



THE SYNOD OF SOUTHERN CALIFORNIA AND HAWAII
OF THE PRESBYTERIAN CHURCH (USA)

MINUTES OF THE
STATED MEETING OF THE SYNOD ASSEMBLY

December 4, 2021

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SYNOD OF SOUTHERN CALIFORNIA AND HAWAII
Stated Meeting Minutes
December 4, 2021

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SYNOD OF SOUTHERN CALIFORNIA AND HAWAII
SYNOD ASSEMBLY STATED MEETING
Meeting via Zoom Web Conference
Saturday, December 4, 2021

PLENARY

CALL TO ORDER

The Synod of Southern California and Hawaii met in its 69th Stated Meeting on December 4, 2021, via Zoom web conference. The Moderator, TE Suzanne Malloy, called the meeting to order at 9:07 a.m. and opened with prayer.

ATTENDANCE

(By Presbytery, noting absences, excuses, and vacancies)

(E = excused; A = absent; V = vacancy)

<u>Presbytery</u>			
<u>Los Ranchos</u>			
P	RE	Kathleen	Julian
P	TE	Inn Chul	Kim
E	TE	Dee	Lilly
P	TE	Anette	Rihovsky
P	TE	Karen	Classen - Alternate
<u>Pacific</u>			
P	RE	Lauren	Beck
P	RE	Susan	Comrie
P	TE	Sue	Fisher
E	TE	Paul	Barrett
P	RE	Dave	Sargent
E	TE	Fabio	Olivares
<u>Riverside</u>			
P	RE	Melodee	Kistner
E	RE	Amy	Smith
P	TE	Martin	Smith
P	TE	Don	Thursby

<u>San Diego</u>			
P	TE	Chris	Kohlbray
P	RE	Frances	Lin
P	TE	John	Moser
P	RE	Maurice	Casky
P	RE	Sue	Skala
<u>San Fernando</u>			
P	TE	Juan	Sarmiento
P	RE	Janine	Tanahuvia
V	RE	VACANT	
V	TE	VACANT	
<u>San Gabriel</u>			
P	RE	Steve	Salyards
P	TE	Catherine	Grier Carlson
P	RE	Yvonne	Harmon
P	TE	N'Yisrela	Watts-Afriyie
<u>Santa Barbara</u>			
P	TE	Mickey	Fenn
P	RE	Lee	Kirkpatrick
P	TE	Janet	Loughry
P	RE	Ashley	Chelonis

Officers		
RE Pat Niles	Commission of Assembly Chair	
TE Suzanne Malloy	Synod Moderator	
RE Janine Tanahuvia	Synod Vice Moderator	
RE Susan Skoglund	Synod Treasurer	
TE Mark Hong	Synod Executive/Stated Clerk	
Those present to report, guests, and staff		
(Corresponding members marked with *)		
TE Wendy Tajima*	San Gabriel	CoA
TE David Won*	Pacific	CoA
TE Lee Ireland*	Riverside	CoA
Deborah Herbert	Monte Vista Grove Homes	
TE Darrel Meyers*	San Fernando	JPIC
TE Elizabeth Gibbs Zehnder*	The Pacific	LAC+USC Chaplain
Gabriel Meyer	Southern California Christian Forum	
TE Lee Kirkpatrick*	Santa Barbara	CoA
TE Narcissis Tucker Bishop*	Riverside	REPL / Staff
TE Linda Culbertson*	Pacific	CoA
TE Dick Young*		Zephyr Point
TE Paula Mann	Pacific	Staff
Joanne Yi-Bortfeld		Staff

WELCOME

The Moderator, TE Suzanne Malloy, welcomed the assembly to the meeting.

OPENING WORSHIP

An opening worship service was held at 9:10 a.m. via Zoom led by the vice Moderator, RE Janine Tanahuvia. TE Juan Sarmiento preached, and the Sacrament of the Lord's Supper was celebrated and administered by the RE Tanahuvia and the TE Sarmiento. After the benediction, the meeting continued.

REPORT OF THE STATED CLERK

TE Mark Hong presented a written report, which is included below.

Declaration of a Quorum

The Clerk advised that a quorum was present, and the Moderator declared a quorum present. A quorum, as stated in the Bylaws, Article IV, Structure, A. Synod Assembly, is as follows: *A quorum of the Synod Assembly shall be sixteen (16) commissioners, at least eight of whom shall be ruling elders and at least eight of whom shall be teaching elders, representing at least five presbyteries.*

Adoption of the Agenda

The Clerk recommended and the Assembly VOTED to adopt the agenda with minor changes. A report from Riverside Presbytery was added. A new business item of the Synod Executive's Housing Allowance was added.

Seating of Corresponding Members

The Clerk recommended and the Assembly VOTED to seat any corresponding members with voice who may be present.

Consent Agenda

- 1. Appointment of Journal Clerk** **For Action**
The Clerk recommends approval of the appointment of Paula Mann as Journal Clerk.
- 2. Minutes of the December 2021 Synod Assembly** **For Action**
The Moderator appoint and convene a three-person Task Force to approve the minutes.
Rationale: Synod Minute Review by the Office of General Assembly for 225th General Assembly, will take place in March 2022.
- 3. New board members for PCCCI** **For Action**
Class of 2024: TE Brian Gaeta-Symonds (SG), Paul Knopf (RS), Haynes Noble (LR)
- 4. New board members for Zephyr Point** **For Action**
TE David Won (PA-2023), RE Bill Hughes (SB-2023), TE N'Yisrela Watts-Afriyie (SG-2024), RE Tracie Lyons (PA-2024)
- 5. New board members for Monte Vista Grove Homes** **For Action**
Class of 2022: Patricia Martinez-Miller, Denise Jackson
Class of 2023: Jim Cronk, Patricia Martinez-Miller

Class of 2024: Gerald Herter, Michael Romo, TE David Won

6. Housing Allowance for the Executive/Stated Clerk: 2021 - \$53,468.90 **For Action**
2022 - \$56,703.71

The following items are for informational purposes only:

7. **Synod Manual of Operations**

The Synod has a manual of operations, a sexual misconduct policy, and a protection policy for children and youth as required by G-3.0106

8. **Insurance Coverage**

The Synod has property and liability insurance coverage as required by G-3.0112.

9. **Financial Review for 2020**

A financial review of the 2020 statements is being conducted by Scott Krivis & Company, and its report is expected in December.

10. **Permanent Judicial Commission Roster**

The Stated Clerk as required by the *Book of Order* at D-5.0206b reports the names of the following members of the Synod Permanent Judicial Commission whose terms have expired in the last six years.

<u>Class of 2021</u>	<u>Class of 2019</u>	<u>Class of 2017</u>	<u>Class of 2015</u>
TE Winston Presnall	TE Shelby Larson	RE Marie Castellano	TE Daryl Fisher-Ogden
TE Robert Wendel	RE Peter Lee	TE Mickie Choi	RE Curtis McKee
RE Janice Takeda	RE Izar Martinez	TE Peter Hintzoglou	RE Chuck Wakamoto
RE Pat Niles			

11. **The Review of the Presbytery Minutes for 2019 and 2020**

For Information

Presbytery minutes review postponed from 2020 was successfully conducted via Zoom on August 18, 2021.

12. **Synod Educator**

For Information

With a recommendation from Justice, Peace, Integrity of Creation (JPIC) Synod appointed Dr. Tom English (SD) as Creation Care Educator as a volunteer linking person with the denominational Creation Care network and resource for presbyteries.

13. **Synod Meetings in 2022**

The Commission of Assembly: March 5, June 4, October 1, December 10 (if necessary)
The Assembly: December 3 (Saturday)

14. **2020 Assembly Minutes** were reviewed and approved by RE Pat Niles, RE Melodee Kistner, RE Janice Takeda, and TE Mickey Fenn on February 26, 2021.

TREASURER'S REPORT

Synod Treasurer RE Susan Skoglund presented the financial statements of September 30, 2021. These reports were made available to the commissioners with the other meeting materials. The treasurer lifted up the summary information which identifies that the actual income and expenses are below budget. The treasurer pointed out that the activity report provides more information regarding this information. RE Skoglund also pointed out that the per capita was down from the projected amount. This is due to our membership numbers going down as well as less per capita coming in from each presbytery. The Wilshire Fund drawdown has not been posted. The Partnering Grants are listed with what has been granted and the remaining balances for each presbytery. The funds report was reviewed and noted that the funds are highlighted to indicate what is available. The financial reports are included as Attachments 1 and 2.

REPORT OF MONTE VISTA GROVE HOMES (MVGH)

Director Deborah A. Herbert provided an overview of MVGH. She shared information regarding the impact of the pandemic on Monte Vista Grove Homes and moving beyond. She shared information on MVGH's structure and its goals. Goal #1 Filling Vacant Units - New residents continue to move in, and the property is at an 89% occupancy rate. Goal #2: Remodel of the Dining Room and Common Area - The outdoor dining area will increase the seating capacity and the project has been funded with 100% outside donations. Goal #3 Rethinking Skilled Nursing: MVGH is changing the focus from Skilled Nursing to re-license as an assisted living facility. (The Monte Vista Grove Homes Consolidated Financial Statements are Attachment 3)

REPORT OF THE SOUTHERN CALIFORNIA CHRISTIAN FORM (SCCF)

Executive Director Gabriel Meyer shared information about the Southern California Christian Forum. It seeks to create a model of ecumenical relations that meet the needs of today's church. It has two particular emphases: different Christian groups need to move into deeper dimensions of faith and ecumenical relations need to embrace the full range of Christian expression in order to real and effective.

The forum met 4-5 times annually before COVID. SCCF is hoping to reconvene in some form in 2022. SCCF has reimagined its work during the pandemic including Bible Studies.

REPORT OF THE COMMITTEE ON REPRESENTATION AND NOMINATION (CORN)

Committee chair TE David Won presented the following nominees:

- For Vice Moderator of Synod Assembly – TE Michael Wallman (SD)
- For Permanent Judicial Commission Class of 2027 –
RE Wendy Peterson (LR), RE Alan Young (LR), TE Dongwoo Lee (SG)
- For Polity and Records Committee Class of 2024 –
TE Dee Lily (LR), RE Steve Salyards (SG), RE Izar Martinez (RS)
- For Partnering Grants Committee Class of 2024 –
RE Chae Shim (LR), RE Shirlen Montana (SF), TE Dave Worth (PA)
- For Restricted and Special Funds Committee Class of 2024 –
TE Kristin Leucht (SF), RE Areta Crowell (SG)
- For Justice, Peace, and Integrity of Creation (JPIC) Committee Class of 2024 –
RE Carole Wheeler (SF), TE N'Yisrela Watts-Afriyie (SG), TE In Yang (RS)
- For Racial Ethnic Pastor Leadership (REPL) Committee – Class of 2024 –
TE John Moon (SG), RE Damon Green (PA)
- For Finance Committee Class of 2024 –

RE Richard Deming (LR), RE Anita Chombeng (PA), RE Jack Irwin (SF)

The Moderator called for nominations from the floor. TE Jennifer Fraser (SB) was nominated to serve on REPL. The nominations were closed, and those persons nominated were ELECTED by the assembly.

The annual CORN Report is included as Attachment 4. The General Assembly Committee on Representation Report is also included.

REPORT OF THE PRESBYTERY OF SAN GABRIEL

Executive Presbyter (EP) Wendy Tajima recognized the presbytery's commissioners. EP Tajima discussed the "second marathon" of COVID and reported on pastoral transitions at San Marino Presbyterian Church and Pasadena Presbyterian Church. There will be many openings in 2022. San Gabriel now has many women in heads of staff roles. She reported on the West Covina Ministry Center which is transitioning from a congregation to a fellowship. The presbytery received Mental Health grant from the national church. New ministries have begun in the presbytery; Rowland Heights Presbyterian Fellowship and Interwoven are partly funded by synod funds. GKI-LA is an Indonesian fellowship coming in. She shared that the Presbytery has become a Matthew 25 presbytery. The presbytery is also working on the Affordable Housing Project with another nonprofit working with detainees. Kristi Van Nostran is working with the Latino community to increase home ownership. EP Tajima shared that the presbytery has spent much of the year talking about anti-racism.

REPORT OF THE PRESBYTERY OF SAN FERNANDO

EP Juan Sarmiento provided a report (Attachment 5). He thanked the synod staff for its cooperation in relocating out of the Panorama City office. A video was presented sharing the ministry of North Valley Caring Services led by TE Manny Flores. EP Sarmiento shared TE Flores' story from gang life to become the Executive Director. This organization serves thousands of families in San Fernando Valley. The administrative services are located in the Panorama City Office previously used by the presbytery staff.

REPORT OF THE POLITY AND RECORDS COMMITTEE

RE Sandy Thoits shared her written report which includes the listing of the approval of presbytery records for 2019 and 2020. It was VOTED to approve the report on the Review of Records (see Attachment 6).

It was VOTED to approve the following change to the Synod Bylaws, Article IV. D. 4, shown below. Text removed is shown with strike out. Text added is shown in **bold type**:

Article IV. D. 4. Term: Term. Those who serve ex officio serve for the term of that office. ~~The term of the members chosen to balance diversity and to represent each major non-white racial/ethnic group is three years.~~ All ~~other~~ **M**members (other than those serving ex officio) are eligible to serve no more than two consecutive **3-year** terms. The classes shall be established by the Stated Clerk of the Synod.

REPORT OF ZEPHYR POINT PRESBYTERIAN CONFERENCE CENTER

Executive Director Dick Young spoke about this facility which is the oldest Presbyterian conference center in the Western part of the United States. He has been in this position since April 2021. This center was started by the former Synod of California and ownership and governance are

now shared by the Synod of Southern California and Hawaii and the Synod of the Pacific.

Zephyr Point (ZP) has survived and is thriving. ZP was not in a good cash position when the pandemic began. ZP is now in a good position. In 2024, ZP will celebrate its 100th anniversary. ZP recently hired a new development director. Director Young raised up the annual financial audit that is required by the bylaws and is now in a position to complete the audit.

A program called The Tahoe Semester will be started again and is in collaboration with the Association of Presbyterian Colleges and Universities and Center College in Danville, Kentucky. There will be a college academic program at ZP beginning in January. There will be three terms.

REPORT OF THE PRESBYTERY OF SAN DIEGO

Interim EP John Moser reported that there are 32 churches, 2 missions, 6 new worshipping communities, and the New Day Urban Ministry. EP Moser reported that the November presbytery meeting was the first in-person in many months and this allowed the Strategic Plan Committee to report in person. The Committee shared with the presbytery the skills needed in the next full time Presbyter. He shared that spectrum of planning from new worshipping communities to those congregations in the later stages of their lives.

REPORT OF THE PRESBYTERY OF LOS RANCHOS

RE Anette Rihovsky reported that the Presbytery of Los Ranchos has started three new worshipping communities. RE Rihovsky provided an explanation of each of the communities. The presbytery provided Missional and Pioneer Training that lasted 10 weeks. The administrator was TE Alfredo Delgado. The presbytery is continuing its work on dismantling racism. There was an 8-week series led by Crossroads. RE Rihovsky shared that TE Forrest Claassen is leaving his call and accepted a call as synod executive for the Synod of the Trinity effective January 21, 2022. The presbytery's written report is attachments 7 and 8.

REPORT OF THE COMMISSION OF ASSEMBLY (COA)

RE Pat Niles, chair of the COA, presented a written report (Attachment 9). RE Niles lifted the action of the Commission of Assembly to approve the synod office going to a virtual office. This COA special meeting was held in July 2021.

The COA moved that the Synod Assembly approve the revised Financial Policies. It was VOTED that Synod Assembly approve the revised Financial Policies (Attachment 10).

The COA recommends that Synod Assembly approve the 2022 Synod Budget and 2022 Special Funds Projections. It was VOTED to approve the 2022 Synod Budget and 2022 Special Funds Projections (Attachment 11).

COA nominated the following to serve on CORN:

- TE Don Thursby (RS -2023)
- TE David Won (PA-2024)

The moderator asked for nominations from the floor, there were none. The body voted for the two nominated by COA for CORN membership.

RE Pat Niles then nominated the following to also serve; her motion was seconded. The body voted for the following for CORN membership:

- RE Janice Takeda (SG-2024)
- TE Chris Lonecker (SD -2024)

COA subsequently nominated the following to serve on CORN. The body voted to elect TE Robert Stewart (RS-2024) to CORN.

REPORT OF RACIAL ETHNIC PASTORAL LEADERSHIP COMMITTEE (REPL)

TE Narcissis Tucker Bishop, REPL Coordinator, provided a report (Attachment 12). She shared that REPL began in 1982. She shared that the committee is more aware of the limits on the restrictions on REPL funding. The REPL committee has determined that it will give up to \$3,000 per student up to twice per year. TE Tucker Bishop asked presbyteries to consider donating \$100 per quarter to REPL. The committee will continue to work in supporting those in need of financial support.

REPORT OF THE PRESBYTERY OF THE PACIFIC

General Presbyter Linda Culbertson provided a report (Attachment 13). She thanked the synod for pushing mission emphasis a few years ago. Pacific Presbytery was invited to participate in Giving Tuesday 2021. Pacific Presbytery had 3 slots for the Campaign.

RE Anita Chombeng shared her story of being an immigrant and participating in working with immigration and asylee resourcing. She explained that the focus of the support is to learn what the immigrant needs and then provide that assistance rather than assuming what they need. RE Chombeng thanked the synod for its support in this work.

REPORT OF THE LAC+USC CHAPLAINCY PROGRAM

TE Elizabeth Gibbs-Zehnder, the Presbyterian Chaplain at LAC+USC Medical Center provided a report (Attachment 14). This chaplaincy is supported through the Presbyteries of the Pacific, San Gabriel, San Fernando and Los Ranchos as well as by the Synod. TE Gibbs-Zehnder shared that the chaplaincy program has been in place over 50 years. The hospital is a Level I trauma center for southern California and therefore it is used by people beyond the bounds of LA County.

REPORT FROM THE JUSTICE, PEACE AND INTEGRITY OF CREATION COMMITTEE (JPIC)

TE Darrel Myers, chair of JPIC, shared a report on the responsibilities of the JPIC Committee. The committee supported a 9 week Zoom course on environmental education led by Dr. Thomas English. The JPIC Committee approved funding for a virtual pilgrimage of El Camino de Santiago led by Wendy Gist. Also approved a \$3,000 gift for the Shower of Hope at Knox Presbyterian Church, location which provides weekly showers. TE Myers also shared that Dr. Thomas English was recognized as the Synod's Creation Care Educator.

REPORT FROM THE PRESBYTERY OF SANTA BARBARA

RE Lee Kirkpatrick reported that there are 20 congregations shepherding 8 new worshipping congregations. He thanked the synod for the pandemic grants that allowed the congregations to explore ways to do ministry. RE Kirkpatrick announced that the search has begun for the Designated EP.

REPORT OF THE PRESBYTERY OF RIVERSIDE

Transitional EP Lee Ireland presented a report (Attachment 15). He thanked the synod staff for its assistance during this time of transition. Riverside continues to grow.

REPORT OF THE SYNOD EXECUTIVE

TE Mark Hong presented a report (Attachment 16.) He reported 2020 Assembly Minutes were reviewed and approved by RE Pat Niles, RE Melodee Kistner, RE Janice Takeda, and TE Mickey Fenn on February 26, 2021.

CLOSING WORSHIP AND INSTALLATION SERVICE

In the closing worship service, the 2022 Synod Moderator, RE Janine Tanahuvia, and the 2022 Synod Vice-Moderator, TE Michael Wallman, were installed by the outgoing Synod Assembly Moderator, TE Suzanne Malloy.

APPRECIATION

TE Mark Hong thanked those who have served the synod during the past year. He also shared words regarding the departure of TE Forrest Claassen to the Synod of the Trinity. TE Hong thanked outgoing COA Chair RE Pat Niles for her service and gave a gift on behalf of the synod.

ADJOURNMENT

It was voted to adjourn the meeting. The Assembly was adjourned with prayer led by incoming moderator, RE Janine Tanahuvia, following the worship service at 12:45 p.m.

Paula P. Mann, Journal Clerk

Mark E. Hong, Stated Clerk

These minutes were reviewed and approved by past Synod Moderator TE Suzanne Malloy, RE Maurice Caskey, RE Susan Comrie (synod commissioners appointed by the Synod Moderator) on February 17, 2022.

