Grand Canyon Synod of the Evangelical Lutheran Church in America (a nonprofit religious corporation), which comprise the statement of financial position as of January 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Grand Canyon Synod of the Evangelical Lutheran Church in America 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 (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 the Organization 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 these 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 Grand Canyon Synod of the Evangelical Lutheran Church in America's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be 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 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 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 Grand Canyon 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 Grand Canyon 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 others, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial support on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Metz & Associates PLLC".

Phoenix, Arizona
June 6, 2022

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**
(a non-profit religious corporation)

**Statement of Financial Position
January 31, 2022**

Assets

Current Assets	
Cash and cash equivalents	\$ 3,041,810
Investments	1,642,183
Accounts receivable	10,568
Prepaid expenses	<u>5,116</u>
Total Current Assets	4,699,677
Property and Equipment	
Property and Equipment	26,923
Less: Accumulated depreciation	<u>(18,950)</u>
Net Property and Equipment	7,973
Other Assets	
Investments – with donor restrictions	628,357
Deposits	<u>3,062</u>
Total Other Assets	<u>631,419</u>
Total Assets	<u>\$ 5,339,069</u>

Liabilities and Net Assets

Current Liabilities	
Payable to ELCA	\$ 111,074
Accounts payable and accrued expenses	58,048
Funds held for others	<u>126,967</u>
Total Current Liabilities	<u>296,089</u>
Net Assets	
Without donor restrictions	3,405,846
With donor restrictions	<u>1,637,134</u>
Total Net Assets	<u>5,042,980</u>
Total Liabilities and Net Assets	<u>\$ 5,339,069</u>

See accompanying notes to financial statements.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Statement of Activities
Year Ended January 31, 2022**

Changes in net assets without donor restrictions:	
Support and revenue	
Congregational and designated giving	\$ 1,804,481
Other income	1,312,803
Investment income	<u>92,082</u>
Total support and revenue without donor restrictions	3,209,366
Net assets released from restrictions	<u>326,414</u>
Total support and revenue without donor restrictions and net assets released from restrictions	<u>3,535,780</u>
Expenses:	
Program services	1,904,370
Management and general	277,287
Fundraising	<u>38,209</u>
Total expenses	<u>2,219,866</u>
Increase in net assets without donor restrictions	<u>1,315,914</u>
Changes in net assets with donor restrictions:	
Congregational and designated giving	166,850
Grants	15,000
Other income	283,390
Investment income	94,318
Net assets released from restrictions	<u>(326,414)</u>
Increase in net assets with donor restrictions	<u>233,144</u>
Change in net assets	1,549,058
Net assets at January 31, 2021	<u>3,493,922</u>
Net assets at January 31, 2022	<u>\$ 5,042,980</u>

See accompanying notes to financial statements.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Statement of Functional Expenses
Year Ended January 31, 2022**

	Program Services				Support Services			Total Expenses
	Leadership Support & Development	Congregational Support & Development	Support of God's Work in God's World	Total Program Services	Management and General	Fundraising	Total Support Services	
Mission support-ELCA	\$ 339,372	339,372	339,372	\$ 1,018,116	\$ -	-	\$ -	\$ 1,018,116
Mission support -Reg II/I&A	7,080	10,504	247,416	265,000	-	-	-	265,000
Grants	-	153,014	21,653	174,667	-	-	-	174,667
Personnel	81,108	61,098	48,497	190,703	168,318	24,757	193,075	383,778
Professional fees and services	29,263	22,044	17,497	68,804	60,728	8,932	69,660	138,464
Communication	1,567	1,180	937	3,684	3,252	478	3,730	7,414
Postage & supplies	1,712	1,289	1,023	4,024	3,552	522	4,074	8,098
Administrative	-	-	-	-	17,382	-	17,382	17,382
Equipment and software	1,696	1,278	1,014	3,988	3,519	518	4,037	8,025
Occupancy	6,684	5,035	3,996	15,715	13,870	2,040	15,910	31,625
Travel	6,795	9,883	3,089	19,767	4,324	618	4,942	24,709
Program services	58,373	43,972	34,903	137,248	-	-	-	137,248
Depreciation and other	1,129	850	675	2,654	2,342	344	2,686	5,340
Totals	\$ 534,779	649,519	720,072	\$ 1,904,370	\$ 277,287	38,209	\$ 315,496	\$ 2,219,866