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Attachments 1 and 2
Financial Reports

The Synod of Southern California and Hawaii
Balance Sheet
As of September 30, 2021

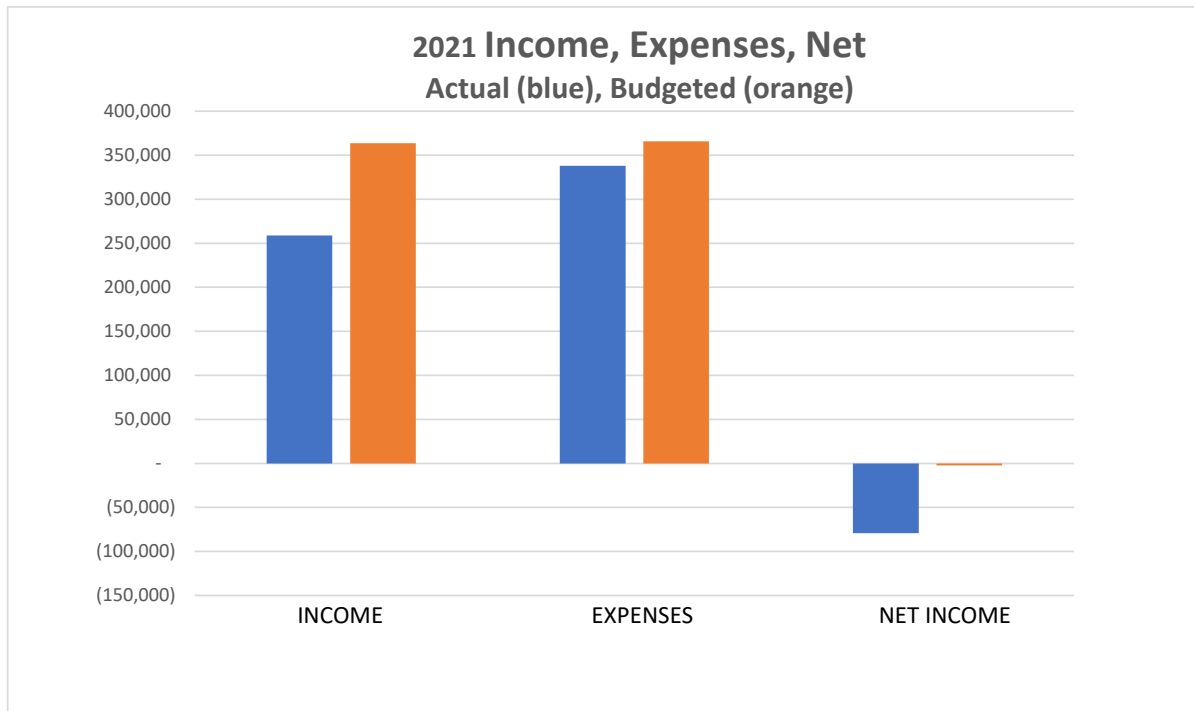
	<u>Total</u>
ASSETS	
Bank Accounts	
10100 Operating - Chase 786622956	48,719.34
10110 Restricted - Chase 3380085208	177,912.36
Total 10000 Cash & Cash Equivalents	<u>226,631.70</u>
10200 Short Term Investments	
10220 Presbyterian Investment & Loan Program	1,207,059.43
Total 10200 Short Term Investments	<u>1,207,059.43</u>
Total Bank Accounts	<u>1,433,691.13</u>
Other Current Assets	
12200 Other Prepaid Expenses	49.66
Total 12000 Prepaid Expenses	<u>49.66</u>
13001 Accounts Receivable-Others	14,587.67
Total 13000 Other Current Assets	<u>14,587.67</u>
Total Other Current Assets	<u>14,637.33</u>
Total Current Assets	<u>1,448,328.46</u>
Other Assets	
21100 Notes Receivable	51,914.82
21999 Allowance for Bad Debts	(1,235.00)
Total 21000 Notes Receivables/Mortgage Grants	<u>50,679.82</u>
22000 Unrestricted Investments - NCF	
22100 Unrestricted Reserve 1075491	880,963.60
22200 Ecclesiastical Reserve 107018	32,910.56
22300 Oiko Credit 109100000069	100,000.00
Total 22000 Unrestricted Investments - NCF	<u>1,013,874.16</u>
23000 Unrestricted Investments- NCT Council Assigned	
23100 NCTC - Wilshire Reserve 506083000164	5,085,235.65
Total 23000 Unrestricted Investments- NCT Council Assigned	<u>5,085,235.65</u>
24000 Temporarily Restricted Investments NCF	
24100 Church Development Fund 1038031	4,434,741.94
24200 Southern California Foundation 1060390	281,946.91
24300 Langlie Fund 1033134	34,573.15
24400 Edwards Fund 1033232	29,451.58
24500 Life Income Plans - Paid in Lump Sums	27,331.67
Total 24000 Temporarily Restricted Investments NCF	<u>4,808,045.25</u>
25000 Permanently Restricted Funds	
25100 Pooled Presbyterian Foundation Accounts	3,623,116.71
25200 Life Income Plans - Est. Permanent Funds	24,038.60
Total 25000 Permanently Restricted Funds	<u>3,647,155.31</u>
27000 Fixed Assets	
27100 Furniture and Equipment	38,595.77

27200 Accumulated Depreciation	(34,719.48)
Total 27000 Fixed Assets	<u>3,876.29</u>
Total 20000 Long Term Assets	<u>14,608,866.48</u>
Total Other Assets	<u>14,608,866.48</u>
TOTAL ASSETS	16,057,194.94
LIABILITIES AND EQUITY	
Liabilities	
31200 Vacation / PTO Accrual	8,269.03
31300 Flexible Spending Account	33.32
31400 403-B Payable	3,305.00
31500 Funds Held in Trust	79,874.64
Total Other Current Liabilities	<u>91,481.99</u>
Total Current Liabilities	<u>91,481.99</u>
Total Liabilities	<u>91,481.99</u>
Equity	
41000 Unrestricted Net Assets	1,273,385.94
42000 Unrestricted Net Assets - Council Designated	4,178,421.35
43000 Temporarily Restricted Net Assets	6,183,690.69
44000 Permanently Restricted Assets	2,699,961.01
Total 40000 Net Assets	<u>14,335,458.99</u>
Retained Earnings	646,408.78
Net Income	983,845.18
Total Equity	<u>15,965,712.95</u>
TOTAL LIABILITIES AND EQUITY	16,057,194.94

9-30-21 P&L Summary Information

Q3-21 YTD Operating Income, Expenses, Net

	Actual	Budget
Total Income	258,760	363,623
Total Expenses	337,902	365,873
Net Income	(79,142)	(2,250)



Category Comparisons:

	Q3 Actual	Q3 Budget
Income		
Total 52000 Per Capita	51,274	62,502
Total 55000 Restrict Program Funds	50,274	62,919
Total 55580 Revenue for General Use	157,212	238,202
TOTAL INCOME	258,760	363,623
Expenses (negative)		
Total 61000 Program Services	15,068	21,900
Total 61700 Foundation Pass Through Grants	75,040	58,419
Total 62100 Payroll	209,365	213,254
Total Operating/Meeting/Prof/Spec Pgm Expenses	38,428	72,300
TOTAL OPERATING EXPENSES	337,902	365,873
TOTAL NET OPERATING INCOME	(79,142)	(2,250)

The Synod of Southern California and Hawaii
Activities
As of September 30, 2021

	Q1	Actual	Q2	Actual	Q3	Actual	YTD	Actual	YTD	Budget	YTD	Variance	2021 BUDGET
Income													
52000 Per Capita													
52100 Los Ranchos (Qtr)		8,704.20					8,704.20		19,256.76		(10,552.56)		25,675.65
52110 Pacific (Mth)		6,928.26	2,484.55		4,706.14		14,118.95		18,335.52		(4,216.57)		24,447.30
52120 Riverside		332.95	4,496.25				4,829.20		6,243.66		(1,414.46)		8,324.85
52130 San Fernando (Qtr)							-		9,629.46		(9,629.46)		12,839.25
52140 San Gabriel (Mth)		2,591.66	2,591.66		5,183.32		10,366.64		12,562.11		(2,195.47)		16,749.45
52150 Santa Barbara			1,783.10				1,783.10		8,084.07		(6,300.97)		10,778.70
52160 San Diego (Mth)		2,963.28	4,946.85		3,561.73		11,471.86		20,588.40		(9,116.54)		27,451.20
52990 Uncollectible PCA							-		(32,197.95)		32,197.95		(42,930.57)
Total 52000 Per Capita		21,520.35	16,302.41		13,451.19		51,273.95		62,502.03		(11,228.08)		83,335.83
55000 Restrict Program Funds													
55110 Chaplaincy-PF Gregory & Olmstead			6,622.60		6,622.50		13,245.10		31,644.00		(18,398.90)		42,192.00
55120 JPIC - Chase Restricted		2,544.19			130.34		2,674.53		2,250.00		424.53		3,000.00
55130 REPL - Chase Restricted			20,955.00				20,955.00		3,750.03		17,204.97		5,000.00
55150 Church Development 1038031									4,500.00		(4,500.00)		9,000.00
55160 Foundation Pass Through Grants			6,699.74		6,699.64		13,399.38		20,774.97		(7,375.59)		27,700.00
Total 55000 Restrict Program Funds		2,544.19	34,277.34		13,452.48		50,274.01		62,919.00		(12,644.99)		86,892.00
55580 General Fund Use													
50110 Investment Dividend/Interest		740.50	247.16		644.92		1,632.58		1,575.00		57.58		2,100.00
54000 Misc Inc			63.92				63.92		600.03		(536.11)		800.00
55560 Dividend from Foundation for General Fund		62.38	2,797.33		2,655.79		5,515.50		6,599.97		(1,084.47)		8,800.00
55570 Wilshire Properties Reserve Fund		75,000.00	75,000.00				150,000.00		229,427.37		(79,427.37)		305,903.17
Total 55580 General Fund Use		75,802.88	78,108.41		3,300.71		157,212.00		238,202.37		(80,990.37)		317,603.17
Total Income		99,867.42	128,688.16		30,204.38		258,759.96		363,623.40		(104,863.44)		487,831.00
Expenses													
61000 Program Services													
61100 JPIC		5,427.00					5,427.00		2,250.00		3,177.00		3,000.00
61200 Racial Ethnic Pastoral Leadership			20,955.00				20,955.00		3,750.03		17,204.97		5,000.00
61300 Chaplaincy Consortium		10,547.31	10,547.31		14,063.08		35,157.70		31,644.00		3,513.70		42,192.00
61710 Witness for Peace			2,855.43		2,855.43		5,710.86		9,000.00		(3,289.14)		12,000.00
61720 Union Station Foundation			1,817.09		1,817.09		3,634.18		5,474.97		(1,840.79)		7,300.00
61730 Franciscan Friars JPIC			1,817.09		1,817.09		3,634.18		5,474.97		(1,840.79)		7,300.00
61740 La Casa de SG Comm Center			147.82		147.82		295.64		450.00		(154.36)		600.00
61750 Presbyterian Women			112.91		112.91		225.82		375.03		(149.21)		500.00
Total 61000 Program Services		15,974.31	38,252.65		20,813.42		75,040.38		58,419.00		16,621.38		77,892.00

The Synod of Southern California and Hawaii
Activities
As of September 30, 2021

	Q1	Actual	Q2	Actual	Q3	Actual	YTD	Actual	YTD	Budget	YTD	Variance	2021 BUDGET
62100 Payroll													
62110 Salaries & Wages - Administrative		49,537.44		49,537.44		49,537.44	148,612.32		148,612.32			-	198,149.81
62111 Salaries & Wages -REPL		1,795.02		1,795.02		1,795.02	5,385.06		5,384.97			0.09	7,180.01
62120 Pension & Medical		14,075.92		15,692.88		15,692.88	45,461.68		48,498.21			(3,036.53)	64,664.27
62130 FICA		1,817.69		2,886.91		1,817.70	6,522.30		5,645.25			877.05	7,526.99
62140 Workers Compensation		3,384.00					3,384.00		1,363.41			2,020.59	1,817.92
62150 Study Leave							-		3,750.03			(3,750.03)	5,000.00
Total 62100 Payroll		70,610.07		69,912.25		68,843.04	209,365.36		213,254.19			(3,888.83)	284,339.00
62300 Operating Expenses													
62310 Office Supplies		190.38		142.97		92.80	426.15		1,500.03			(1,073.88)	2,000.00
62315 Postage & Delivery		2.20		61.82		7.95	71.97		150.03			(78.06)	200.00
62320 Communication		2,205.44		995.07		2,184.07	5,384.58		5,400.00			(15.42)	7,200.00
62325 Equipment Maintenance							-		375.03			(375.03)	500.00
62330 Equipment Leases		2,364.41		1,202.06		1,669.96	5,236.43		5,249.97			(13.54)	7,000.00
62333 Equipment Purchased		605.22					605.22		2,999.97			(2,394.75)	4,000.00
62335 Rent		435.00		290.00		435.00	1,160.00		1,800.00			(640.00)	2,400.00
62340 Utilities		1,605.00		1,605.00		1,605.00	4,815.00		4,875.03			(60.03)	6,500.00
62345 Gen Liab & Prop Ins		695.75					695.75		1,874.97			(1,179.22)	2,500.00
62350 Taxes, Licenses & Fees		150.00		300.00			450.00		150.03			299.97	200.00
62355 Dues & Subscriptions		174.67				82.80	257.47		150.03			107.44	200.00
62515 Bank							-		74.97			(74.97)	100.00
62990 Miscellaneous Expenses							-		150.03			(150.03)	200.00
Total 62300 Operating Expenses		8,428.07		4,596.92		6,077.58	19,102.57		24,750.09			(5,647.52)	33,000.00
62400 Meetings													
62360 Exec Mileage & Travel		159.56		54.72		2,633.50	2,847.78		16,499.97			(13,652.19)	22,000.00
62370 Employee Mile & Travel							-		225.00			(225.00)	300.00
62402 REPL							-		74.97			(74.97)	100.00
62403 Commission Of Assembly							-		225.00			(225.00)	300.00
62404 Work Groups							-		150.03			(150.03)	200.00
62405 Polity & Records							-		150.03			(150.03)	200.00
62406 Committee on Rep & Nominations							-		150.03			(150.03)	200.00
62407 Permanent Judicial Commission							-		375.03			(375.03)	500.00
62409 Synod Assembly							-		749.97			(749.97)	1,000.00
62411 Synod Moderator							-		1,199.97			(1,199.97)	1,600.00
Total 62400 Meetings		159.56		54.72		2,633.50	2,847.78		19,800.00			(16,952.22)	26,400.00

The Synod of Southern California and Hawaii
Activities
As of September 30, 2021

	Q1	Actual	Q2	Actual	Q3	Actual	YTD	Actual	YTD	Budget	YTD	Variance	2021 BUDGET
62550 Professional Services													
62500 Audit							-		5,850.00		(5,850.00)		7,800.00
62510 Legal		570.00			2,042.50		2,612.50		2,999.97		(387.47)		4,000.00
62520 Technical Support							-		450.00		(450.00)		600.00
62551 Payroll Fee		750.85		663.57		664.29	2,078.71		1,950.03		128.68		2,600.00
62552 Website Maintenance		750.00		750.00		750.00	2,250.00		2,250.00		-		3,000.00
62553 Hardware & Software Maintenance		(1.15)		809.42		453.38	1,261.65		3,750.03		(2,488.38)		5,000.00
62800 Training Expenses		3,000.00		3,075.11		2,200.00	8,275.11		10,500.03		(2,224.92)		14,000.00
Total 62550 Professional Services		5,069.70		5,298.10		6,110.17	16,477.97		27,750.06		(11,272.09)		37,000.00
62750 Special Program													
61900 Leadership Event							-		1,874.97		(1,874.97)		2,500.00
61600 Missioninsite		2,244.75		2,244.75		2,244.75	6,734.25		6,750.00		(15.75)		9,000.00
62710 Monte Vista Grove Fndraiser							-		900.00		(900.00)		1,200.00
62751 Presbytery of Pacific - HI Delegates							-		4,875.03		(4,875.03)		6,500.00
62752 Ecumenical (SCalForum)		2,499.99		2,499.99		3,333.32	8,333.30		7,499.97		833.33		10,000.00
Total 62750 Special Program		4,744.74		4,744.74		5,578.07	15,067.55		21,899.97		(6,832.42)		29,200.00
Total Expenses		104,986.45		122,859.38		110,055.78	337,901.61		365,873.31		(27,971.70)		487,831.00
Net Income		(5,119.03)		5,828.78		(79,851.40)	(79,141.65)		(2,249.91)		(76,891.74)		-

**Synod of Southern California Hawaii
Congregational Partnering Grant as of
September 30, 2021**

	Totals	Los Ranchos	San Fernando	San Gabriel	Riverside	San Diego	Santa Barbara	Pacific
Fund allocation	2,400,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Additional approved fund allocation	1,200,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Reallocation of Hanmi Funds	-	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Sub-totals	3,600,000.00	480,000.00	480,000.00	480,000.00	480,000.00	480,000.00	480,000.00	480,000.00
Fund usage/allotment:								
2015 Grants Allocation	(1,676,801.67)	(300,000.00)	(375,000.00)	(240,668.00)	(166,133.67)	(145,000.00)	(450,000.00)	-
2016 Grants Allocation	(110,000.00)	(85,000.00)	-	-	-	(25,000.00)	-	-
2017 Grants Allocation	(69,166.00)	-	-	(16,666.00)	-	-	-	(52,500.00)
2018 Grant Allocation	(292,501.00)	-	(75,000.00)	-	-	-	(5,000.00)	(40,000.00)
2019 Grant Allocation	(190,250.00)	-	-	-	-	(63,750.00)	-	(59,000.00)
2020 Grant								
Korean ministry adjust to Chase Restricted								
SG Pasadena Presb Church Relaunch SLM ck 1960 1/17/20	(26,000.00)			(26,000.00)				
P of SD Anchor City Church (NWC)	(50,000.00)					(50,000.00)		
PoR Stonewall Ministries (NWC) matching grant	(15,000.00)				(15,000.00)			
PofP Faith Presbyterian Church (2nd Generation)	(20,000.00)							(20,000.00)
PofP Fund for Ministry Innovation - (Post pandemic 54 church & 2NWC)	(125,000.00)							(125,000.00)
2020 Grant Allocation	(236,000.00)	-	-	(26,000.00)	(15,000.00)	(50,000.00)	-	(145,000.00)
2021 Grant								
Presbytery of Pacific - NWC: Beloved Everybody Church 2/13/21	(15,000.00)							(15,000.00)
Presbytery of San Gabriel - Rowland Height Pres	(24,000.00)			(24,000.00)				
Presbytery of San Gabriel - Northwest Pasadena & Lincoln Ave Corridor	(50,000.00)			(50,000.00)				
2021 Grant Allocation	(89,000.00)	-	-	(74,000.00)	-	-	-	(15,000.00)
Total Allocated	(2,663,718.67)	(385,000.00)	(450,000.00)	(357,334.00)	(181,133.67)	(283,750.00)	(455,000.00)	(311,500.00)
Net Remaining Allocated Balance as of 9/30/21	936,281.33	95,000.00	30,000.00	122,666.00	298,866.33	196,250.00	25,000.00	168,500.00
Church Development Unallocated Balance	3,498,460.61							
Church Development Fund Balance at 9/30/2021	\$ 4,434,741.94							

Synod of Southern California and Hawaii: Restricted, Named, Specific Funds
September 30, 2021