See accompanying notes to financial statements.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Statement of Cash Flows
Year Ended January 31, 2022**

Cash flows from operating activities:	
Change in net assets	\$ 1,549,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,036
Unrealized gain on investments	(104,077)
Forgiveness of Payroll Protection Program loan	(29,275)
Net change in operating assets and liabilities:	
Accounts receivable	9,717
Prepaid expense	(347)
Payable to ELCA	23,983
Accounts payable and accrued expenses	27,198
Funds held for others	12,534
	<hr/>
Net cash provided by operating activities	1,493,827
Cash flows from an investing activity:	
Purchase of investments	<hr/> (76,140)
Net cash used in an investing activity	<hr/> (76,140)
Net increase in cash and cash equivalents	1,417,687
Cash and cash equivalents at beginning of year	<hr/> 1,624,123
Cash and cash equivalents at end of year	\$ <hr/> <u>3,041,810</u>

See accompanying notes to financial statements.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Notes to Financial Statements
January 31, 2022**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – The Grand Canyon Synod of the Evangelical Lutheran Church in America (the Synod) was incorporated in 1986 as a non-profit religious corporation. Its purpose is to promote the Christian religion according to the tenets of faith set forth in the Constitution of the Evangelical Lutheran Church in America. The Synod is comprised of approximately 100 congregations in Arizona and southern Nevada. The officers and members of the Synod Council are elected by the Synod Assembly. The Synod Assembly is comprised of ordained ministers, associates in ministry, diaconal ministers and congregational lay members.

Basis of Accounting – The accounts of the Synod are maintained, and the financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation – Financial statement presentation follows the recommendation promulgated by the Financial Accounting Standard Board (FASB), collectively GAAP. Accordingly, the Synod is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenue, and expenses are classified as without donor restrictions and with donor restrictions based upon the following criteria:

Without Donor Restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.

With Donor Restrictions consists of contributed funds, subject to specific donor imposed restrictions, contingent upon specific performance of future events or a specific passage of time before the Synod may spend the funds.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. Actual results could differ from those estimates.

Concentrations of Credit Risk – Financial instruments which potentially subject the Synod to concentrations of credit risk include cash deposits maintained in excess of Federal Deposit Insurance Corporation (“FDIC”) and Securities Investor Protection Corporation (“SIPC”) limits throughout the year. The Company maintains mutual fund balances included in cash and cash equivalents. These funds are not insured by the Federal Deposit Insurance Corporation. At January 31, 2022, the Synod’s uninsured cash balances totaled \$2,722,571.

Property and Equipment – Property and equipment is recorded at cost, or if donated, at estimated fair value at donation date. Repairs, maintenance, and minor replacements are expensed as incurred. For financial reporting purposes, depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from five to ten years. The Synod capitalizes its property and equipment in excess of \$3,000.

Revenue Recognition – Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Notes to Financial Statements
January 31, 2022**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences – The Synod allows full-time employees to receive compensation for vacation and sick leave. Employees are allowed to carry forward five days of vacation into the following calendar year. Upon termination, earned but unpaid vacation time shall be paid as of the last full pay period before the termination. The accrued vacation liability at January 31, 2022 is \$23,068 and is included in accrued expenses.

Donated Services – No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Synod with specific programs, fund solicitations, and various committee assignments.

Income Tax Status – The Synod is an exempt religious organization under the Internal Revenue Code Section 501(c)(3) and is covered by a group exemption letter issued to the Evangelical Lutheran Church in America and, accordingly, there is no provision for income taxes included in the financial statements.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Synod considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the Synod's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Synod.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Notes to Financial Statements
January 31, 2022**

NOTE B – FAIR VALUE ESTIMATES

The Synod's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of future fair values. Furthermore, although the Synod believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Level 1 Fair Value Measurements

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 Fair Value Measurements

Inputs to the valuation methodology include:

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

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

Level 3 Fair Value Measurements

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at January 31, 2022.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Synod are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Synod are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Synod's assets at fair value as of January 31, 2022.