Fund ID	Fund Description	Available Funds - Chase	Market Value with PF 9/30/21	Fund Use
102240070798	Dorcas Davis Memorial Fund - 2002-30645	29,182.91	807,991.49	28% - JPIC; 28% - Union Station; 44% - Witness for Peace
102240004054	Elias Family Memorial Fund-34069	-	53,201.15	33% - Disaster Relief 67% - Neighborhood Centers, Campers, church day care center, hospital chaplaincies
New Covnt Fund	24300 Langlie Fund	12,409.85	34,573.15	Any religious, charitable or hospital purposes--temp restricted
102240006050	Black Advisory Committee Fund-38965	-	11,228.20	Black Advisory Committee
102240000222	Lillian McElhaney Memorial Fund-35416	-	20,751.85	Capital Expense
102240005946	Olmstead Trust-38371	26,557.58	830,774.53	Chaplaincy Consortium
102240070030	Elias Family Memorial Fund-34067	3,267.11	8,834.52	Disaster Relief
102240202290	Elias Family Memorial Fund-55976	850.92	64,420.58	Disaster Relief
102240202307	Elias Family Memorial Fund-57957	6,725.22	15,089.16	to establish a fund to be used for disaster relief projects anywhere in the world, wherever the need is greatest, as directed by the General Council for the Synod.
Chase Account	Volunteer in Mission	1,991.91	-	For expenses of the coordinator for volunteer in mission work
New Covnt Fund	24100 Church Development Fund	-	4,434,741.94	For new church development--temp restricted
102240000232	Marie D. Messick Memorial Fund-34273	-	21,470.23	General Fund
102240000352	Ralph M. and Beulah Speelmon Memorial Fund-32993	-	12,781.88	General Fund
102240001001	The Alberta Fund-34447	-	3,239.82	General Fund
102240004070	Alfred A. and Jody Gregory Family Fund-34732	-	193,080.23	General Fund
102240070587	Samuel C. and Mildred L. Rue Fund-34457	-	38,143.96	General Fund
102241004023	Anonymous No. 8 - 2 of 3 - Southern California Fdtn- 32840	-	6,356.95	General Fund
Chase Account	Interest earned from savings account	150.72	-	General Fund
New Covnt Fund	22300 Oiko Credit	-	100,000.00	General Unrestricted
New Covnt Fund	22200 Ecclesiastical Reserve	-	32,910.56	General Unrestricted--"Fund 09 use only"
New Covnt Fund	22100 Unrestricted Reserve	-	880,963.60	General Use
New Covnt Fund	24400 Edwards Fund	1,761.50	29,451.58	Income for living Edwards heirs; deceased heirs inc to Synod operating use--temp restricted
102240005383	Trinidad Salazar Memorial Fund-37116	1,795.35	24,852.02	Hispanic Ministry
102240101978	Rose M. Baguez Memorial Fund-36846	1,050.17	14,530.50	Hispanic Ministry
102240005891	Albert E. and Avanelle M. Smith Memorial Fund-36839	451.53	14,061.77	Hungry and homeless
Chase Account	JPIC	19,319.49	-	JPIC
Chase Account	Korean PC	11,020.46	-	Korean PC
102240100648	Betty W. Moore Memorial Fund-36299	-	10,701.05	La Casa de San Gabriel
102240101747	Choate - McClellan Family Memorial Fund-45632	-	7,702.31	La Casa de San Gabriel
102240202291	Elias Family Memorial Fund-55977	15,692.18	128,841.22	Neighborhood Centers, Campers, church daycare centers, hospital chaplaincies
102240202303	Elias Family Memorial Fund-57953	996.25	30,178.32	Neighborhood Centers, Campers, church daycare centers, hospital chaplaincies
102240070027	Elias Family Memorial Fund-34064	3,221.28	17,669.02	Neighborhood ctrs, Campers, church daycare ctrs, hospital chaplaincies, service personnel
102240004787	O. Scott and Ila W. McFarland Memorial Fund-36521	-	16,591.93	Partnering Grant
Chase Account	PDA Contributions	292.01	-	PDA Contributions
102240101592	Albert E. and Avanelle M. Smith Memorial Fund-36832	-	14,056.32	Presbyterian Women of the Synod
102240000294	Francis Greenlee Memorial Fund-33403	1,098.10	10,518.65	REPL
Chase Account	Jim and Alice Furuya - REPL	9,898.96	-	REPL
102240005926	Racial Ethnic Pastoral Scholarship Fund-38372	7,932.94	188,425.79	REPL - Scholarship
New Covnt Fund	24200 Southern California Fund	8,114.09	281,946.91	Social Prog, Church Ext, Ministries/New Churches, Young ppl summer project--temp restricted
New Covnt Trust	23100 Wilshire Property Reserve	-	5,085,235.65	Synod Assembly determines
Chase Account	SNAC Offering and Donations	1,453.92	-	Synod Native American Council (SNAC) Offering and Donations
102240004068	Alfred A. and Jody Gregory Fund-34730	12,376.06	122,627.19	Urban work
Chase Account	Washington Legislation	301.85	-	Washington Legislation
Totals		177,912.36	13,567,944.03	
Pink totals		106,756.37	2,031,709.79	
Available to Restricted and Special Funds Committee		71,155.99	11,536,234.24	

Presbyterian Foundation Restricted Funds (Direct Distributions) Balance

Fund ID	Fund Description	Agreement No	Market Value as of 12/31/2020	Market Value as of 9/30/2021	Change in FMV
102240000219	Dr. James T. McCreight Memorial Fund-34573	19760537	7,388.25	8,265.61	877.36
102240000240	G. Walter Monroe Memorial Fund-90424	19835375	1,350.57	1,487.22	136.65
102240000457	Rex and Laura Lane Memorial Fund-33496	19680154	163,915.83	183,381.05	19,465.22
102240004133	Josephine W. Leonard Fund-34431	19750504	4,128.73	4,619.02	490.29
102240004708	Stewart Lacy Memorial Scholarship Fund-37551	19860638	4,918.86	4,782.05	-136.81
102240004982	Carl E. Berger and Florence L. Berger Memorial Fund-34444	19750525	19,107.52	21,376.57	2,269.05
102240005061	Dorcas D. Davis Memorial Fund - 7-36510	19860651	210,613.53	235,624.12	25,010.59
102240005066	Dorcas D. Davis Memorial Fund - 12-36513	19860651	131,633.47	147,265.11	15,631.64
102240005257	Addison S. and Flora H. Moore Fund-34432	19750508	13,410.28	15,002.75	1,592.47
102240005337	Clifford M. and Miriam L. Drury Fund-34452	19750532	3,813.79	4,266.67	452.88
102240005701	Dr. Gladys Whitmore Memorial Fund 2-34559	19760514	6,211.88	6,949.57	737.69
102240095020	Youth Opportunity Fund-53463	19710506	3,544.71	3,965.64	420.93
102240100854	Dorothy H. Arnim Fund-34557	19760507	3,508.83	3,925.51	416.68
102240101570	Ray L. and Leatrice I. Thurston Memorial Fund-36952	19880642	5,007.15	5,601.74	594.59
102240101619	Rex and Laura Lane Memorial Fund-34167	19730508	32,577.50	36,446.12	3,868.62
102240102053	Curtis Fund-47459	20010593	60,827.26	68,050.57	7,223.31
102240200516	Van H. and Olive M. Eakes Memorial Fund-52958	19939063	4,395.49	4,917.45	521.96
102240200772	Rex and Laura Lane Memorial Fund-53341	19680536	68,751.58	76,915.92	8,164.34
102240201908	Hessel-Wonder Family Memorial Fund-53156	19910522	32,956.85	36,870.52	3,913.67
102240202527	Bates-Coon Family Memorial Fund-56268	19900312	12,227.46	13,679.49	1,452.03
102240202774	Bates-Coon Trust Fund-101208	20120038	46,125.87	51,603.37	5,477.50
Totals			836,415.41	934,996.07	98,580.66

Attachment 3
Monte Vista Grove Homes Financial Statements

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Consolidated Financial Statements
December 31, 2020 and 2019

Monte Vista Grove Homes & Subsidiary

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Independent Auditor's Report

Board of Trustees
Monte Vista Grove Homes & Subsidiary
Pasadena, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Monte Vista Grove Homes & Subsidiary (collectively, the Organization) which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Monte Vista Grove Homes & Subsidiary as of December 31, 2020 and 2019, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As discussed in Note 1 to the consolidated financial statements, certain errors resulting in the understatement of the Organization's beneficial interests in perpetual trusts as of December 31, 2019, were discovered by management of the Organization during the current year. Accordingly, amounts reported for beneficial interests in perpetual trusts have been restated in the 2019 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2019, to correct the error. Our opinion is not modified with respect to that matter.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Pasadena, California
May 27, 2021

Monte Vista Grove Homes & Subsidiary
Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	(Restated) 2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 816,652	\$ 622,000
Accounts receivable, net	889,459	1,057,555
Promises to give	108,951	118,450
Current maturities of note receivable	24,783	-
Prepaid expenses and other assets	309,884	266,999
Total current assets	<u>2,149,729</u>	<u>2,065,004</u>
Noncurrent Assets		
Restricted cash	34,992	30,000
Investments	14,688,863	13,111,228
Long-term promises to give, net	23,301	73,221
Note receivable, less current maturities	2,023,217	2,048,000
Property and equipment, net	10,006,498	10,497,544
Master development plan	78,886	78,886
Split-interest agreements	55,462	52,797
Beneficial interests in perpetual trusts	381,201	355,046
Other assets	1,012	890
Total noncurrent assets	<u>27,293,432</u>	<u>26,247,612</u>
Total assets	<u>\$ 29,443,161</u>	<u>\$ 28,312,616</u>
Liabilities and Net Assets		
Current Liabilities		
Lines of credit	\$ 2,567,736	\$ 2,567,736
Accounts payable and accrued expenses	310,894	221,821
Accrued payroll and employee benefits	485,969	561,445
Refundable advance - Paycheck Protection Program, current	686,833	-
Deferred interest income	28,409	68,182
Total current liabilities	<u>4,079,841</u>	<u>3,419,184</u>
Noncurrent Liabilities		
Liability for refundable and repayable entrance fees	531,792	531,792
Refundable advance - Paycheck Protection Program, net of current portion	264,167	-
Deferred revenue from entrance fees	1,673,168	1,239,470
Deferred interest income, net of current portion	-	28,409
Deposits and other liabilities	356,770	362,661
Total noncurrent liabilities	<u>2,825,897</u>	<u>2,162,332</u>
Total liabilities	<u>6,905,738</u>	<u>5,581,516</u>
Net Assets		
Without donor restrictions	20,020,339	20,301,923
With donor restrictions	2,517,084	2,429,177
Total net assets	<u>22,537,423</u>	<u>22,731,100</u>
Total liabilities and net assets	<u>\$ 29,443,161</u>	<u>\$ 28,312,616</u>

Monte Vista Grove Homes & Subsidiary

Consolidated Statements of Operations
Years Ended December 31, 2020 and 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions		
Operating Revenues		
Skilled Nursing	\$ 2,754,242	\$ 2,711,245
Skilled Nursing - ancillary services	588,469	793,057
Assisted Living	541,941	527,309
Independent Living	1,150,970	1,055,617
Memory Care	755,697	614,732
Dietary	1,246,028	1,183,135
Wellness	1,425	5,365
Amortization of entrance fees	298,992	228,326
Other revenue	56,909	182,412
Contributions - residents	476,391	534,852
Contributions - others	464,491	476,631
COVID-19 funding programs	495,159	-
Realized gains on investments	132,772	337,996
Investment income, net	186,658	231,327
Interest income - note receivable	68,182	68,182
Distributions from beneficial interests in perpetual trusts	14,730	14,756
Loss on disposal of property and equipment	(11,043)	(19,226)
Net assets released from restrictions, used for operations	83,191	113,837
Total operating revenues	9,305,204	9,059,553
Operating Expenses		
Skilled Nursing	3,271,007	3,478,329
Assisted Living	404,054	403,775
Independent Living	1,631,553	1,529,436
Memory Care	720,566	711,392
Dietary	1,673,457	1,568,438
Housekeeping	487,485	432,667
Wellness	158,821	179,527
Management and general	1,336,121	1,319,893
Fundraising	130,959	167,204
COVID-19 expenses	988,462	-
Total operating expenses	10,802,485	9,790,661
Total operating loss	(1,497,281)	(731,108)
Unrealized Gains on Investments	1,156,716	1,234,728
Revenues in Excess of (Less Than) Expenses	\$ (340,565)	\$ 503,620

See Notes to Consolidated Financial Statements

Monte Vista Grove Homes & Subsidiary
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2020 and 2019

	2020	(Restated) 2019
Net Assets Without Donor Restrictions		
Revenues in excess of (less than) expenses	\$ (340,565)	\$ 503,620
Net assets released from restrictions, used for purchase of property and equipment	<u>58,981</u>	<u>531,968</u>
Change in net assets without donor restrictions	<u>(281,584)</u>	<u>1,035,588</u>
Net Assets With Donor Restrictions		
Contributions - residents	27,941	111,735
Contributions - others	71,670	311,553
Realized gains (losses) on investments	(23,870)	31,360
Investment income, net	65,922	67,125
Unrealized gains on investments	59,474	120,181
Change in value of split-interest agreements	2,665	5,883
Change in value of beneficial interests in perpetual trusts	26,155	43,708
Other gains	122	142
Net assets released from restrictions, used for operations	(83,191)	(113,837)
Net assets released from restrictions, used for purchase of property and equipment	<u>(58,981)</u>	<u>(531,968)</u>
Change in net assets with donor restrictions	<u>87,907</u>	<u>45,882</u>
Change in Net Assets	<u>(193,677)</u>	<u>1,081,470</u>
Net Assets, Beginning of Year, As Restated	<u>22,731,100</u>	<u>21,649,630</u>
Net Assets, End of Year	<u><u>\$ 22,537,423</u></u>	<u><u>\$ 22,731,100</u></u>

Monte Vista Grove Homes & Subsidiary
Consolidated Statements of Functional Expenses
Year Ended December 31, 2020

	Program Services					Supporting Services			
	Skilled Nursing	Assisted Living	Independent Living	Memory Care	Total	Management and General	Fundraising	Total	Total
Salaries and employee benefits	\$ 3,490,035	\$ 718,512	\$ 826,483	\$ 908,131	\$ 5,943,161	\$ 610,395	\$ 123,875	\$ 734,270	\$ 6,677,431
Depreciation	133,584	41,896	792,295	129,265	1,097,040	21,498	16	21,514	1,118,554
Professional fees and purchased services	554,926	63,397	186,835	61,059	866,217	187,451	3,339	190,790	1,057,007
Supplies and equipment rental	242,415	36,435	62,152	46,174	387,176	28,458	289	28,747	415,923
Food	162,830	71,393	114,774	50,420	399,417	3,547	590	4,137	403,554
Assessment and insurance	122,757	18,602	101,815	13,358	256,532	51,011	8,813	59,824	316,356
Utilities	95,464	37,919	111,065	22,824	267,272	15,072	68	15,140	282,412
Residential financial aid	143,947	-	98,154	-	242,101	-	-	-	242,101
Sundry	29,285	8,853	6,047	4,320	48,505	30,850	13,429	44,279	92,784
Interest	-	-	-	-	-	85,929	-	85,929	85,929
Facility operations, repairs and maintenance	4,050	607	30,148	618	35,423	3	-	3	35,426
Telephone	10,998	3,938	6,114	720	21,770	5,191	551	5,742	27,512
Printing and postage	592	252	406	202	1,452	14,739	7,961	22,700	24,152
Education	3,928	164	64	519	4,675	11,834	444	12,278	16,953
Advertising	-	-	-	-	-	7,522	-	7,522	7,522
Travel and entertainment	2,742	169	324	469	3,704	1,816	136	1,952	5,656
Recovery of doubtful accounts	(6,787)	-	-	-	(6,787)	-	-	-	(6,787)
	<u>\$ 4,990,766</u>	<u>\$ 1,002,137</u>	<u>\$ 2,336,676</u>	<u>\$ 1,238,079</u>	<u>\$ 9,567,658</u>	<u>\$ 1,075,316</u>	<u>\$ 159,511</u>	<u>\$ 1,234,827</u>	<u>\$ 10,802,485</u>

Monte Vista Grove Homes & Subsidiary
Consolidated Statements of Functional Expenses
Year Ended December 31, 2019

	Program Services					Supporting Services			
	Skilled Nursing	Assisted Living	Independent Living	Memory Care	Total	Management and General	Fundraising	Total	Total
Salaries and employee benefits	\$ 2,990,944	\$ 624,027	\$ 831,243	\$ 783,222	\$ 5,229,436	\$ 620,224	\$ 119,697	\$ 739,921	\$ 5,969,357
Depreciation	127,695	60,182	810,426	127,693	1,125,996	18,297	-	18,297	1,144,293
Professional fees and purchased services	502,725	58,464	117,544	21,085	699,818	167,973	-	167,973	867,791
Supplies and equipment rental	203,721	23,414	39,833	31,042	298,010	27,687	650	28,337	326,347
Food	153,945	68,128	95,797	43,734	361,604	-	-	-	361,604
Assessment and insurance	108,044	19,207	106,604	19,672	253,527	60,395	7,255	67,650	321,177
Utilities	92,968	38,773	101,436	21,280	254,457	15,472	-	15,472	269,929
Residential financial aid	140,348	-	-	-	140,348	-	-	-	140,348
Sundry	19,211	4,277	10,331	2,117	35,936	22,872	46,585	69,457	105,393
Interest	-	-	-	-	-	104,290	-	104,290	104,290
Facility operations, repairs and maintenance	4,724	880	27,237	629	33,470	338	-	338	33,808
Telephone	9,093	3,247	5,914	460	18,714	4,850	548	5,398	24,112
Printing and postage	77	-	-	28	105	22,322	11,118	33,440	33,545
Education	6,698	382	34	518	7,632	11,477	962	12,439	20,071
Advertising	-	-	-	-	-	8,821	-	8,821	8,821
Travel and entertainment	10,529	131	84	495	11,239	17,161	482	17,643	28,882
Provision for doubtful accounts	30,893	-	-	-	30,893	-	-	-	30,893
	<u>\$ 4,401,615</u>	<u>\$ 901,112</u>	<u>\$ 2,146,483</u>	<u>\$ 1,051,975</u>	<u>\$ 8,501,185</u>	<u>\$ 1,102,179</u>	<u>\$ 187,297</u>	<u>\$ 1,289,476</u>	<u>\$ 9,790,661</u>

Monte Vista Grove Homes & Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Operating Activities		
Cash received from residents for monthly services	\$ 6,973,851	\$ 6,880,554
Cash received from residents for entrance fees	724,502	310,000
Investment income received	252,580	298,452
Contributions received	1,081,149	1,330,396
Other	56,909	182,412
Cash paid to employees and suppliers	(9,391,976)	(8,266,636)
Cash received from Paycheck Protection Program	951,000	-
Cash received from distributions from beneficial interests in perpetual trusts	14,730	14,756
Cash received from COVID-19 funding programs	495,159	-
Interest paid	(85,929)	(104,290)
Net Cash from Operating Activities	1,071,975	645,644
Investing Activities		
Purchase of property and equipment	(627,458)	(816,740)
Purchase of investments	(6,227,128)	(6,382,982)
Proceeds from sale of investments	5,974,585	6,678,550
Net Cash used for Investing Activities	(880,001)	(521,172)
Financing Activities		
Contributions restricted for purchasing property and equipment	7,670	30,000
Entrance fees refunded	-	(55,956)
Borrowings under line of credit	-	200,000
Net Cash from Financing Activities	7,670	174,044
Net Change in Cash and Cash Equivalents and Restricted Cash	199,644	298,516
Cash and Cash Equivalents and Restricted Cash Beginning of Year	652,000	353,484
Cash and Cash Equivalents and Restricted Cash End of Year	\$ 851,644	\$ 652,000
Cash and cash equivalents	816,652	622,000
Restricted cash	34,992	30,000
Total cash and cash equivalents and restricted cash	\$ 851,644	\$ 652,000

Monte Vista Grove Homes & Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	(Restated) 2019
Operating Activities		
Change in net assets	\$ (193,677)	\$ 1,081,470
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization of entrance fees	(298,992)	(228,326)
Change in value of split-interest agreements	(2,665)	(5,883)
Change in value of beneficial interests in perpetual trusts	(26,155)	(43,708)
Other gains	(122)	(142)
Realized and unrealized gains on investments	(1,325,092)	(1,724,265)
Loss on disposal of property and equipment	11,043	19,226
Noncash contributions	(11,093)	(62,720)
Provision (recovery) for doubtful accounts	(6,787)	30,893
Depreciation	1,118,554	1,144,293
Contributions restricted for purchasing property and equipment	(7,670)	(30,000)
Changes in assets and liabilities		
Accounts receivable	174,883	(191,795)
Promises to give	59,419	4,378
Prepaid expenses and other assets	(42,885)	(19,114)
Accounts payable and accrued expenses	89,073	41,403
Accrued payroll and employee benefits	(75,476)	65,879
Refundable advance - Paycheck Protection Program	951,000	-
Deferred interest income	(68,182)	(68,182)
Liability for refundable and repayable entrance fees and deferred revenue from entrance fees	732,690	602,400
Deposits and other liabilities	(5,891)	29,837
Net Cash from Operating Activities	<u>\$ 1,071,975</u>	<u>\$ 645,644</u>
Supplemental Disclosure of Non-cash Investing and Financing Activities		
Payment of unconditional promises to give satisfied by receipt of investments	<u>\$ -</u>	<u>\$ 16,033</u>

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Monte Vista Grove Homes (MVGH) is a senior community established in 1924 by the Synod of California. MVGH is a nonprofit California corporation dedicated to providing a retirement community primarily for the benefit of retired Teaching Elders (Ministers), missionaries, Certified Christian Educators, Certified Musician Associates, and Commissioned Ruling Elders of the Presbyterian Church (USA) and their spouses (qualified applicants). MVGH has independent living available to qualified applicants. The facility includes approximately 81 individual apartments, a 16-apartment assisted living facility (Residential Care Facility for the Elderly (RCFE)) with a lounge and nursing station, a 10-bedroom memory care assisted living facility (RCFE) with a great room and kitchen, and a 40-bed Medicare-certified skilled nursing facility (SNF), which provides skilled nursing and convalescent care. Assisted living, memory care, and skilled nursing are available to MVGH's residents and the surrounding community at the per diem rate in effect at the time services are rendered; and beginning in 2013, these services are available to qualified applicants under a Continuing Care Retirement Community (CCRC) contract.

On January 1, 2013, MVGH received its Provisional Certificate of Authority (PCOA) to enter into CCRC contracts in accordance with the provisions of the Health and Safety Code of the State of California, and on September 8, 2014, MVGH received its Certificate of Authority. The certification applies to the assisted living and skilled nursing portions of the campus only. The Certificate of Authority allows MVGH to offer CCRC contracts to incoming qualified applicants.