	Assets at Fair Value	
	Total	Level 1
Mutual funds	\$ 2,270,540	\$ 2,270,540
Total assets at fair value	\$ 2,270,540	\$ 2,270,540

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**
(a non-profit religious corporation)

**Notes to Financial Statements
January 31, 2022**

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of January 31, 2022:

		<u>Estimated Useful Lives</u>
Automobiles	\$ 25,178	5 years
Furniture	<u>1,745</u>	10 years
	26,923	
Accumulated depreciation	<u>(18,950)</u>	
Property and Equipment, net	<u>\$ 7,973</u>	

Depreciation expense for the year ended January 31, 2022 was \$5,036.

NOTE D – FUNDS HELD FOR OTHERS

Funds held for others consist of the following at January 31, 2022:

Fund for Leaders Golf	\$	34,599
Native American urban ministry		69,827
Retired pastors' retreat		13,358
Others		<u>9,183</u>
	\$	<u>126,967</u>

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at January 31, 2022 represent amounts restricted for various purposes as listed below:

Latino mission support	\$	6,844
Scholarships for potential and current seminarians		319,388
Faith formation		188,853
Outreach for new and redeveloping congregations		89,427
Haiti educational programs		56,128
New congregations-Southern Arizona		10,207
West Valley churches and programs		11,393
Advocacy ministry		19,415
Generosity project		307,122
Endowment		<u>628,357</u>
	\$	<u>1,637,134</u>

The endowment funds were established to support congregational assistance. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Synod indefinitely. Income from the fund is to be expended for congregational assistance program services. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Notes to Financial Statements
January 31, 2022**

NOTE F – INVESTMENT INCOME AND EXPENSES

Investment income and expenses were as follows for the year ended January 31, 2022:

Change in fair market value of investment	\$	104,077
Dividends and interest		<u>82,323</u>
	\$	<u><u>186,400</u></u>

NOTE G – RETIREMENT PLAN

The Synod contributes to a pension plan, which is maintained by the Board of Pensions of the Evangelical Lutheran Church in America, for the benefit of all Synod employees. All employees are eligible to participate immediately upon employment. The pension cost is 10% to 12% of each employee's defined compensation. The pension plan expense that was included in personnel expenses was \$32,026 for the year ended January 31, 2022.

NOTE H – OPERATING LEASE

The Synod entered into an office lease, categorized as an operating lease for accounting purposes, on September 1, 2013. The lease has minimum monthly payments ranging from \$2,786 to \$2,861 and the rent is adjusted annually. The operating lease agreement expires September 30, 2025. Future minimum payments under the amended lease agreement are as follows:

Year ending January 31,		
2023	\$	33,731
2024		58,125
2025		<u>36,140</u>
	\$	<u><u>127,996</u></u>

Occupancy expense under the lease for the year ended January 31, 2022 was \$31,625.

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(a non-profit religious corporation)**

**Notes to Financial Statements
January 31, 2022**

NOTE I – LIQUIDITY AND AVAILABILITY

The following reflects the Synod's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$	4,694,561
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions		(1,637,134)
Funds held for others		<u>(126,967)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>2,930,460</u>
Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:		
Cash and cash equivalents	\$	3,041,810
Investments		1,642,183
Accounts receivable		<u>10,568</u>
	\$	<u>4,694,561</u>