A requirement of this partial licensure was to create a separation between the independent living and the CCRC (RCFE and SNF) portions of the campus. To meet this requirement, MVGH re-organized the independent living portion of the campus as The Grove Campus, LLC (a California LLC) (the LLC) on September 4, 2012. The LLC operates the unlicensed senior housing apartments (independent living) only.

Principles of Consolidation

The consolidated financial statements include the accounts of MVGH and its wholly owned subsidiary, The Grove Campus, LLC, hereinafter referred to collectively as the "Organization". All significant intercompany accounts and transactions have been eliminated in consolidation.

Change in Accounting Principle

As of January 1, 2020, the Organization adopted the provisions of FASB ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 improves the effectiveness of disclosures in the notes to the consolidated financial statements by facilitating clear communication of information required by accounting principles generally accepted in the United States of America (U.S. GAAP) that is most important to users of the consolidated financial statements through the removal, modification, and addition of disclosure requirements. The accounting change has been retroactively applied, where required to the consolidated financial statement disclosures presented. Management has determined that the adoption of this standard did not have a significant impact on the Organization's consolidated financial statements.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Restricted Cash

Restricted cash on the statements of financial position represents amounts from donor restricted contributions for the acquisition of property and equipment.

Accounts Receivable

The Organization carries its accounts receivable at cost less allowance for uncollectable accounts. The Organization provides for an allowance for uncollectable accounts based on management's assessment of the collectability of existing specific accounts, a history of past write-offs, and collections. Accounts receivable are written off as uncollectable at the time management determines that collection is unlikely.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset applicable to the year in which the promise was received. In subsequent years, amortization of the discounts is included in contributions in the consolidated statements of changes in net assets. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. No allowance for uncollectable promises to give has been established as of December 31, 2020 and 2019, as management believes that the remaining promises are fully collectable.

Intentions to Give

From time to time, the Organization is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established nor have they been recognized in the accompanying consolidated financial statements.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of operations and consolidated statements of changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the consolidated statements of operations. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Construction in progress consists of costs incurred on remodel projects. Depreciation starts once the related assets are placed in service.

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from the performance indicator, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Once the long-lived assets are acquired and placed into service, and if there are no donor restrictions on the long-lived asset's use, the donor restrictions are considered met and the net assets with donor restrictions are released and reclassified to net assets without donor restrictions.

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of property and equipment are appropriate. No impairment was identified for the years ended December 31, 2020 and 2019.

Assets Held Under Split-Interest Agreements

The Organization is a beneficiary of several charitable lifetime income gifts. The charitable lifetime income gifts provide one or more individuals income for his or her lifetime or a period of years, after which the remaining funds will either be distributed to the Organization or used to establish a permanent fund at the Presbyterian Church (USA) Foundation, from which income will be distributed to the Organization. These amounts are recorded at present value, which represents the current fair market value of the account, reduced by the estimated actuarial liability necessary to meet the future payments to the life income beneficiaries. The portion of the gift attributable to the present value of the future benefits to be received by the Organization is recorded in the consolidated statements of changes in net assets as contributions with donor restrictions in the period the gift is established.

Beneficial Interests in Perpetual Trusts

The Organization has been named as an irrevocable beneficiary of several perpetual trusts held and administered by an independent trustee (the Presbyterian Church (USA) Foundation). Perpetual trusts provide for the distribution of the net income of the trusts to the Organization; however, the Organization will never receive the assets of the trusts. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the consolidated statements of changes in net assets and a beneficial interest in perpetual trust is recorded in the consolidated statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the consolidated statements of financial position, with trust distributions recognized in the consolidated statements of operations, and changes in fair value recognized in the consolidated statements of changes in net assets.

Deferred Revenue from Entrance Fees and Refundable and Repayable Entrance Fees

For the right to become a continuing care resident of the extended care facilities at the Organization, residents are required to pay an entrance fee, a portion of which may be refundable based upon the contract terms.

Under the Organization's Amortized Entrance Fee Option contract, the entrance fee is refundable pro-rata if a continuing care resident should leave within five years from admission as follows:

1. During the first 150 days (60 days after the contract is signed plus a 90-day cancellation period), the entrance fee paid by the resident is refunded in full.
2. If the resident's tenancy is longer than the 90-day cancellation period and up to five years, the Organization retains 1/60th of the entrance fee for each month of residency or portion thereof. However, the minimum entrance fee retained by the Organization for any termination after the 90-day cancellation period shall be 10% of the entrance fee.
3. No refunds are made after sixty months.

The Organization amortizes entrance fees over the resident's expected life, and a liability is recognized for the expected amount that will be refunded to those residents who will not remain at the facility for the stipulated time.

Under the Organization's 90% Repayment Option contract, the entrance fee is refundable as follows:

1. During the first 150 days (60 days after the contract is signed plus a 90-day cancellation period), the entrance fee paid by the resident is refunded in full.
2. If the resident's tenancy terminates subsequent to the 90-day cancellation period, the resident will receive a reoccupancy benefit equal to 90% of the paid entrance fees once the resident's unit is re-occupied by another resident.

The Organization amortizes 10% of the paid entrance fee over the resident's expected life and a liability is recorded for the remaining 90% of the entrance fee.

Under the Organization's 75% Repayment Option contract, the entrance fee is refundable as follows:

1. During the first 150 days (60 days after the contract is signed plus a 90-day cancellation period), the entrance fee paid by the resident is refunded in full.
2. If the resident's tenancy terminates subsequent to the 90-day cancellation period, the resident will receive a reoccupancy benefit equal to 75% of the paid entrance fees once the resident's unit is re-occupied by another resident.

The Organization amortizes 25% of the paid entrance fee over the resident's expected life and a liability is recorded for the remaining 75% of the entrance fee.

Under all contracts, the refund is reduced by any unpaid fees and any costs of refurbishing the unit, as defined in the contracts. Contractually refundable entrance fees, included in liability for refundable and repayable entrance fees and deferred revenue from entrance fees in the accompanying consolidated statement of financial position, were approximately \$1,691,000 and \$1,412,000 at December 31, 2020 and 2019, respectively.

Obligation to Provide Future Services and Use of Facilities to Current Residents

If the present value of estimated future cash outflows to provide services to residents exceeds the present value of estimated future cash inflows from residents, a liability is recognized. The Organization's computation has been made which indicated that as of December 31, 2020 and 2019, the estimated amounts received or to be received from current continuing care residents will exceed the estimated costs of providing future services and use of facilities to those residents. Consequently, no liability is shown on the consolidated statement of financial position.

The California Health and Safety Code Section 1790 mandates a statutory reserve and a liquid asset requirement. The mandates were met for the years ended December 31, 2020 and 2019.

Net Assets

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

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At December 31, 2020, the total net assets without donor restrictions of \$20,020,339 include a Board-designated component of the Quality of Life Endowment Fund totaling \$984,007. At December 31, 2019, the total net assets without donor restrictions of \$20,301,923 include a Board-designated component of the Quality of Life Endowment Fund totaling \$1,018,598.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports unconditional contributions restricted by donors as increases in net assets with donor restrictions if they are received with 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 restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and consolidated statements of changes in net assets as net assets released from restrictions. The Organization reports contributions for all restricted activity that were initially classified as conditional contributions as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

Revenue Recognition

Skilled Nursing

Skilled nursing revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing care. These amounts are due from residents, third-party payors (including health insurers and government programs) and others and includes variable consideration for retroactive adjustments due to settlement of audits, reviews and investigations. The Organization bills private pay residents and third-party payors in the month following in which services were provided. Revenue is recognized in the month in which the performance obligations are satisfied.

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Revenue for skilled nursing performance obligations satisfied over time is recognized based on actual charges incurred. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the skilled nursing facility. The Organization measures the performance obligation from admission into the skilled nursing facility to the point when it is no longer required to provide health care services to that resident, which is typically at the time of discharge.

The Organization determines the transaction price based on standard charges for goods and services provided reduced by contractual adjustments provided to third-party payors. The Organization determines their estimate of contractual adjustments based on contractual agreements and historical experience.

A summary of the payment arrangements with major third-party payors is as follows:

Medicare- Certain health care services are paid at prospectively determined rates per discharge based on clinical, diagnostic or other factors. Certain services are paid based on cost reimbursement methodologies subject to certain limits. Rehabilitation services are paid based upon established fee schedules.

Secondary Insurance- Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by adjusting the standard charge with contractual adjustments determined on a resident by resident basis. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to skilled nursing revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The following table shows skilled nursing revenue by payors for the years ended December 31, 2020 and 2019:

	2020	2019
Private payors	\$ 2,569,980	\$ 2,333,880
Medicare and other insurance	184,262	377,365
	<u>\$ 2,754,242</u>	<u>\$ 2,711,245</u>

Ancillary Services

The Organization also provides ancillary services to residents as needed. Ancillary services are billed in the month following in which services were provided. Revenue is recognized in the month in which the performance obligations are satisfied.

The Organization determines the transaction price based on standard charges for goods and services provided reduced by contractual adjustments. The Organization determines their estimate of contractual adjustments based on contractual agreements and historical experience.

Resident Services

Resident services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for the services provided. The Organization provides senior living services to residents for a stated monthly fee. The Organization recognizes revenue for senior living services for independent living, assisted living, memory care, and dietary in accordance with the provisions of Accounting Standards Codification 840, *Leases* (ASC 840).

The Organization bills private pay residents in the month following in which services were provided. Revenue is recognized in the month in which the performance obligations are satisfied.

Amortization of Entrance Fees

Revenue from nonrefundable entrance fees received is recognized on a straight-line basis over the actuarially-based estimated life of each resident, which approximates the period of time the goods and services under the agreements that are expected to be transferred to residents.

Contributions and Special Events

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization includes gross revenues from special events with total contributions and gross expenses from special events with total fundraising expenses, in the accompanying consolidated statements of operations. The total gross revenues from special events were \$147,868 and \$215,894 for 2020 and 2019, respectively. The total gross expenses for special events were \$9,775 and \$39,418 for 2020 and 2019, respectively.

Donated Services

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated statements of operations report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that cannot be directly attributed to a specific program area are charged to individual program areas based on the most appropriate allocation base, such as time and effort.

Performance Indicator

Revenues in excess of (less than) expenses is the performance indicator. The performance indicator excludes contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Income Taxes

MVGH is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. MVGH is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, MVGH is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. MVGH determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The LLC is organized as a nonprofit limited liability company in the State of California. The LLC has not applied for its own tax exemption for income tax purposes because it is a disregarded entity. While the LLC is disregarded for income tax purposes, it is still subject to the California annual minimum tax and the annual fee. Nonprofit organizations are generally not liable for taxes on income; therefore, other than the California annual minimum tax and annual fee related to the LLC, no provision is made for such taxes in the consolidated financial statements in accordance with U.S. GAAP. Income tax expense for 2020 and 2019 was \$6,800.

Management believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. MVGH and the LLC would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and cash equivalents and investments with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments. To date, the Organization has not experienced losses in any of these accounts. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and individuals supportive of the Organization's mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Restatement

The Organization restated its financial statements for the year ended December 31, 2019, to include the beneficial interests in perpetual trusts that were previously not recorded. Following is a summary of the effects the restatement in the Organization's December 31, 2019 consolidated financial statements:

Consolidated Statement of Financial Position	As Previously Reported	Adjustment	As Restated
As of December 31, 2019			
Beneficial interests in perpetual trusts	\$ -	\$ 355,046	\$ 355,046
Total noncurrent assets	25,892,566	355,046	26,247,612
Total assets	27,957,570	355,046	28,312,616
Net assets with donor restrictions	2,074,131	355,046	2,429,177
Total net assets	22,376,054	355,046	22,731,100
Total liabilities and net assets	27,957,570	355,046	28,312,616
Consolidated Statement of Changes in Net Assets	As Previously Reported	Adjustment	As Restated
Year Ended December 31, 2019			
Change in value of beneficial interests in perpetual trusts	\$ -	\$ 43,708	\$ 43,708
Change in net assets with donor restrictions	2,174	43,708	45,882
Change in net assets	1,037,762	43,708	1,081,470
Net assets, beginning of year	21,338,292	311,338	21,649,630
Net assets, end of year	22,376,054	355,046	22,731,100
Consolidated Statement of Cash Flows	As Previously Reported	Adjustment	As Restated
Year Ended December 31, 2019			
Change in net assets	\$ 1,037,762	\$ 43,708	\$ 1,081,470
Change in value of beneficial interests in perpetual trusts	-	43,708	43,708

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Liquidity and Availability of Resources

The financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 811,490	\$ 607,868
Accounts receivable, net	889,459	1,057,555
Promises to give	108,951	118,450
Current maturities of note receivable	24,783	-
	<u>\$ 1,834,683</u>	<u>\$ 1,783,873</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a revolving line of credit of \$500,000, which it can draw upon (see Note 9). Additionally, the Organization could liquidate investments that are without donor restrictions (including their Board- designated fund) totaling \$12,649,608 and \$11,134,915 as of December 31, 2020 and 2019, respectively. Although the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Note 3 - Accounts Receivable

As of December 31, 2020 and 2019, the Organization's accounts receivable and allowance for doubtful accounts were as follows:

	2020	2019
Accounts receivable	\$ 904,459	\$ 1,097,555
Less allowance for uncollectable accounts	(15,000)	(40,000)
	<u>\$ 889,459</u>	<u>\$ 1,057,555</u>

Note 4 - Promises to Give

As of December 31, 2020 and 2019, unconditional promises to give were as follows:

	2020	2019
Due within one year	\$ 108,951	\$ 118,450
Due in one to five years	24,000	76,000
Less discount to present value at 3%	(699)	(2,779)
	<u>\$ 132,252</u>	<u>\$ 191,671</u>

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 5 - Note Receivable

In 1989, the Organization received a gift of an \$800,000 (99% limited partnership interest in the Faulding Hotel, Inc.), an affiliate of the Santa Barbara Community Housing Corporation (SBCHC). The partnership was formed to own and operate the Faulding Hotel for low-income seniors and others eligible for assistance under either State or Federal programs. In 1990, to enable SBCHC to issue bond financing for improvements to the Faulding Hotel, MVGH exchanged its limited partnership interest for an \$800,000 Shared Appreciation Promissory Note (Note) with 6% interest per annum, payable annually. The Note is subordinate to debt owed to several entities of the City of Santa Barbara and the County of Santa Barbara. The Note was due on December 12, 2016. In September 2017, the Faulding Hotel, Inc. and the Organization entered into an agreement, which revised the terms of the note receivable. As part of the revised terms, the principal amount of the note receivable was increased to \$2,048,000, and the Faulding Hotel, Inc. agreed to pay \$250,000 of prepaid interest. The prepaid interest is being deferred over the term of the prepayment, which is 44 months, and is included in the accompanying consolidated statements of financial position as deferred interest income.

	2020	2019
\$2,048,000 note receivable from Faulding Hotel, Inc., bearing interest at 3% per annum. Payments of principal and interest of \$8,634 to be made in monthly installments beginning on June 1, 2021, maturing on May 1, 2051. The note receivable is secured by the Deed of Trust of the property and is subordinate to other loans on the property.	\$ 2,048,000	\$ 2,048,000
Less current maturities	(24,783)	-
	<u>\$ 2,023,217</u>	<u>\$ 2,048,000</u>

Note 6 - Property and Equipment

Property and equipment consists of the following as of December 31, 2020 and 2019:

	2020	2019
Land and improvements	\$ 1,779,653	\$ 1,774,009
Buildings and improvements	27,010,336	26,750,044
Furniture and equipment	3,771,770	3,755,326
Construction in progress	178,232	1,900
	32,739,991	32,281,279
Less accumulated depreciation	(22,733,493)	(21,783,735)
	<u>\$ 10,006,498</u>	<u>\$ 10,497,544</u>

Note 7 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the accompanying financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting the Organization's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of an input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the Organization's investments are classified within Level 1 because they are comprised of investments with readily determinable fair values based on daily redemption values. The Organization's investments in corporate bonds and government and agency obligations are based on an independent pricing service and based on recent sales of similar securities and other observable market data and are classified within Level 2.

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

The following table presents assets measured at fair value on a recurring basis as of December 31, 2020:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Cash and cash equivalents (at cost)	\$ 1,040,411	\$ -	\$ -	\$ -
Equities	8,461,740	8,461,740	-	-
Alternative investments	502,534	502,534	-	-
Government obligations and agencies	1,426,192	-	1,426,192	-
Corporate bonds	3,257,986	-	3,257,986	-
	<u>\$ 14,688,863</u>	<u>\$ 8,964,274</u>	<u>\$ 4,684,178</u>	<u>\$ -</u>
Beneficial interests in perpetual trusts	<u>\$ 381,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,201</u>
Split-interest agreements	<u>\$ 55,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,462</u>

The following table presents assets measured at fair value on a recurring basis as of December 31, 2019:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Cash and cash equivalents (at cost)	\$ 503,346	\$ -	\$ -	\$ -
Equities	7,176,558	7,176,558	-	-
Alternative investments	368,720	368,720	-	-
Government obligations and agencies	1,642,522	-	1,642,522	-
Corporate bonds	3,420,082	-	3,420,082	-
	<u>\$ 13,111,228</u>	<u>\$ 7,545,278</u>	<u>\$ 5,062,604</u>	<u>\$ -</u>
Beneficial interests in perpetual trusts	<u>\$ 355,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,046</u>
Split-interest agreements	<u>\$ 52,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,797</u>

Note 8 - Master Development Plan

In order to meet the growing demand for senior housing, the Organization completed a 15-year Master Development Plan (the Master Plan) that would accommodate up to 52 new independent living units as well as refurbishment of dining facilities and resident social space. New building structures would be one and two story buildings in keeping with the current scale of the campus. The Master Plan was proposed as a multi-phased project over a 15-year period and was approved by the City of Pasadena in January 2007. The start-date of the construction will be determined based on finance capabilities over the 15-year period.

The costs incurred in the Master Plan relate to the Organization's plan for future development of the campus. These costs include fees for plan development, tree inventory survey/map work, architectural services, legal services, and consultation.

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of the master development plan are appropriate. No impairment was identified for the years ended December 31, 2020 and 2019. As of December 31, 2020 and 2019, the capitalized costs were \$78,886.

Note 9 - Lines of Credit

The Organization has a \$500,000 revolving line of credit with Citizen Business Bank, which is secured by certain investment assets owned by the Organization. The line bears interest based upon the Intercontinental Exchange London Interbank Offer Rate (ICE LIBOR) plus 2.5% per annum with an interest rate floor of no less than 4.25%. The Organization is required to make monthly interest payments. The interest rate was 4.25% per annum as of December 31, 2020 and 2019. At December 31, 2020 and 2019, the outstanding balance on this line of credit was \$200,000. The line of credit matures on September 22, 2021.

In 2016, the Organization obtained a \$3,000,000 line of credit with Citizens Business Bank to be used for construction as necessary, which is secured by certain investment assets owned by the Organization. The line bears a variable interest rate based upon the ICE LIBOR and will not be less than 3% per annum. The Organization shall receive an interest rate discount of .25% off the effective interest rate if they maintain a demand deposit account and payments are automatically debited from the designated checking account each month. The interest rate was 2.75% and 3.50% per annum as of December 31, 2020 and 2019, respectively. The Organization is required to make monthly interest payments. At December 31, 2020 and 2019, the outstanding balance on this line of credit was \$2,367,736. The line of credit matures on September 22, 2023.

The Organization is required to comply with certain non-financial covenants.

Note 10 - Refundable Advance - Paycheck Protection Program

The Organization was granted a \$951,000 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition* (ASC 958-605). The Organization initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the Organization maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended December 31, 2020. The Organization will be required to repay any remaining balance, plus interest accrued at 1 percent in monthly payments commencing in December 13, 2020, principal and interest payments will be required through the maturity date May 13, 2022. As of the date of the report, no payments have been requested by the SBA approved partner. The terms of the loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The loan may be accelerated upon the occurrence of an event of default.

Note 11 - Provider Relief Funds

The Organization received \$367,608 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has a deadline to incur eligible expenses of June 30, 2021.

In accordance with ASC 958-605 these funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying consolidated statements of operations as all terms and conditions are considered met. The terms and conditions are subject to interpretation, changes and future clarification, the most recent of which have been considered through the date that the consolidated financial statements were issued. In addition, this program may be subject to oversight, monitoring and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

During the year ended December 31, 2020, the Organization recognized \$367,608 as revenue, included in COVID-19 funding programs on the consolidated statements of operations.

Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose or period		
Capital improvements	\$ 38,038	\$ 38,016
Time restrictions	22,819	21,177
Other purposes	2,116	6,116
Total subject to expenditure for specified purpose or period	62,973	65,309
Endowments		
Richmond Endowment	531,199	517,024
Quality of Life	1,483,446	1,435,334
Ridings Fund	24,610	23,954
Split-interest agreements	33,655	32,510
Total endowments	2,072,910	2,008,822
Perpetual in nature, not subject to spending policy or appropriation		
Beneficial interests in perpetual trusts	381,201	355,046
Total net assets with donor restrictions	\$ 2,517,084	\$ 2,429,177

Note 13 - Endowment Funds

The Organization's endowment consists of three individual funds established for a variety of purposes:

Richmond Endowment- Endowment funds subject to restrictions requiring that the principal be invested in perpetuity. Income from the investments can be utilized at the discretion of the Board of Trustees for the skilled nursing facility and the Organization's operating expenses and is recorded as revenue without donor restrictions.

Quality of Life- Endowment funds subject to restrictions requiring that the principal be invested in perpetuity. Income is to be utilized to subsidize costs for qualified Organization residents and is recorded as revenue with donor restrictions.

Ridings Fund- Endowment funds subject to restrictions requiring that the principal be invested in perpetuity. Income from the investments can be utilized at the discretion of the Board of Trustees for the skilled nursing facility and the Organization's operating expenses and is recorded as revenue without donor restrictions.

In addition, the Organization's endowment consists funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including a fund designated by the Board of Trustees to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has interpreted relevant state law as requiring preservation of the fair value of the original gift as of the date gifted, for the donor restricted endowment funds explicit donor stipulations to the contrary.

According to the Organization's investment guidelines, the endowment assets are currently invested in an investment portfolio managed by professional money managers. The primary long-term investment objective is to preserve and enhance the real (inflation adjusted) purchasing power of the portfolio. This objective should be achieved based on an investment horizon of three to five years. The Organization's policy is to have the portfolio earn an average return in excess of inflation over time.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized). Because of the short-term volatility in rates of return for those investments, the total return could be negative at times. At times, especially for new funds, the balance of a fund could drop below the historic gift value. Historic gift value is defined as the total dollars of the original gift at the date the gift is contributed for endowment.

If the balance of a fund is below the historic gift value, then no appropriations shall occur until the fund is at or above the historic gift value.

The goals of the funds are as follows: (a) maximize monthly income within reasonable and prudent levels of risk; and (b) subsidize costs for qualified Organization residents.

The Organization employs a high-income investment policy with the objective of producing high current income with a secondary objective of preserving the endowment's capital.

With these objectives in mind, the portfolio is invested subject to the following guidelines:

1. Bonds and debentures represent at least 70% of total investments.
2. Securities other than bonds and debentures do not exceed 30% of total investments. No more than 10% at market value of the investment portfolio may be invested in any one company with no more than 40% being invested in one economic sector.
3. Cash and cash equivalents represent no more than 20% of the investment portfolio.

As of December 31, 2020, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,072,910	\$ 2,072,910
Board-designated endowment funds	984,007	-	984,007
	<u>\$ 984,007</u>	<u>\$ 2,072,910</u>	<u>\$ 3,056,917</u>

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

As of December 31, 2019, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,008,822	\$ 2,008,822
Board-designated endowment funds	1,018,598	-	1,018,598
	<u>\$ 1,018,598</u>	<u>\$ 2,008,822</u>	<u>\$ 3,027,420</u>

Changes in endowment net assets for the year ended December 31, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,018,598	\$ 2,008,822	\$ 3,027,420
Investment return, net	41,494	101,526	143,020
Contributions	-	22,601	22,601
Change in value of split-interest agreements	-	1,145	1,145
Appropriation of endowment assets pursuant to spending-rate policy	(76,085)	(61,184)	(137,269)
Endowment net assets, end of year	<u>\$ 984,007</u>	<u>\$ 2,072,910</u>	<u>\$ 3,056,917</u>

Changes in endowment net assets for the fiscal year ended December 31, 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 936,083	\$ 1,877,054	\$ 2,813,137
Investment return, net	116,393	218,666	335,059
Contributions	-	11,351	11,351
Change in value of split-interest agreements	-	3,046	3,046
Appropriation of endowment assets pursuant to spending-rate policy	(33,878)	(101,295)	(135,173)
Endowment net assets, end of year	<u>\$ 1,018,598</u>	<u>\$ 2,008,822</u>	<u>\$ 3,027,420</u>

Note 14 - Revenue from Contracts with Customers

Contract assets include accounts receivable. Contract liabilities include deferred revenue from entrance fees, and liability for refundable and repayable entrance fees.

Monte Vista Grove Homes & Subsidiary

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

The beginning and ending balances for accounts receivable, deferred revenue from entrance fees, and liability for refundable and repayable entrance fees were as follows for the years ended December 31, 2020 and 2019:

	2020	
	January 1	December 31
Accounts receivable, net	\$ 1,057,555	\$ 889,459
Liability for refundable and repayable entrance fees	531,792	531,792
Deferred revenue from entrance fees	1,239,470	1,673,168

	2019	
	January 1	December 31
Accounts receivable, net	\$ 896,653	\$ 1,057,555
Liability for refundable and repayable entrance fees	587,792	531,792
Deferred revenue from entrance fees	865,352	1,239,470

Note 15 - Retirement Plan

The Monte Vista Grove 401(k) Plan (the Plan) covers substantially all employees of the Organization who have completed one year of service and attained the age of 21. Participants vest at varying percentages over five years. The Organization makes matching contributions on the first 3.5% of each participant's salary deferred through employee contributions to the Plan. The Organization's matching contributions to the Plan totaled approximately \$125,000 and \$116,000 for 2020 and 2019, respectively.

In addition, each year, the Organization determines a discretionary contribution, if any, to be contributed to the Plan. The discretionary contribution is equal to a percentage of all eligible participants' compensation, the exact percentage to be approved each year by the Board of Trustees. There were no discretionary contributions to the Plan for the years ended 2020 and 2019.

Note 16 - Contingencies

The Organization is subject to many complex federal, state, and local laws and regulations. Compliance with these laws and regulations is subject to government review and interpretation. Government activity, with respect to investigations and allegations regarding possible violations of these laws and regulations by health care providers, including those related to medical necessity, coding and billing for services, has increased significantly. Violations of these laws can result in large fines and penalties, sanctions on providing future services, and repayment of past patient revenues. Management believes any actions that may result from investigations of noncompliance with laws and regulations will not have a material effect on the Organization's future financial position or results of operations.

Note 17 - Risks and Uncertainties

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The Organization is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these consolidated financial statements, the current and future full impact to the Organization is not known.

Note 18 - Health and Safety Code Section 1790(a)(3) Disclosure

The Board of Trustees has directed that prudent reserves be established to safeguard against contingencies and maintains a Board Designated Fund (Quality of Life) which is used to subsidize costs for qualified residents (see Note 13).

Note 19 - Subsequent Events

Management has evaluated for subsequent events through May 27, 2021, the date the consolidated financial statements were available to be issued.

Subsequent to year-end, the Organization was named as a defendant in a potential lawsuit. The Organization intends to vigorously defend these allegations. The Organization believes, however, that any liability it may incur would not have a material adverse effect on its financial condition or its results of operations.

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Attachment 4

Committee on Representation and Nomination Report

Synod of Southern California and Hawaii
Nominations Worksheet
as of November 30, 2021

Commission of Assembly			
-----Synod Officers-----		---Presbytery Executives---	
RE Pat Niles (CoA chair) Wf	LR	RE Sandy Thoits (designee) Wf	SB
TE Suzanne Malloy (Mod) Wf	SB	TE Juan Sarmiento Lm	SF
RE Janine Tanahuvia (VM) Lf	SF	TE John Moser, Wm	SD
TE Mark Hong (stated clerk) Am	LR	TE Linda Culbertson Wf	PA
RE Susan Skoglund (treasurer) Wf	RS	TE Lee Ireland Wm	RS
-----Commissioners-----		TE Wendy Tajima Af	SG
RE Sue Currie 11/2019 Wf	LR	TE Forrest Claassen Wm	LR
RE Frances Lin 12/2019 Af		--Added for Racial Ethnic Balance--	
TE N'Yisrela Watts-Afriyie 12/2019 Bf	SG	TE Juan-Daniel Espitia 12/2020 Lm	SD
RE Melodee Kistner 03/2020 Wf	RS	RE Yvonne Harmon 06/2020 Bf	SG
-----Voice w/o Vote-----		TE Joseph Shin 12/2020 Am	LR
TE David Won (Chair, CoRN) Am	PA		

Permanent Judicial Commission (11)			
-----Class of 2021-----		-----Class of 2023-----	
TE R. Winston Presnall (chair) Wm	LR	RE Linda Therien Wf	SD
TE Robert Wendel Wm	SG	RE Jeff Heath Wm	RS
RE Janice Takeda Af	SG	TE John Langfitt Wm	SF
		RE Carole Wheeler Wf	SF
-----Class of 2025-----		-----Class of 2027-----	
RE Tracie Lyons Bf	PA	RE Wendy Peterson Af (2022)	LR
TE Tina Blair Wf	RS	RE Alan Young Wm (2022)	LR
TE David Won Am	PA	TE Dongwoo Lee (2022)	SG
TE Mickey Fenn 03/2020 Wf	SB		

Polity and Records Committee (9)			
-----Class of 2021-----		-----Class of 2023-----	
TE Dee Lily Wf	LR	RE Don Reiersen (2 nd) Wm	RS
RE Steve Salyards Wm	SG	RE Carole Ostrander (2 nd) Wf	SD
TE Dave Wilkinson Wm	SF	TE Dave Wilkinson Wm	SF
-----Class of 2022-----		-----Class of 2024-----	
TE Daniel Ko 11/2019 Am	PA	TE Dee Lily (2 nd term) Wf	LR
RE Sandy Thoits 11/2019 (chair) Wf	SB	RE Steve Salyards (2019) Wm	SG
RE Areta Crowell 11/2019 Wf	SG	RE Izar Martinez (2022) Lm	RS

Committee on Representation and Nominations (12)			
----Class of 2021----		-----Class of 2023-----	
TE David Won (chair) 11/2019 Am	PA	TE Jim Pazan 06/2020 Wm	SB
TE Wendy Tajima 11/2019 Af	SG	RE Jane Parker 10/2020 Wf	LR
TE Suzanne Malloy Wf	SB	RE Frances Lin 10/2020 Af	SD
RE Jerri Rodewald 06/2020 Wf	RS	TE Don Thursby (2021) Wm	RS
----Class of 2022----		-----Class of 2024-----	
TE Mickey Fenn 03/2020 Wf	SB	TE David Won (2019) Am	PA
CRE Ruth Mandernach 3/2020 Wf	SF	TE Robert Stewart (2022) Wm	RS
TE Heidi Worthen-Gamble 12/2020 Wf	PA	RE Janice Takeda (2022) Af	SG
		TE Chris Lenocker Wm	SD

Partnering Grants Committee (9)			
----Class of 2021----		-----Class of 2023-----	
TE Ken Baker (chair) Wm	SF	RE Jeannine Ford 10/2020 Bf	LR
RE Sue Currie Wf	LR	TE Paul Knopf 10/2020 Am	RS
TE David Won Am	PA	TE Jeya So 10/2020 Af	SD
----Class of 2022----		-----Class of 2024-----	
TE Ken Gardner Wm	SF	RE Chae Shim Am	LR
TE N'Yisrela Watts-Afriyie Bf	SG	RE Shirlen Momtana Af	SF
TE Janet Loughry Wf	SB	TE Dave Worth 12/2022 Wm	PA

Restricted and Special Funds Committee (9)			
----Class of 2021----		-----Class of 2023-----	
RE Maurice Caskey (1 st term) Wm	SD	RE Sallie Cuaresma (2 nd) Nf	PA
RE Areta Crowell (1 st term) Wf	SG	RE Monica Colonnier Wf	LR
TE Kristin Leucht Wf	SF	RE Wilson Kayange Bm	RS
----Class of 2022----		-----Class of 2024-----	
RE Jane A. Vasquez (chair) Wf	SG	TE Kristin Leucht Wf	SF
TE Sam Roberts Bm	RS	RE Areta Crowell Wf	SG
TE Grace Park (1 st Term) Af	PA		
		Need TEs, SB	

Justice, Peace and Integrity of Creation Committee (12)			
----Class of 2021----		----Class of 2023----	
TE Walter Contreras Lm	SG	RE Kathleen Julian Wf	LR
RE Tom English Wm	SD	TE Ann Hayman Wf	PA
TE Darrel Meyers (chair) Wm	SF	RE Emily Fuentes Wf	LR
RE Beryl Smith Wf	LR	RE Rae Huang Af	PA
TE In Yang Am	RS		
----Class of 2022----		----Class of 2024----	
TE Cliff O'Daniel Bm	PA	RE Carole Wheeler Wf	SF
TE ShinHwa Park Af	PA	TE N'Yisrela Watts-Afriyie Bf	SG
RE Carolyn Harris Wf	SG	TE In Yang Am	RS
RE Karen Speros Wf	LR		

Racial Ethnic Pastoral Leadership Committee (6)			
----Class of 2021----		----Class of 2023----	
TE John Moon Am	SG	RE Hagar Benitez (chair) Lf	LR
RE Damon Green Bm	PA	TE Timm Cyrus Bm	PA
----Class of 2022----		----Class of 2024----	
TE Alfredo Delgado Lm	LR	TE John Moon Am	SG
RE Debbie Law Af	RS	RE Damon Green Bm	PA

Finance Committee (9)			
----Class of 2021----		----Class of 2023----	
RE Richard Deming Wm	LR	RE Maurice Caskey Wm	SD
Anita Chomberg	PA	TE Wendy Tajima (chair) Af	SG
Jack Irwin	SF	TE Juan Sarmiento Lm	SF
----Class of 2022----		----Class of 2024----	
RE Paul Nibarger Wm	PA	RE Richard Deming Wm	LR
TE Cheryl Raine Wf	RS	RE Anita Chomberg Bf	PA
CRE Bonnie Boe Wf	SB	RE Jack Irwin Wm	SF
Susan Skoglund/Treasurer is ex officio			

Synod Staff, Committees, Boards, Organizing Bodies, Working Groups, and Cabinets: 2020													
#	Unit/entity	T Total	Gender and Ordination Status				Race/Ethnicity						
			Male TE	Male RE	Female TE	Female RE	As Asian /Pacific Islander	B Black/ African American	Af African	H Hispanic/ Latino/a	NA Native American	ME Middle Eastern	W White/ European American
1	Synod PJC	10	4	1	0	6	2	1	0	0	0	0	9
2	Synod Executive Cmte	17	6	1	4	6	4	2	0	1	0	0	10
3	Synod COR	10	3	0	4	3	3	0	0	0	0	0	7
4	Synod Nom Cmte		This committee is part of Synod COR (#3)										
5	Synod Commissioners		This information is still being collected.										
6	Synod Staff	4	1	1	1	1	2	1	0	0	1	0	2
7	Officers	5	2	0	1	2	2	0	0	0	0	0	3
8	P&R	9	1	2	1	4	1	0	0	0	0	0	8
9													
10													
11													
12													
13													
14													
15													
16													
	Totals												

Key: **As** = Asian; **B** = Black, African American; **Af** = African; **H** = Hispanic/Latino/a; **NA** = Native American; **ME** = Middle Eastern; **W** = White
MT = Male Teaching Elder; **FT** = Female Teaching Elder; **MR** = Male Ruling Elder; and **FR** = Female Ruling Elder

Notes: The sum of Male Teaching Elders (ministers), Male Ruling Elders, Female Teaching Elders (ministers), and Female Ruling Elders should equal the number in the Total column.
 Multi-racial or multi-ethnic persons should be included in each applicable Race Ethnicity category. If there are no multi-racial or multi-ethnic persons in a particular group or committee, the sum of the six race ethnicity categories should equal the number in the Total column.

Synod Staff, Committees, Boards, Organizing Bodies, Working Groups, and Cabinets: 2020, continued											
#	Unit/entity	T Total	Ability			Age					
			DNA Persons w/ disability requiring NO accommodation(s)	DRA Persons w/ disability requiring accommodation(s)	ND Persons with NO DISABILITY	Y ≤25	YA 26-35	A1 36-45	A2 46-55	MA 56-64	SA ≥65
1	Synod PJC	11			11	0	0	0	0	2	9
2	Synod Executive Cmte (Council)	17				0	1	0	3	4	9
3	Synod COR	6			6	0	0	1	0	3	6
4	Synod Nom Cmte		This committee is part of Synod COR #3								
5	Synod Commissioners		This information is still being collected								
6	Synod Staff	4			4	0	0	1	0	2	1
7	Synod Officers	5			5	0	1	0	0	2	2
8	P&R	9			9	0	0	0	1	2	6
9											
10											
11											
12											
13											
14											
15											
16											
	Totals										

Key: **D** = Person With Disability (PWD) “Persons with disabilities are a diverse group of individuals who have a physical or mental disability that substantially limits one or more major life activities, such as relating, caring for one’s self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.” (Adapted definition from General Assembly *Minutes*, 1991, Part I, p. 630)

NA = Person with disability not requiring accommodation(s); **RA** = person with disability requiring accommodation(s); and **ND** = No Disability

Y = Youth 25 and younger; **YA** = Young Adult 26-35; **A1** = Adult 36-45; **A2** = Adult 46-55; **MA** = Mature Adult 56-64; **SA** = Senior Adult 65 and older

Note: The sum of the four age groups should equal the number in the Total (persons) column.

Attachment 5
Presbytery of San Fernando Report

**Report to the Synod Assembly
The Presbytery of San Fernando**

Dear commissioners and co-laborers,

Advent greetings in the grace and peace of Jesus.

First, I would like to express our sincere gratitude for the excellent experience of sharing our facilities in Panorama City with the Synod staff. We certainly treasure the deep working relationships that developed during those years. It is also a joy to share that our Presbytery is now leasing that space to our partner North Valley Caring Services. NVCS offers effective interventions to people experiencing homelessness, poverty, and food insecurity in the Northeast San Fernando Valley. It was recognized by the State of California as 2020 Non-Profit of the Year and has been recently featured by CNN, BBC, and Telemundo. Its rapidly growing work is done in conjunction with Oikos 4:45 which is one of our New Worshipping Communities. Both are led by Elder Manny Flores from FPC Burbank, who is considering being commissioned.

Along with Rev. Neal Presa (San Diego Presbytery) I have submitted a proposal the International Theological Seminary (ITS) for the development of a certificate program for Commissioned Ruling Elders. The ITS is an institution located in West Covina that is accredited by the Association of Theological Schools. The idea is to provide a low-cost and highly intercultural option for those seeking this type of service that may also lead to further Seminary studies.

The new offices of our Presbytery are in the facilities of Glendale Presbyterian Church, 125 S Louise St, Glendale, CA 91205. We were delighted to receive the visit of our Synod Executive, Rev. Mark Hong, and some of the Executives of the Presbyteries belonging to the Synod on November 11.

As most Presbyteries, we have been meeting virtually or hybrid, but we anticipate going back to in-person meetings next year. We are also developing a library of video resources; more than 2,800 people have viewed some of them.

The leadership of our Presbytery has focused on identifying our core values and developing a set of goals for the next two years. Our first goal is aligned with the Vital Congregations Initiative of the Presbyterian Mission Agency, and we have most of our congregations signed up to that process. We are now pondering how those Presbytery goals will shape the way our committee and financial structure work.

We are pleased to have seen increased collaboration with the Presbytery of San Gabriel and Los Ranchos around ministry opportunities with Latinx communities. Similarly, we are excited to see how most of our New Worshipping Communities started during COVID are served by BIPOC leaders.

Respectfully submitted,
Rev. Juan J. Sarmiento

Attachment 6
Polity and Records Committee Report

POLITY AND RECORDS COMMITTEE

Report to Synod Assembly

December 4, 2021 – Zoom

In 2021, the Polity & Records Committee held two meetings and a Records Review of Presbytery Minutes. Meetings: May 26 and September 21 (by Zoom.) The Review of Presbytery Records (2019 and 2020 Minutes) was held on August 18, 2021 (by Zoom).

- May 26, 2021 Polity and Records Meeting (via Zoom). The Committee reviewed and determined a plan for the annual Review of the Presbytery Minutes. The Review (of 2019 Minutes) could not take place in 2020, due to Covid 19 meeting restrictions. The Committee approved a plan for Synod Executive and Stated Clerk Mark Hong, along with the Presbytery Stated Clerks, to hold the Review of 2019 and 2020 Minutes virtually, with email exchange of Checklists between Stated Clerk partners, followed by a Zoom meeting for the review. Volunteers from the Polity & Records Committee to be present at the Zoom meeting.

Exchange of electronic copies of the 2019 and 2020 Minutes between paired Stated Clerk partners for checklist review took place by July 16. This was followed by the Review by a Zoom meeting for all participants on August 18, 2021.

The Committee also reviewed possible Bylaws Amendments regarding the members and terms for the Commission of Assembly, Article IV. D. 3 and Article IV.D.4. regarding the use of the term “ex officio” in this section.