NOTE J – SUBSEQUENT EVENTS

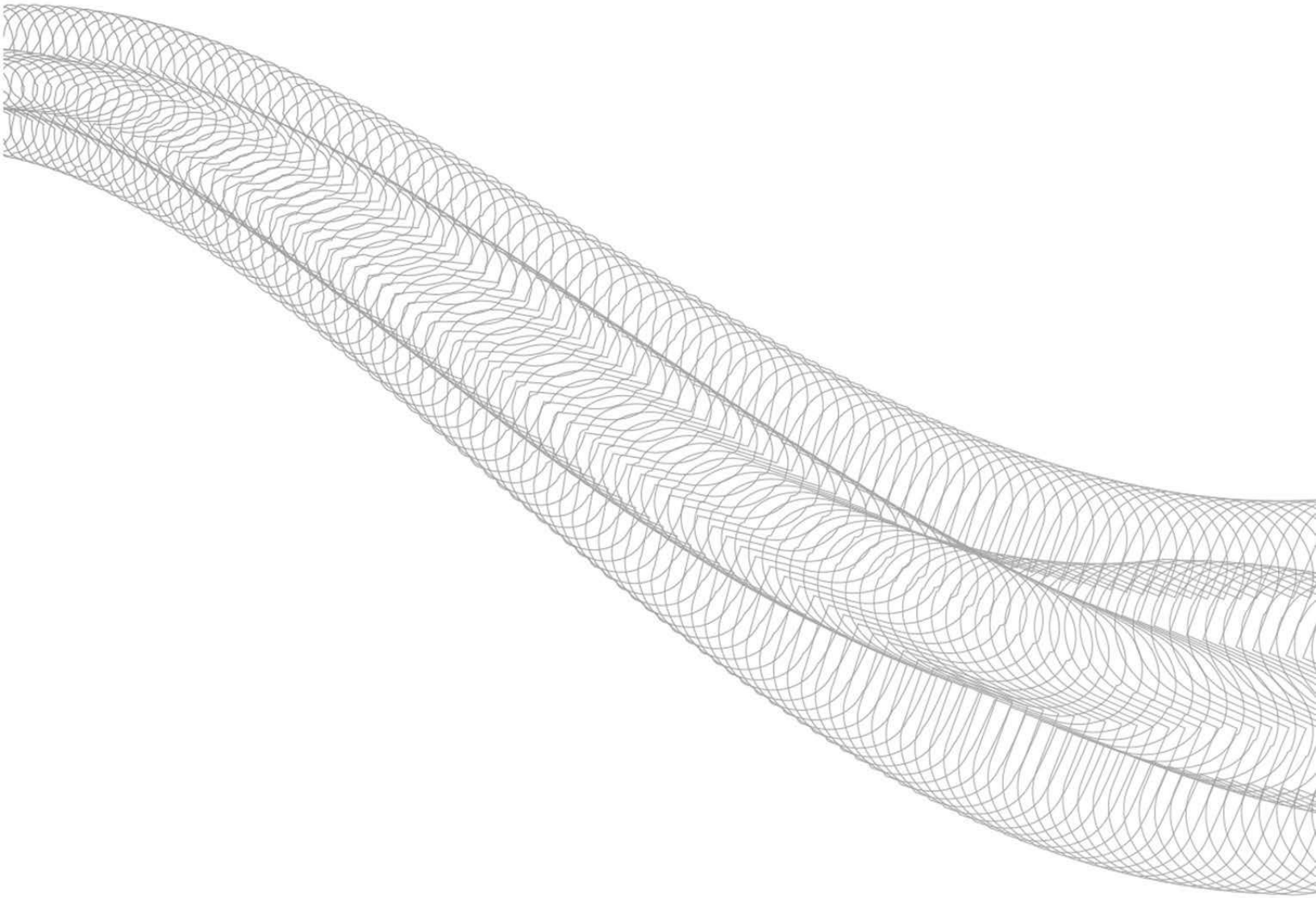
The Synod evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 6, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**GRAND CANYON SYNOD OF
THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**
(a non-profit religious corporation)

**Schedule of Financial Support
For the Year Ended January 31, 2022**

Lutheran Social Services of the Southwest	\$ 50,000
Campus Ministry, Arizona State University	37,000
Campus Ministry, Northern Arizona University	37,000
Campus Ministry, University of Arizona	37,000
Pacific Lutheran Theological Seminary	35,000
Lutheran Social Services of Nevada	15,000
California Lutheran University	12,000
Cruzando Fronteras	10,000
Spirit in the Desert	10,000
Navajo Evangelical Lutheran Mission	5,000
Region 2	4,000
Lutheran Advocacy Ministry in Nevada	2,500
Lutheran Engagement Advocacy in Nevada	2,500
Texas-Louisiana Gulf Coast Synod Disaster Relief	2,000
North-Texas/North-Louisiana Synod Disaster Relief	2,000
SWT Synod Disaster Relief	2,000
Arizona Faith Network	1,000
ELCA Gifts Processing Center	1,000
	<hr/>
	\$ <u>265,000</u>



Phoenix

950 W. Indian School Rd
Phoenix, AZ 85013

Milwaukee

720 N. Milwaukee St.
Suite 300
Milwaukee, WI 53202

New York

175 Varick St.
New York, NY 10014