- August 18, 2021 Presbytery Minutes Review Meeting - Zoom (Review of 2019 & 2020 Minutes). Three (3) partner groups from the seven Stated Clerks were assigned and exchanged electronic copies of their 2019 and 2020 Minutes and completed Checklists to their partners by July 16. Four (4) Polity and Records Members agreed to be volunteers for the Review and participated in the 8/18/21 Zoom meeting, assigned to Clerk pairs. One item on the Checklist was waived: Item 2.11 – Record of financial review (audit) of presbytery finances for the preceding year. This item was waived because Covid 19 restrictions have delayed the ability of auditors to physically access files and records needed to complete audits.

For Synod Assembly Action:

The Polity and Records Committee **RECOMMENDS** that the following report of the Review of Records be approved and included in the minutes of the meeting of the Synod Assembly.

- **2019 Minutes:**
 - Approve with no errors/omissions and exceptions:
 - Presbytery of _San Diego_____
 - Presbytery of _San Fernando_____
 - Approve with minor errors/omissions and exceptions:
 - Presbytery of _Los Ranchos_____
 - Presbytery of _Pacific_____
 - Presbytery of _Riverside_____
 - Presbytery of _San Gabriel_____
 - Presbytery of _Santa Barbara_____
- **2020 Minutes**
 - Approve with no errors/omissions and exceptions:
 - Presbytery of _San Diego_____
 - Approve with minor errors/omissions and exceptions:
 - Presbytery of _Pacific_____
 - Presbytery of _Riverside_____
 - Presbytery of _San Fernando_____
 - Presbytery of _Los Ranchos_____
 - Presbytery of _San Gabriel_____
 - Presbytery of _Santa Barbara_____
- September 21, 2021 Polity and Records Meeting (via Zoom). The Committee reviewed and shared feedback from the August 18, 2021 Presbytery Minutes Review Meeting. The Committee continued consideration of proposed amendments to the Synod Bylaws, regarding the members and terms for the Commission of Assembly, Article IV. D. 3 and Article IV.D.4.
 - Further clarifying information regarding the term “ex officio” was reviewed. The Committee concluded that, upon further review, no amendments are recommended to Article IV. D. 3.
 - With regard to Article IV.D.4, of the Synod Bylaws, the Polity and Records committee approved the following Recommendation for Action to the Synod Assembly:

For Synod Assembly Action: From the September 21, 2021, Polity & Records Committee Meeting. The Committee considered and reviewed clarification of Article IV. D. 4 (Commission of Assembly Term), to clarify that Commission of Assembly members serve for a 3-year term.

The Polity & Records Committee RECOMMENDS to the Synod Assembly the following amendments to the Synod Bylaws, Article IV. D. 4, shown below. Text removed is shown with ~~strike out~~. Text added is shown in **bold** type:

Article IV. D. 4. Term: Term. Those who serve ex officio serve for the term of that office. ~~The term of the members chosen to balance diversity and to represent each major non-white racial/ethnic group is three years.~~ All ~~other M~~members (other than those serving ex officio) are eligible to serve no more than two consecutive **3-year** terms. The classes shall be established by the Stated Clerk of the Synod.

Attachments 7 and 8
Presbytery of Los Ranchos Reports

Hope in God

Grace and peace to you in the name of our Lord Jesus Christ.

The latest chapter of our presbytery's journey has been difficult, but our endurance, as the Apostle Paul writes in *Romans*, has produced character, and character *is* producing hope that will not disappoint because it is based on God's love.

This report provides highlights from 2021, some happy and some bittersweet, but all to God's glory.

Celebrating New Worshiping Communities

It may seem like a difficult season to start new worshiping communities, but Los Ranchos "acknowledged" three this year, thanks to the work of our NWC Network Team. The first is Jorge Gutierrez, who leads the Ministerio en Tustin, a church start of the Tustin Presbyterian Church.



The second is Felix Acosta of Iglesia Cristiana de Las Americas. Pastor Felix moved his church plant to the former Divine Savior Campus in Boyle Heights a couple of years ago. They have been growing ever since, seeing as many as 200 people in worship on the weekends, including many children and youth.

And the third is Pioneer Leader Christian Ponciano, who has a unique ministry connecting worshipers in East Los Angeles with groups ministering along the border of Mexico and Latin America.

They are all exceedingly dynamic leaders with tons of experience gathering people to worship and serve the Lord. They are also an answer to countless prayers as our presbytery has sought ways to expand our engagement with the millions in our geographical region who are of Hispanic ancestry.

Training Pioneer Leaders

We also celebrated the completion of PLR's first Missional and Pioneer Leader Training series. Alfredo Delgado, our Consultant for NWC and Church Revitalization, did an excellent job of landing experienced presenters for this series and in shaping its curriculum (just look at the attached schedule). Executives from other presbyteries are already requesting recordings of some of our sessions.

The participants were from all walks of life, but they all had in common the call to plant churches or start new ministries in their established congregations. Here is what three of them had to say about their experience:

Roy Ketring (RE Placentia): "Each presenter brought something different and unique to the table which I had never considered before, thought about, or knew of. At this old age I learned something from every presenter for which I am grateful."



Christian Ponciano, (Leader of Sin Fronteras NWC): "I felt empowered after listening to Tom Cramer's session 'Caring for the Emotional and Spiritual Needs of Church Planters.' I have been exposed to certain teachings, but in my mind, I had a big puzzle that I needed to put together and he was able to articulate everything in a simple way that I understood. I also want to say that I'm grateful that I'm part of this great family because it has brought a structure to my life, ministry, and I feel that I have a big family, working together for the benefit of the kingdom of God and making disciples."



Anette Rihovsky (TE Laguna Niguel): "I am a firm believer that we can make changes once we understand the ultimate consequences of what will happen if we do not change. It's just that people don't know what they don't know. Can these sessions be offered to entire congregations? Thank you, Alfredo, for the entire course. It has been profound."

Dismantling Structural Racism in Church and Society

Another dimension of our transformation this year is our continued effort on several fronts to learn about and dismantle structural racism in our presbytery and society. Our Christian Formation & Discipleship Team has gathered people, mostly online, for an eight-week series by Crossroads' Anti-Racism Organizing and Training and convened numerous study groups around books like *The Color of Compromise* and *White Fragility*.

A Roadmap for Change

On an organizational level, our Council appointed a Strategic Task Group that is hard at work evaluating the effectiveness of our twelve-year-old mission design and preparing to make recommendations about our leadership and staffing structure that will be more empowering for our ministry together going forward. Part of that evaluation has included interviews with over twenty church Sessions, a group of honorably retired pastors, and our teaching elders in validated ministries, listening for their hopes and concerns as well as for their perspectives about our presbytery's impact on their lives and ministries.

Forrest Claassen's New Call

So here is the bittersweet part. In November, our beloved Co-Executive for Governance and Congregational Leadership, Forrest Claassen, accepted a call to serve as the Synod Executive of the Synod of the Trinity.



For eight years, Forrest has been a faithful colleague in ministry, serving our presbytery and wider church with uncommon wisdom and expertise. His knowledge of Presbyterian polity is valued throughout the denomination and his gifts have proven indispensable as our presbytery started new worshipping communities, organized new congregations, received congregations from Hanmi Presbytery, and supported innumerable transitions of churches and pastors. Please read Forrest's

reflection of his time among us, in the form of his recent report to presbytery, at the end of this report.

We are happy for Forrest and the Synod of the Trinity, but sad to see him go.

Grateful

In a season of great uncertainty, the Presbytery of Los Ranchos continues to trust in God and marvel at his work. We are grateful for the new worshipping communities that are springing up among us, for our historic congregations that support this movement and many mission

partners, and through programs like the Missional and Pioneer Leader Training that help our servants lean into what God is doing next.

In the words of Christian Ponciano, we are encouraged that “we are a big family, working together for the benefit of the kingdom of God and making disciples.” We are also encouraged that we do not undertake our mission alone but are accompanied by our sisters and brothers of this Synod who helped us navigate the difficulties of the pandemic and will continue to walk with us as we worship and serve God in a pandemic-changed world.

Submitted by Tom Cramer, Co-Executive for Vision and Mission

MEMO

To: Commissioners, Presbytery of Los Ranchos
From: Forrest Claassen, Co-Executive for Governance and Congregational Leadership
Date: November 18, 2021
Re: Reflections on my time with you
To: Commissioners, Presbytery of Los Ranchos

I have found myself reflecting in the past few weeks about life with you these last eight-plus years. Tim McCalmont, as Moderator, has been kind enough to yield his usual “Moderator’s Moment” so that I can share some of those reflections.

Hopefully what I have to say to you in person will be richer than these bullet points, but the items below should convey a sense of our path together. I’ve divided them, roughly, into (a) the Presbytery’s accomplishments during my time here and (b) what I hope the Presbytery will accomplish after I’m gone.

Your accomplishments

1. Moving on from the “Season of Discernment”

I came here for a one-year contract in order to guide the Presbytery through the dismissal of eight congregations to ECO. That process left a structural hole, but even more an emotional one, as many of you felt the loss of long friendships.

You struggled with the loss until the day the Council held a retreat specifically to address your own sense of self-blame. I was in the room that day. I experienced the collective sense of release when you let the past go and moved into a new day. You found your way into a common future even after losing a fifth of your churches and a third of your membership.

2. Hanmi welcome

In the same year that you lost eight churches, you gained five new ones. The closure of the Hanmi Presbytery meant that you became home to the Korean-speaking PC(USA) churches in our region. Your efforts, both technical and personal, to give them a seat at the table, having been a good start—so much so that “they” are now part of the “we.” Much work remains toward full partnership and mutual trust, and the pandemic has made connection more difficult. But I have confidence that seeking mutual ministry will be well worth the time.

3. SMRT reboot

When I arrived, the Sexual Misconduct Response Team was a crackerjack group. Then it languished, lacking new work. In some ways, that was wonderful, since it meant no sexual misconduct requiring a response.

But a new Book of Order requirement for a child protection policy arose, and it needed to be addressed. The Nominating Committee's hard work led to an entirely new membership on the SMRT, a membership devoted to building a Child, Youth and Vulnerable Adult Protection Policy from the ground up.

Today you are witnessing the fruit of their work, as it comes before you for a first reading. The policy shows the quality of the people behind it. But even more, it's a sign of a bigger accomplishment: the renewed effectiveness of the SMRT in general.

4. New Hope chartering

When I arrived, New Hope was a beautiful new church development. But it was unclear whether it would cross the threshold into a chartered church. A fierce commitment on the part of their leadership and membership made that happen.

Since then, it not only has chartered, but has found its way into a creative joint property venture with St. Paul's Presbyterian Church of Anaheim. That joint venture also reflects a success on St. Paul's end, as their church had previously sought dismissal to ECO. Their openness to the joint venture—to engaging in partnership with another Los Ranchos church and the Presbytery itself—has been a delight to witness.

5. New property management models

The relationship between St. Paul's and New Hope models another very hopeful accomplishment. If and when St. Paul's closes, the Presbytery will not need to choose between selling and renting the property. You have more options when a shrinking, often White, congregation, partners with a growing, often not-White, congregation.

The same has been true in Norwalk. The title transfer from Norwalk Presbyterian Church to Shin-Il Presbyterian Church (such that the old landlord became the new tenant) has allowed for both congregations to pursue their own ministries more effectively.

I would love to hear about more of these in the years ahead. In each case, success will depend on the “legacy church” letting go of control so the growing congregation can manage the details.

6. Co-executive leadership

All these things above happened during my time here. Only a few of them happened *because* of me.

And, joyously, other accomplishments have been outside my view. Such is the beauty of co-leadership.

And perhaps that is the Presbytery's accomplishment that has impacted me most directly. You were willing to give a pair of co-executives a try, and at a time when the model was nonexistent. Now several presbyteries have entered into less-hierarchical staffing patterns, some even more unorthodox than ours. Your openness has once again led the way. You might or might not maintain this model going forward, but I do hope that you will let creativity lead, as you have done before.

My hopes for you

Mostly my hope is that you will keep on living into your “new you.” I see this in two ways.

1. A new way of getting work done

You are not the large, complex group that you once were. You no longer have the large, complex paid staff you once had. But that doesn't make you less. You are becoming, more and more, a talented collection of volunteer partners in service to your fellow churches—*resourced* by your staff, not *directed* by them.

I have seen COM-based liaisons and Trustees-based task groups take on critical challenges facing our churches. I have seen you bring your experience and expertise to help those churches in ways that the paid staff could not do on its own. Those efforts, in turn, have deepened the trust between the local congregations and the presbytery apparatus, as local congregants have seen people like them coming to help. My hope is that you will not only maintain this pattern but lean into it even more.

2. Becoming a community that reflects all your people

Similarly, the demographics of your membership and your leadership have changed. You are a far more ethnically diverse group of people than you were when I arrived. Fully twenty-five percent of our teaching elders, for instance, are Asian-Americans—and many of them first-generation immigrants. Nearly thirty percent of our congregations are from non-dominant-culture communities. And your new worshiping communities represent an even higher percentage. More than eight years ago, you reflect the people among whom you live.

I urge you to make that reality far more intentional, and not just coincidental. Seek paths to greater unity—not in a “melting-pot,” *pax Americana*, sort of unity, but as members of one

body who value the various contributions of the other. Fill the room with a wide variety of voices, and let your common wisdom flourish.

Conclusion

When I arrived in September 2013, I did not know how long I would stay. All I knew was it was the call of God.

It has been. My conviction has only grown over time that this is where I was meant to be, for the time I have been here.

And though many of you along the way have said that you couldn't imagine doing the work I do...and though some days (especially in the last twenty months) have been tougher than others...I can say with dead certainty, that if I knew in September 2013 what I know now, I would still say yes in a heartbeat. I am grateful for the time among you.

/FC

January

Session 1: **Theological and Philosophical Basis of Starting New Worshiping Communities**

Presenters: Dr. Johnson Kinyua & Dr. Alfredo Delgado.

Date & Time: January 16, 2021, 10:00 AM – 11:30 AM

February

Session 2: **Entrepreneurship 101: How to Create Something from Scratch**

Presenter: Rudy Carrasco, Entrepreneur

Date & Time: February 20, 2021, 10:00 AM – 11:30 AM

March

Session 3: **How to Understand the Cultural and Social Dynamics of Your Ministry Context**

Presenter: Rev. Juan Sarmiento, Executive Presbyter, Presbytery of San Fernando

Date & Time: March 20, 2021, 10:00 AM – 11:30 AM

April

Session 4: **How to Develop a Holistic Vision and Mission for your NWC**

Presenter: Rev. Sean Chow, PC(USA) 1001 NWC Leader

Date & Time: April 17, 2021, 10:00 AM – 11:30 AM

May

Special Session: **Incarnational Technology**

Presenter: Tim Cox, Consultant

Date & Time: May 1, 2021, 10:00 AM – 11:30 AM

Session 5: **How to Build Your Core Team**

Presenter: Lamont Hartman, Multicultural Church Planter

Date & Time: May 15, 2021, 10:00 AM – 11:30 AM

June

Session 6: How to Talk about Money and Resources: Fundraising for Church Planters

Presenter: Rev. Jon Moore, PC(USA) 1001 NWC Mission Engagement Advisor

Date & Time: June 19, 2021, 10:00 AM – 11:30 AM

July

Session 7: Intentional Authentic Evangelism

Presenter: Candie Blankman, Associate Pastor, San Clemente Presbyterian Church

Date & Time: July 17, 2021, 10:00 AM – 11:30 AM

August

Session 8: Planning Your Ministry's Launch

Presenter: Rev. Craig Williams, NWC Consultant

Date & Time: August 21, 2021, 10:00 AM – 11:30 AM

September

Session 9: Planning Spirit-Inspired Worship

Presenter: Beth Pinny, Worship Leader, Laguna Presbyterian Church

Date & Time: September 18, 2021, 10:00 AM – 11:30 AM

October

Session 10: Caring for the Emotional and Spiritual Needs of Church Planters

Presenter: Rev. Tom Cramer, Presbytery Co-Executive for Vision & Mission,
Presbytery of Los Ranchos

Date & Time: October 16, 2021, 10:00 AM – 11:30 AM

November

Session 11: Commissioning Ceremony at Presbytery Gathering

Date & Time: TBA - Presbytery of Los Ranchos November Gathering

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Attachment 9

Commission of Assembly Actions taken in 2021

SYNOD COMMISSION OF ASSEMBLY

Report to Synod Assembly December 4, 2021, Meeting Via Zoom.com

The Synod Commission of Assembly has met five times since the last meeting of the Synod Assembly on December 5, 2020. A summary of significant actions of all five meetings includes the following items that are reported for information.

Trustees

Voted to adjourn as the Commission of Assembly and convene as the trustees of the corporation. It was then voted to elect the following officers for 2021 as required by the Ecclesiastical and Corporate Bylaws of the Synod of Southern California and Hawaii. 02/13/2021

President and Commission of Assembly Chair	RE Pat Niles
Stated Clerk and Corporate Secretary	TE Mark Hong
Treasurer	RE Susan Skoglund
Moderator	TE Suzanne Malloy
Vice-Moderator	RE Janine Tanahuvia

Voted to add Paula Mann as a check signer and remove Fried Wilson 02/13/2021

Financial Oversight

Reviewed the most current set of financial statements. 02/13/2021
06/05/2021
10/02/2021

Voted to approve the Distribution Agreement regarding the 907 Malcolm Avenue property. The property was originally owned by the Synod and subsequently transferred to the Presbytery of Pacific in the 1990s with a reversion clause. 12/12/2020

Voted that the CoA request that Restricted and Special Funds Committee (a) review and determine if the following "Pass through Grants" could and should be changed to direct the funds directly to the recipient organizations:

- A. Witness for Peace
- B. Union Station Foundation
- C. Franciscan Friars
- D. La Casa de San Gabriel Community Center

and (b) report back to COA by the June 2022 meeting."

10/02/2021

Voted that the Synod inform PILP that the Synod will only sign off on PILP loan applications for which the Synod is a guarantor.

10/02/2021

Partnering Grants

Voted to approve a \$15,000 grant for the Beloved Everybody Congregation from the fund granted to the presbyteries to the Presbytery of the Pacific. 02/13/2021

Voted to approve a grant request submitted by San Gabriel Presbytery for \$50,000. The request funds a new worshipping community, Interwoven, located in the Pasadena / Altadena area. 06/05/2021

Other Grants

Approved a proposal presented by TE Wendy Tajima and TE Juan Sarmiento for a Latino/a/x leadership project. Authorized the Restricted and Special Funds committee to approve the grant for the Latino/a/x leadership project if it is deemed worthy. 06/05/2021

Voted to provide the Feminist Agenda Network - \$750 (from the Synod Training Budget) for support of Beyond Pink and Blue Family and Spiritual Care Conference on Saturday, November 6, 2021. 10/02/2021

Nominations and Elections

Upon the recommendation of the Committee on Representation and Nominations, the following were elected:

Justice, Peace and Integrity of Creation (JPIC) Committee:

- TE Rae Huang PA-2023)

06/05/2021

Finance Committee:

- RE Jack Irwin (SF-2021),
- RE Anita Chambarg (PA-2021),
- TE Juan Sarmiento (SF-2023)

Administration

CoA Chair reported that the moderator of the last assembly (Pat Niles) was required to convene 3 commissioners along with the Stated Clerk and the journal clerk to review and approve the minutes of the December 2020 Synod Assembly. The review was held, and the minutes were approved. The commissioners were Melodee Kistner, Janice Takeda, and Mickey Fenn. 06/05/2021

Voted to close the physical synod office no later than September 30, 2021, and synod staff members will work remotely. 07/24/2021

Voted to hold the 2021 Synod Assembly via Zoom rather than meeting in person. 10/02/2021

Voted to have Mark Hong start the process and bring to CoA a suggested process for a strategic team formation for thinking about the mission and vision for the next 5 years and for Mark Hong to report back to next CoA meeting. 10/02/2021

Related Entities

Voted to create a task force for Zephyr Point of 3-7 members, not limited to CoA members, with the charge to help inform the Synod of Southern California and Hawaii Zephyr Point board members and to make a recommendation as to our continued involvement with Zephyr Point. Member to be appointed by Moderator of CoA in consultation with the Synod Executive/Stated Clerk.	12/12/2020
Voted that Synod recommend that Zephyr Point do a full audit for 2019 and 2020 Financials.	06/05/2021
Voted to appoint Dr. Tom English as Creation Care Educator as a volunteer linking person with the denominational Creation Care network and a resource for presbyteries.	10/02/2021

Action Items for Synod Assembly (December 4, 2021)

Commission of Assembly recommends that Synod Assembly approve the revised Financial Policies.	10/02/2021
Commission of Assembly recommends that Synod Assembly approve the 2022 Synod Budget and 2022 Special Funds Projections.	10/02/2021
Commission of Assembly recommends the following to serve on the Committee of Representation and Nomination. <ul style="list-style-type: none">• TE Don Thursby (RS -2023)• TE David Won (PA-2024)• RE Janice Takeda (SG-2024)• TE Robert Stewart (RS-2024)	10/02/2021

Attachment 10
Proposed Financial Policies

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**FINANCIAL POLICIES
of
THE SYNOD OF SOUTHERN CALIFORNIA AND HAWAII
PRESBYTERIAN CHURCH (U.S.A.)**

Approved by the Synod Assembly on (date approved)

The Financial Policies of the Synod of Southern California and Hawaii include the areas listed below. The Synod Assembly has the responsibility for approving revisions to this document. The Commission of Assembly (the Commission) has the responsibility for creating and approving the procedures required to support the implementation of the policies. These procedures may appear as appendices to this document.

- 1) Budget Development Policy
- 2) Administrative Policies
- 3) Insurance and Risk Management Policies
- 4) Investment Policies
- 5) Loan Policies
- 6) Property Policies

1 **1) Budget Development Policy**

- 2 a) The Commission, acting as the Trustees, shall name a Budget Task Force with
3 representatives from the two areas of Synod – Ecclesiastical and Commission – to
4 develop a budget for the following year.
- 5 b) The Budget Task Force shall present its proposed budget to the Commission, acting as
6 the Trustees, for its review prior to presentation to the Synod Assembly. The
7 Commission will then recommend the budget to the Synod Assembly for approval.
- 8 c) The Synod Assembly shall annually adopt the budget for the Synod as presented by the
9 Commission, acting as the Trustees. The adopted budget shall serve as an expenditure
10 guide for the Synod for the following year.
- 11 d) The budgets approved by Synod Assembly can be amended by the Commission, acting
12 as the Trustees.
- 13 e) The Finance Committee shall monitor the budget against current conditions and
14 circumstances that necessitate intervention by the Commission.

15 **2) Administrative Policies**

- 16 a) Audit - There shall be an annual professional review by a qualified CPA firm, received by
17 the Commission acting as Trustees, and reported to the Synod Assembly. There shall be
18 an audit at least every 5 years.
- 19 b) Payment Process
- 20 i) Payments are made for the following areas
- 21 (1) Budget items
- 22 (2) Grants
- 23 (3) Reimbursements
- 24 (4) Other expenses as authorized by appropriate authority.
- 25 ii) Voucher forms are prepared for all payments. Documentation must be included to
26 support the request (such as applications, receipts, meeting minutes). The following
27 are possible uses of vouchers
- 28 (1) Grant requests
- 29 (2) Special projects
- 30 (3) Reimbursement and voucher requests – must be approved by someone other
31 than the requestor.
- 32 iii) Blanket vouchers can be used to approve regular periodic payments such as
33 monthly payments to services. These will be reviewed at least annually.
- 34 iv) The Commission of Assembly determines and documents in procedures the
35 following:
- 36 (1) The approved methods used to pay obligations
- 37 (2) The individuals authorized to sign vouchers
- 38 (3) The number of signatures required on each voucher. This could be based on
39 amounts or types of expenses.
- 40

41 c) Corporate Accounts

- 42 i) All corporate bank accounts and investment accounts shall be in the name of the
43 Synod, shall carry the Synod tax identification number, and shall be approved by the
44 Commission, acting as the Trustees.
45 ii) The Commission, acting as the Trustees, or its designee, shall review all banking
46 relationships at least once every three years, or earlier, if deemed advisable, and
47 record in the minutes.

48 d) Corporate Signatures

- 49 i) The following officers of the Corporation are authorized to sign legal documents on
50 behalf of the Synod:
51 (1) President (Chair of the Commission)
52 (2) Secretary (Stated Clerk)
53 (3) Treasurer
54 ii) Restrictions and exceptions to this are:
55 (1) Employment contracts are normally signed by the Synod Executive.
56 (2) Contracts of \$5,000 or more or with a commitment of one year or more must
57 have the signature of the Stated Clerk or another Corporate Officer. Approved
58 Minutes of the Trustees must show actions to authorize this action.
59 (3) Contracts less than \$5,000 and for less than one year commitment may be
60 signed by one of the Corporate Officers.
61 (4) Property rental agreements may have signatures of the following persons
62 provided there are actions recorded in minutes of the Commission, acting as the
63 Trustees, authorizing execution of the documents: President, Secretary,
64 Treasurer.

65 e) Credit Cards

- 66 i) The Chief Ecclesiastical Officer (the Stated Clerk), the Chief Programmatic Officer
67 (the Synod Executive), and the Business Manager, shall each have a major bank
68 credit card for the purpose of facilitating purchases required for budgeted Synod
69 expenses.
70 ii) All other requests for credit cards, whether bank cards or other, shall be approved
71 by the Commission, acting as the Trustees, or its designee upon recommendation of
72 the Stated Clerk and Synod Executive in consultation with the Business Manager.
73 (1) No debit cards shall be authorized except for allowing for deposits.
74 (2) Credit cards shall be issued in the Synod's name.
75 (3) All applications for credit cards shall be made by the Synod office and billing will
76 be handled through the Synod office.
77 (4) Individuals who secure credit cards outside this policy are personally liable for
78 payment.
79

80 iii) Usage

- 81 (1) Only purchases that are the responsibility of Synod shall be charged to Synod
82 cards. Personal expenses are not to be charged to Synod cards at any time. Any
83 use of Synod credit cards for personal charges is grounds for termination of
84 credit card privileges and may result in disciplinary action (Personnel Policies IV
85 E, page 20).
- 86 (2) There shall be no cash advances on Synod credit cards.
- 87 (3) All Synod credit card expenditures must be documented with the credit card
88 receipt and turned into the Synod Office within 30 days. Documentation shall
89 include an explanation of the expense, names of any individuals covered by
90 charges and any other pertinent information.
- 91 (4) All card holders will review their monthly credit card statement and allocate
92 expenses to appropriate budget line items. Expenses and allocation will be
93 reviewed by immediate supervisor.

94 f) Reimbursements to Individuals

- 95 i) Employees are generally reimbursed for expenses paid out directly by them for
96 transportation, lodging, meals, and related items in connection with performance of
97 Synod work away from their normal base of operations or beyond their normal work
98 schedule. Reimbursable expenses include all of the following, if prior approval is
99 granted:

- 100 (1) Automobile (reimbursed at the IRS rate/mile) and commercial transportation
101 (economy fare) costs incurred.
- 102 • except for the normal expenses to and from the place of residence if the
103 synod has a physical office.
 - 104 • If the synod office is virtual, the employee's residence is considered the
105 starting point for mileage.
- 106 (2) Cost of meals and lodging resulting from work beyond normal work hours.
107 (Does not include meals when conferring with other employees, nor for alcoholic
108 beverages.)
- 109 (3) Costs for non-employee meals at conferences or in consultations, including cost
110 of their own meals at these events. (Does not include alcoholic beverages.)
- 111 (4) Registration fees for conferences which the employee is required to attend.
- 112 ii) The Commission of Assembly will determine the procedure to be used for all
113 reimbursements.

114 g) Funds Transfers

- 115 i) Transfers between Synod accounts may be initiated by telephone or secure
116 internet/computer access in accordance with the financial institution's standard
117 policies and procedures.
- 118 ii) Transfers from a Synod account to a third-party account may be initiated via
119 telephone or secure internet/computer access in accordance with the financial
120 institution's standard policies and procedures.
- 121 iii) Transfers are approved by the Synod Executive or Stated Clerk and the treasurer.

h) Financial Reporting

- i) No financial reports shall be distributed that have not been generated by or authorized by the Synod Office and reviewed by the Finance Committee or Treasurer.

i) Financial Review

- i) Synod Assembly receives the report of the annual financial review or audit from the Commission, acting as the Trustees, whose members are the trustees.
- ii) The Commission, acting as the Trustees, receives the review or audit and receives written quarterly financial reports, and reports from the Treasurer and/or Business Manager at each meeting of the Commission.
- iii) The Synod Executive, the Stated Clerk, the Treasurer, and the Business Manager shall review financial reports monthly and monitor income and expense.

j) Gift Acceptance (Real Property)

- i) Gifts of real property will be reviewed for value (condition of property, title, liens, encumbrances, or clouds on title), possibility of environmental contamination (specifically ground), possible risks, and other features prior to final acceptance of that property. Evaluation of property is the responsibility of the Commission, acting as the Trustees, or its designee, who will recommend to the Commission, acting as the Trustees, regarding acceptance of the property. Proper documentation showing transfer shall be drawn up.

k) Gift Acceptance (Non-real Property)

- i) Gifts are accepted by the Synod to extend the work of Christ on earth through filling a need within the Synod, or as passed on for use in Mission; all other gifts are declined. All non-monetary gifts are to be evaluated by designated Synod staff as to condition and usefulness or converted into cash prior to acceptance. No restrictions that would violate the beliefs of the Presbyterian Church (USA), would be onerous to comply with, that would be illegal, or would require an unreasonable amount of time to comply with may be attached to the gift.

l) Management Fee

- i) An annual management fee may be charged by the Synod on managed and administered investment and trust accounts that *pass-through* funds in the following manner: The Commission, acting as the Trustees, or its designee is authorized to determine the fee in each specific case, but the fee shall be not more than 1% of current funds whether pass through funds, managed funds, or administered funds. Interest or earnings gained by funds held in trust should be kept with the capital.

- 159 m) Purchases
- 160 i) Competitive comparison pricing of at least three proposals through a bidding
- 161 process is required for purchases of over \$5,000 to obtain the best product for the
- 162 best price. An exception can be made for facilities rental that do not normally fit
- 163 into a bidding process; however, due diligence is required in making all purchases
- 164 for the Synod. Documentation of comparison review will be kept for all
- 165 transactions.
- 166 n) Reserves
- 167 i) The Synod will maintain adequate reserves to maintain the mission and ministry of
- 168 the Synod in the face of temporary financial setbacks in order to provide sufficient
- 169 time to make necessary adjustments in mission and ministry.
- 170 ii) The Commission, acting as the Trustees or its designee shall annually review the
- 171 adequacy of reserves and report that review to the Synod Assembly.
- 172 **3) Insurance and Risk Management Policies**
- 173 a) The Commission, acting as the Trustees, shall obtain property and liability insurance to
- 174 protect its facilities, programs, staff, and elected and appointed officers.
- 175 b) The Commission, acting as the Trustees, shall review the Synod's insurance coverage at
- 176 least every three years and sooner if deemed advisable.
- 177 **4) Investment Policies**
- 178 a) Investment Accounts
- 179 i) Accounts shall be in the name of the Synod, shall carry the Synod tax identification
- 180 number, and shall be approved by the Commission, acting as the Trustees.
- 181 b) Investment Managers
- 182 i) All investment managers shall be approved by the Commission, acting as the
- 183 Trustees.
- 184 c) Overall Investment Policy
- 185 i) Investment decisions about an individual asset should not be made in isolation, but
- 186 rather in the context of the particular fund's portfolio of investments as a whole and
- 187 as a part of an overall investment strategy having risk and return objectives
- 188 reasonably suited to the particular fund and the Synod's overall investments. In
- 189 managing and investing funds, all the following factors should be considered:
- 190 (1) General economic conditions.
- 191 (2) The possible effect of inflation or deflation.
- 192 (3) The role that each investment or course of action plays within the overall
- 193 investment portfolio of the fund and of the Synod's whole investment portfolio.
- 194 (4) The expected total return of the fund from income and from the appreciation of
- 195 investments.
- 196 (5) The Synod's other resources.
- 197 (6) The needs of the Synod and the particular fund to make distributions and to
- 198 preserve capital.

199 d) General Investment Guidelines

- 200 i) Assets should be allocated among common stocks, mutual funds, fixed income
- 201 securities, convertible securities, and cash equivalents.
- 202 ii) Assets should be well diversified to avoid undue exposure to any single economic or
- 203 industry sector, or to any individual security.
- 204 iii) All assets shall have a readily ascertainable market value and be readily marketable.
- 205 iv) Equity investments should be listed on the New York, American or principal regional
- 206 exchanges or traded in the over-the-counter market with the requirement that
- 207 there is adequate market liquidity.
- 208 v) Fixed income securities should emphasize quality bonds, including U.S Government
- 209 securities, Treasury obligations and corporate bonds with a rating of "A" or better.
- 210 Quality liquid convertibles may also be purchased.
- 211 vi) Cash equivalents or short-term investments should consist of investment grade
- 212 liquid securities such as certificates of deposit, commercial paper, U.S. Treasury bills
- 213 and other Treasury obligations, government agency paper and high-quality short-
- 214 term corporate securities that do not exceed a three-year maturity.
- 215 vii) The Synod shall be in alignment with PC(USA) responsible investment policies
- 216 viii) Tax related issues need not be considered since the Synod is a tax-exempt
- 217 organization.
- 218 ix) The Finance Committee, in consultation with the Restricted and Special Funds
- 219 Committee, will assess the level at which the income from restricted funds will be
- 220 reinvested or disbursed

221 e) Donor-Restricted Permanent Funds Held by the PC(USA) Foundation

- 222 i) These funds are held and managed by the Foundation which makes quarterly
- 223 payments to the Synod. The Synod has no control over the management of these
- 224 accounts. It does have the responsibility to ensure that income is used in
- 225 accordance with the donors' restrictions.
- 226 ii) The Foundation incorporates a long-term view of the financial markets to determine
- 227 the appropriate asset allocation guidelines. The Foundation uses a balanced asset
- 228 allocation strategy for investing the assets of endowment funds which is
- 229 approximately 70% in equities and 30% in fixed income. The Foundation may make
- 230 modifications from time to time in the asset allocation depending upon economic
- 231 conditions.
- 232 iii) Distributions are calculated by the Foundation using the Foundation's Endowment
- 233 Spending Formula, a total return policy as quoted here. "The Spending Formula
- 234 takes into consideration the historical and projected factors of inflation, the stock
- 235 and bond markets, as well as proper margins for safety.

236 f) Other Donor-Restricted Permanent Funds - None at this time

237 g) Church Development Fund

- 238 i) The purpose of this fund is to provide grants for new church development and
- 239 church redevelopment. Currently, the Synod's Congregational Partnering Grants
- 240 program is funded by this account.

- 241 ii) As there are no restrictions that this fund is to be a permanent fund, both income
242 and principal may be spent.
- 243 iii) The investment objectives of this fund are modest growth and a reasonable level of
244 liquidity since it is not possible to predict when grants will be approved and
245 disbursed.
- 246 h) Wilshire Properties Fund – This fund was created with the proceeds from the sale of the
247 Synod’s Wilshire Properties in August 2007. These properties provided office space for
248 its operations and rental income to support its mission,
- 249 i) The investment objectives of these funds are conservative growth and income.
- 250 ii) Income from the fund may be used for normal operating expenses or as authorized
251 by the Synod Assembly. The principal may be used only with the authorization of the
252 Commission or the Synod Assembly.
- 253 i) Temporarily Restricted Funds (Non-Permanent)
- 254 i) These consist of three primary classes of funds.
- 255 (1) Income from the Permanently Restricted Funds that has not yet been disbursed.
- 256 (2) Gifts, other than those intended to be permanent funds, that came with donor
257 restrictions as to their use which have not yet been disbursed (Donor Restricted
258 Funds).
- 259 (3) Funds designated by Commission for specific purposes (Commission Designated
260 Funds) or funds from Synod-sponsored events and unrestricted gifts that have
261 not yet been designated by the Commission for specific uses.
- 262 ii) The primary investment objectives for these funds are liquidity and safety of the
263 principal.
- 264 j) Operating Reserve Funds
- 265 i) These funds consist of the Unrestricted Operating Reserve Account and the
266 Ecclesiastical Reserve Account.
- 267 ii) The Ecclesiastical Reserve is intended to fund judicial and legal costs of ecclesiastical
268 matters on an as needed basis. The Unrestricted Operating Reserve Account is
269 intended to maintain the mission and ministry in the Synod in the face of temporary
270 setbacks to provide sufficient time to make necessary adjustments in mission and
271 ministry.
- 272 iii) The investment objectives of these funds are modest growth and income and a
273 reasonable level of liquidity since it is not possible to predict when funds will need
274 to be used.
- 275 k) Asset Review
- 276 i) There shall be at least an annual review by the Commission, acting as the Trustees,
277 or its designee, of the asset allocation of all Synod investment accounts funds to
278 determine if the funds are appropriately invested according to the investment
279 objectives of the individual funds and the Synod’s general investment guidelines.
- 280 ii) As a part of the preparation of the next year’s budget, the Commission, acting as the
281 Trustees, or its designee, shall review the performance of the unrestricted
282 investment funds and recommend what funds can be used for next year’s budget.

283 **5) Loan Policies**

284 a) Personal Loans

- 285 i) The Synod does not make personal loans of any type.

286 b) Property Loans

- 287 i) Synod is not in the business of making property loans. On rare occasions it may
288 elect to do so when conditions are clearly defined and appropriate documentation
289 for all transactions is in place, and it is in the best interests of the Synod. The Finance
290 Committee will review any requests made for property loans and make its
291 recommendation to the Commission acting as the Trustees.

292 c) Presbyterian Investment and Loan Program, Inc. (PILP) Loans

- 293 i) Local congregations and presbyteries that are seeking funds to acquire property and
294 or to build/remodel church buildings are encouraged to investigate the offerings
295 available through PILP.
- 296 ii) The Commission may use funds invested in PILP notes that can be used as
297 compensating balances for PILP loans to reduce the interest rate for the borrower.
298 Requests for use of these funds as compensating balances for congregational loans
299 shall be made through the Presbytery and must be approved by the Commission,
300 acting as the Trustees. The Commission or its designee will review the allocation of
301 these funds annually and the Commission may make modifications in these
302 allocations at its discretion.

304 **6) Property Policies**

305 a) Evaluation of Real Property Interest

- 306 i) The title of real property in a governing body must be appropriate for the mission
307 and ministry of the PC(USA) (i.e., congregation, Presbytery, Synod, General
308 Assembly) all the while protecting each entity's legal and financial interests. Review
309 procedures vary whether the Synod (1) holds a legal interest, (2) has a financial
310 interest, (3) has neither a legal nor a financial interest or (4) has a ministerial
311 interest. The Finance Committee is responsible for making recommendations to the
312 Synod Assembly regarding any property decisions.
- 313 ii) If there is a ministerial interest, consideration should be given as to whether the
314 Synod should continue to hold title or should transfer title to another entity.

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Attachment 11

Synod Proposed Budget and Special Funds Projections for 2022

SYNOD OF SOUTHERN CALIFORNIA & HAWAII
2022 General Operating Budget

	2021 Budget vs Actual			2022
	Actual	Budget	Remaining	Budget
Income				
Per Capita (\$2.85/member)				
52100 Los Ranchos (Qtr)	8,704.20	25,675.65	16,971.45	24,639.00
52110 Pacific (Mth)	11,308.08	24,447.30	13,139.22	23,846.00
52120 Riverside	4,829.20	8,324.85	3,495.65	7,863.00
52130 San Fernando (Qtr)		12,839.25	12,839.25	12,050.00
52140 San Gabriel (Mth)	10,366.64	16,749.45	6,382.81	12,939.00
52150 Santa Barbara	1,783.10	10,778.70	8,995.60	10,403.00
52160 San Diego (Mth)	10,223.35	27,451.20	17,227.85	25,240.00
52990 Uncollectible PCA		(42,930.57)	(42,930.57)	(39,774.00)
Total Per Capita	47,214.57	83,335.83	36,121.26	77,206.00
Revenue for General Use				
50110 Investment Dividend/Interest (Admin)	1,632.58	2,100.00	467.42	3,000.00
54000 Misc Inc	63.92	800.00	736.08	400.00
55170 Leadership Grant				
55560 Dividend from Foundation for General Fund	5,512.62	8,800.00	3,287.38	8,800.00
55570 Wilshire Properties Reserve Fund	150,000.00	305,903.17	155,903.17	335,794.00
Total Revenue for General Use	157,209.12	317,603.17	160,394.05	347,994.00
Total Income	204,423.69	400,939.00	196,515.31	425,200.00
Expenses				
Payroll				
62110 Salaries & Wages - Administrative	140,356.08	198,149.81	57,793.73	211,000.00
62111 Salaries & Wages -REPL	5,085.89	7,180.01	2,094.12	7,610.00
62120 Pension & Medical	40,076.95	64,664.27	24,587.32	68,600.00
62130 FICA	5,150.12	7,526.99	2,376.87	8,000.00
62140 Workers Compensation	3,384.00	1,817.92	(1,566.08)	3,500.00
62150 Study Leave		5,000.00	5,000.00	5,400.00
Total Payroll	194,053.04	284,339.00	90,285.96	304,110.00
Operating				
62310 Office Supplies	426.15	2,000.00	1,573.85	900.00
62315 Postage & Delivery	71.97	200.00	128.03	400.00
62320 Communication	4,789.89	7,200.00	2,410.11	4,800.00
62325 Equipment Maintenance		500.00	500.00	500.00
62330 Equipment Leases	4,561.19	7,000.00	2,438.81	7,000.00
62333 Equipment Purchased	605.22	4,000.00	3,394.78	1,000.00
62335 Rent	1,015.00	2,400.00	1,385.00	1,740.00
62340 Utilities	4,815.00	6,500.00	1,685.00	-
62345 Gen Liab & Prop Ins		2,500.00	2,500.00	2,500.00
62350 Taxes, Licenses & Fees	577.80	200.00	(377.80)	600.00
62355 Dues & Subscriptions	146.90	200.00	53.10	200.00
62515 Bank		100.00	100.00	100.00
62990 Miscellaneous Expenses		200.00	200.00	500.00
Total Operating	17,009.12	33,000.00	15,990.88	20,240.00

SYNOD OF SOUTHERN CALIFORNIA & HAWAII
2022 General Operating Budget

	2021 Budget vs Actual			2022
	Actual	Budget	Remaining	Budget
Meetings				
62360 Exec Mileage & Travel	2,190.14	22,000.00	19,809.86	22,000.00
62370 Employee Support and Mileage		300.00	300.00	3,000.00
62402 REPL		100.00	100.00	100.00
62403 Commission Of Assembly		300.00	300.00	300.00
62404 Work Groups		200.00	200.00	200.00
62405 Polity & Records		200.00	200.00	200.00
62406 Committee on Rep & Nominations		200.00	200.00	200.00
62407 Permanent Judicial Commission		500.00	500.00	500.00
62409 Synod Assembly		1,000.00	1,000.00	1,000.00
62410 General Assembly				5,000.00
62411 Synod Moderator		1,600.00	1,600.00	1,600.00
Total Meetings	2,190.14	26,400.00	24,209.86	34,100.00
Professional Services				
62500 Audit		7,800.00	7,800.00	7,800.00
62510 Legal	2,612.50	4,000.00	1,387.50	12,000.00
62520 Technical Support		600.00	600.00	600.00
62551 Payroll Fee	2,892.35	2,600.00	(292.35)	3,000.00
62552 Website Maintenance	2,500.00	3,000.00	500.00	3,150.00
62553 Hardware & Software Maintenance	1,181.65	5,000.00	3,818.35	4,000.00
62800 Training Expenses	8,275.11	14,000.00	5,724.89	14,000.00
Total Professional Services	17,461.61	37,000.00	19,538.39	44,550.00
Special Program Expenses			-	
61600 Missioninsite for presbytery use	6,734.25	9,000.00	2,265.75	9,000.00
61900 Winter All Staff Donation		2,500.00	2,500.00	2,500.00
62710 Monte Vista Grove Fundraiser		1,200.00	1,200.00	1,200.00
62751 Presbytery of Pacific - HI Delegates		6,500.00	6,500.00	6,500.00
62752 So California Christian Forum (Ecumenical)	7,499.97	10,000.00	2,500.03	12,000.00
Total Special Program	7,499.97	20,200.00	12,700.03	22,200.00
Total Expenses	238,213.88	400,939.00	162,725.12	425,200.00
Net Operating Income/(Loss)	(33,790.19)	-	33,790.19	-

SYNOD OF SOUTHERN CALIFORNIA & HAWAII
2022 Special Funds Projections

	2021 Budget vs Actual			2022
	Actual	Budget	Remaining	Projections
Income				
Restrict Program Funds				
55110 Chaplaincy-PF Gregory & Olmstead	13,245.10	42,192.00	28,946.90	26,500.00
55120 JPIC	2,674.53	3,000.00	325.47	3,000.00
55130 REPL	20,955.00	5,000.00	(15,955.00)	5,000.00
55160 Foundation Pass Through Grants	13,399.38	27,700.00	14,300.62	27,700.00
Total Income	50,274.01	77,892.00	27,617.99	62,200.00
Expenses				
Restricted Program Services				
61100 JPIC	5,400.00	3,000.00	(2,400.00)	3,000.00
61200 Racial Ethnic Pastoral Leadership	20,955.00	5,000.00	(15,955.00)	5,000.00
61300 Chaplaincy Consortium	31,641.93	42,192.00	10,550.07	26,500.00
Total Program Services	57,996.93	50,192.00	(7,804.93)	34,500.00
Foundation Pass Through Grants				
61710 Witness for Peace	5,710.86	12,000.00	6,289.14	12,000.00
61720 Union Station Foundation	3,634.18	7,300.00	3,665.82	7,300.00
61730 Franciscan Friars JPIC	3,661.18	7,300.00	3,638.82	7,300.00
61740 La Casa de SG Comm Center	295.64	600.00	304.36	600.00
61750 Presbyterian Women	225.82	500.00	274.18	500.00
Total Foundation Pass Through Grants	13,527.68	27,700.00	14,172.32	27,700.00
Total Expenses	71,524.61	77,892.00	6,367.39	62,200.00
Net Income/(Loss)	(21,250.60)	-	21,250.60	-

Attachment 12
Report of the Racial Ethnic Pastoral Leadership Committee

Synod of Southern California and Hawaii (PCUSA)

Racial Ethnic Pastoral Leadership

Theological Education Scholarship Program

Serving the Synod for thirty-nine years (1982-2021)

A Brief History: (this was taken directly from the task force report)

In 1979, a task force was convened by Mr. George McDonald. This was in response to a progress report made to the Synod in 1980 (1980 minutes, page 121). Pastors, seminary staff and students, ethnic caucuses and Presbytery candidate(s) committee chairpersons took part in this survey. There were other groups also included in this survey. **Findings included:** **1)** most ethnic minority church pastors are overworked and underpaid which consequently leads to not functioning as a good vocational role model. Despite full education preparation the pastor often is not perceived by young people to be on a par with other professionals, **2)** our church does not adequately emphasize and underscore the need for ethnic pastoral leadership. This is true at the present time. There is also insufficient concern evident about the increasing need for qualified ethnic minority leadership in the future, **3)** there is no functional entity with a clear responsibility for the enlistment of ethnic leadership within the Synod or in any of the Presbyteries.

Task force recommendations: (also taken directly from the report)

- 1** That the Synod commit itself to encourage and coordinate Presbytery efforts in developing and strengthening ethnic pastoral leadership. This responsibility should be assigned to a committee formed by and accountable to the Leadership and Education Support Commission.
- 2** That vigorous programs be developed for the enlightenment of ethnic candidates for the ministry and other leadership positions. Programs of enlistment should be included in camp and conferences as well as in local church and Presbytery career days.
- 3** That the Presbyteries and Synod develop a program of seminary scholarship assistance for ethnic candidates.
- 4** That Synod prepare attractive and effective resources including audio-visual and printed materials in order to create a positive image of the ethnic church leadership, to aid in the enlistment of ethnic candidates, and to develop a support base for ethnic church leadership.
- 5** That Synod-wide support for ethnic persons presently in seminary be enhanced through a more creative use of Seminary Sunday and through visits to the ethnic ministry candidates in seminary by representatives of sessions, Presbyteries and Synod.
- 6** That Presbyteries be encouraged to develop special internship opportunities for ethnic minority seminarians to prepare them for the work of the church.
- 7** That Synod General Council annually (page cut off) To review the status and ongoing support ethnic pastoral leadership development with the Synod... (page cut off)
- 8** That the Synod General Council study, and when appropriate, recommend implementation of the Vocation Agency Special Report (F) entitled "Racial/Ethnic Professional Church Leadership – the United Presbyterian Church (USA)" to be presented to the 193rd General Assembly at Houston, Texas.

9

*The Synod Assembly approved the REPL program in 1982. The initial funds for the program were provide by contribution from the existing racial ethnic caucuses and from the Synod. The funds were subsequently invested with the Presbyterian Foundation as a Permanent Fund with only interest and principal above \$80,000 to be used for scholarships. The initial individual scholarship in 1983 was \$200.00. Today we offer scholarships up to \$10,000 for highly qualified student applicants. **Find REPL on the synod.org website.***

Committee Members: Hagar Benitez, Chairperson/RE/Los Ranchos; Debbie Law, RE/Riverside; Alfredo Delgado, TE/Los Ranchos, John Moon, TE/San Gabriel, Timm Cyrus, Retired TE/Pacific, Narcissis TuckerBishop, TE/Riverside/REPL Coordinator. Our committee hopes to have a representative from each Presbytery, San Diego, San Fernando, and Santa Barbara Presbyteries respectively.

Meetings: Since the start of the COVID-19 pandemic, REPL has and continues to have ZOOM meetings.

Scholarship recipients for the 2020 – 2021 school year:

Ethan Parks - \$6,500 – Los Ranchos Presbytery, Grace First Presbyterian Church,
Attends Princeton Theological Seminary

Susan Wei - \$4,575 – Shepherd's Grove Presbyterian Church
Attends Fuller Theological Seminary on a part-time basis

Donnette Alexander Jeffers - \$10,000 – New Hope Presbyterian Church
Attends Fuller Theological Seminary

Other happenings:

Thank you to Marney Wilde for continuing to update and streamline REPL's web page. We're discussing adding a video clip to enhance, attract, and inform students of our scholarship program.

Our discussions to "*move toward changing 'racial ethnic people' to 'people of color' in all our documents, parlance, and programming*", per the 223rd General Assembly in St. Louis, continues. Using BIPOC (Black, Indigenous, People of Color) per GA documents is a possibility. Culturally inclusive discussions around power, gender, place, and privilege are becoming necessary 'table topics.'

For 39 years (1982 until 2021), REPL remains committed to coordinating Presbytery efforts in developing and strengthening ethnic pastoral leadership; to start conversations so that vigorous programs be developed for the enlightenment of ethnic candidates for ministry and other leadership positions; to support Presbyteries and the Synod in developing a program of seminary scholarship assistance for ethnic candidates; to guide the Synod in preparing attractive and effective resources in order to create a positive image of ethnically diverse leadership; and to encourage Synod-wide support for ethnic students and to hope that Presbyteries be encouraged to develop special internship opportunities for ethnically diverse students.

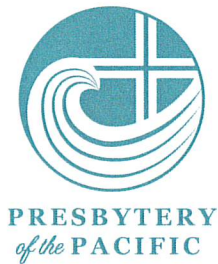
We seek committee support, donations from our Presbyteries and the Synod, and resource allocation for developing current and relevant videos and print media resources. We also seek training and development opportunities for our committee members. In this time of cultural uncertainty, we need leaders. We ask for your assistance, support, and prayers.

Respectfully submitted by,

Rev. Narcissis TuckerBishop, REPL Coordinator

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Attachment 13
Report of the Presbytery of the Pacific



2021 Mission Catalyst Report

by Rev. Heidi Worthen Gamble , Mission Catalyst

As the Mission Catalyst of the Presbytery of the Pacific, I give thanks for the opportunity to serve God in a ministry call that I love. It is a great joy for me to do this work with all of you. My deepest gratitude to Pacific Presbytery for continuing to center mission and justice in our witness to the grace of God through our Lord Jesus Christ.

We are unique as in Pacific Presbytery for continuing to fund a position like mine, and we are getting noticed. On November 30, 2021, the PC(USA) will be participating in Giving Tuesday to raise money for the denomination, and will feature some of the mission and justice work in Pacific Presbytery to lift up how Presbyterians are making a difference. On that day, PCUSA national staff will be livestreaming us on location at Immanuel Presbyterian Church. We will share stories from Pacific Presbytery's homeless and housing task force, our immigration ministry, and our food ministry collective that emerged out of the COVID-19 pandemic.

As your Mission Catalyst, I am staff to two elected committees (MIP and SDOP), and our various mission teams and task forces. In addition, I am an appointee to Mayor Garcetti's Interfaith Council; a member of the Emergency Network of Los Angeles (ENLA) with a representative in Hawaii for VOAD (John Toillion, member of Mililani Presbyterian Church). I am a Board member of Matthew 25/Mateo 25 SoCal Immigration Ministry; and a faith leader of Advocates United, a coalition of nonprofit leaders in LA County who engage in advocacy for affordable and permanent supportive housing. I also work with national staff in the PC(USA) and serve on a committee of the Synod. Altogether I lead, support, resource and represent Pacific Presbytery in approx. 20 networks and committees in the Presbytery and throughout Southern California.

100% of Pacific Presbytery's mission and justice witness is funded through grant writing and fundraising. Our work would not be possible without strong partnerships and dedicated leaders. A special thanks to Presbyterian Disaster Assistance in particular. We work very closely with PDA staff, as they are our primary grant partner. PDA is funded through our One Great Hour of Sharing offerings, received every year on Palm Sunday and Easter. Your generous contributions to One Great Hour of Sharing come back to us ten-fold. We are a connectional church! Thank you for supporting OGHS.

--Heidi

Self Development of People Committee

The Self Development of People Committee (SDOP) is co-chaired by Rev. Dr. Sunny Kang, head pastor of Hope on Union/United University Church and Guillermo Torres, a community member and staff at CLUE, Clergy and Laity United for Economic Justice. SDOP is a very

special grant funding committee, funded through the OGHS offering. SDOP was the PC(USA)'s response to the Black Manifesto by Jim Forman in the late 1960s, calling for reparations from Christian churches to African American and Native American communities. SDOP is a unique grant funding ministry through its criteria, which is to fund leaders and ideas emerging out of economically oppressed communities. It is a grassroots grant program that is by the people, for the people. Those leading the project must be part of the community benefitting from the project. It puts capital into economically oppressed communities, developing its leaders. SDOP committees have strict requirements to be over 50% people of color; however in Pacific Presbytery our SDOP committee is 90% people of color.

This year Pacific Presbytery's SDOP committee is funding the Black Worker Justice Center and their video project. With our SDOP grant funding, black workers throughout LA County will be writing, acting and producing a video for employers on what racial discrimination looks like in the workplace. They anticipate it impacting tens of thousands of workers throughout LA, and intend it to be a tool for employers around the country. The ultimate goal is to make racial discrimination training a requirement for employers throughout the U.S.

Pacific Presbytery has one of the strongest and most effective SDOP committees in the PC(USA). Thanks to the National Black Presbyterian Caucus (NBPS/SC) and their leadership in 2020, writing a demand letter to Pacific Presbytery in the summer of 2020, calling on us to prioritize the work of reparations and restoring SDOP to its original intentions, our committee is collaborating with national SDOP staff to have an intensive regional focus in Southern California with the Black Worker Justice Center for the next several years. This would be a much larger grant over a several year span to dismantle systemic racism in the Southern California region.

The SDOP committee meets as needed (3-4 times per year) on zoom.

Mission Interpretation and Promotion Committee

The Mission Interpretation and Promotion Committee (MIP) is co-chaired by Elders Mark Bingner of Knox Presbyterian and Elder Nancy Wambaa of St. John's Presbyterian. MIP is an umbrella committee over the many mission teams and task forces in our Presbytery. It is an elected committee that has supervision and authority over all of all mission accounts and hears reports from the various mission task forces. MIP is also the committee that initiates new initiatives in the Presbytery, as the Spirit leads. What has emerged from recent MIP meetings is a deep sense of grief over the climate catastrophe and a desire to gather a core group of leaders to develop a more powerful and prophetic faith-rooted voice for justice for the earth, and so they are strategizing the formation of an environmental justice team in Pacific Presbytery.

MIP meets the first Monday of each month on zoom.

Homeless and Housing Task Force

The Homeless and Housing Task Force (HHTF) is chaired by Amie Quigley, Director of Outreach at First Presbyterian Church of Hollywood. HHTF gathers to educate, form, support and resource Pacific Presbytery's churches in their ministries to people experiencing

homelessness. HHTF was formed out of the movement in LA County in 2017 after the passage of Measures H and HHH and County-wide, which provided funding to a collaborative and coordinated effort with the nonprofits, government and faith communities to prioritize a housing first model, building permanent supportive housing and services at an unprecedented rate to provide homes for the homeless. This collaborative effort is called "Home for Good".

Our goal at HHTF is not to tell our churches how to do their homeless ministry, but rather to give our churches tools for connecting to outreach workers and nonprofits in their area to more effectively serve unhoused people who come to our churches, as well as teach our churches how to think collaboratively in the ecosystem of providers in their area and discover where the gaps are that their church can fill. We also connect with Advocates United to be a faith-rooted voice for permanent supportive housing. We have pastors and elders who have spoken prophetically at community meetings to change people's minds and hearts from NIMBY-ism (not in my backyard) and outrage to support for permanent supportive housing in their neighborhoods. We pray, read scripture, share our faith, encourage and support one another in our call to follow Jesus by seeing his presence in our brothers and sisters experiencing homelessness (Matthew 25).

HHTF meets the last Thursday of each month on zoom.

Immigration and Refugee Task Force

The Immigration and Refugee Task Force (IRTF) of Pacific Presbytery has been meeting on a regular basis since the spring of 2017. Formed out of the MIP, its mission is to connect individuals in our churches who are passionate about ministry to the stranger in Jesus' name (Matthew 25) to faith-rooted activism, opportunities for service, and education. It is led by Anita Chombeng, Immigrant Organizing Coordinator, Kristi Van Nostran, Immigrant Accompaniment Organizer in San Gabriel and Riverside Presbyteries, and Rev. Heidi Worthen Gamble, Mission Catalyst. Our primary partners currently are PDA's Refugee and Asylum Ministry, CLUE, Matthew 25 SoCal Immigration Ministry, the Adelanto Visitation Network, Border Church, Esperanza Immigrant Rights Project, and Al Otro Lado legal representation in Tijuana, Mexico. We cannot do our work without strong partners and relationships.

IRTF educates and connects us together with worship, music, speakers, stories and the latest information on immigration and how to respond with services and advocacy. IRTF is also an email group that regularly receives updates on what is happening in immigration and how the faith community can respond. During the spring and summer, Debbie Breeding from Immanuel Pres., our Immigrant Organizing coordinator Anita Chombeng, and immigrant youth Adrian Sama Ambe from Calvary Hawthorne led a six-month immigration study for the IRTF. In addition, IRTF partnered with San Fernando Presbytery and Border Church to attend a virtual trip to the border in May and September. On November 21st, we are coordinating outdoor church on the U.S. side of the border wall, to have communion with our brothers and sisters in Tijuana, Mexico, on the other side of the border wall, simultaneously.

Thanks to PDA's Refugee and Asylum money, your OGHS offerings, and Kristi Van Nostran at Riverside Presbytery, we were able to partner PDA funds with the Adelanto Visitation Network during the pandemic to support hundreds of asylum seekers upon release from Adelanto Detention Center with transportation, food and temporary shelter to reunite with families across the country. We also supported the Matthew 25 SoCal asylum hospitality ministry, caring for asylum seekers without family or friends here in the U.S. with communities of support called Support Circles. Through private donations and Hunger Offerings, we have created and funded our own Immigrant Support Fund in Pacific Presbytery that is an unmet needs fund for immigrants, helping with attorney fees, medical bills, rent, etc.

In February 2021, through a grant from PDA and the Synod of Southern California and Hawaii, we were able to hire Immigrant Organizing Coordinator Anita Chombeng, a Cameroonian political asylee and elder at Calvary Presbyterian Church in Hawthorne. Anita has developed an African immigrant ministry that is immigrant-centered. "Not about us without us", Anita says. She is developing a core group of African immigrant women to meet their specific needs as black immigrants and black women in America who receive double discrimination in the U.S. Anita has coordinated mental health day outings and gatherings; education on trauma and mental health; connects people to quality therapy; she works with ICE officers to remove ankle monitors; connects them to quality immigration representation; and has organized an African immigrant women's financial cooperative. Her immigrant-centered approach is gaining national attention.

IRTF meets on a quarterly basis on zoom.

Food Ministry Collective

One of the greatest miracles out of the COVID-19 pandemic in Pacific Presbytery is our new network called the Food Ministry Collective--a gathering of churches that meet monthly to support, resource and to encourage one another in the call to love and feed our neighbors in Jesus' name (Matthew 25). April Stafford, Coordinator of the Food Ministry at Hope on Union/UUC, is chair of this network.

Pacific Presbytery has 11 churches who, at the height of the pandemic, served approx. 50,000 individuals each month, or approximate 15,000 households. In addition to the mission of building capacity in our churches to scale up their food ministries in response to the economic devastation of the pandemic, three churches started new food ministries: Bethesda Presbyterian Church, Westminster Presbyterian Church, and Union Church. Our Food Ministry Collective Churches are: **Bethesda, Westminster, First Hollywood, St. Andrew's, Bel Vue, Hope on Union/UUC, Wilshire, St. Mark's, Calvary Hawthorne, Union, and Immanuel.** Together, we hosted a virtual concert fundraiser in the spring of 2020, highlighting musicians in our Presbytery and our churches with food ministries. We also began securing grants from PDA, the Synod, MIP/Lulu Stevens, private donations, and Hunger Offerings at Presbytery meetings. Ultimately we raised \$150,000 through Presbytery and Synod grants, our spring concert, private donations, and Hunger Offerings at Presbytery meetings. With the funding we were able to help Immanuel Presbyterian Church purchase a truck and our churches to purchase updated

refrigerators, freezers, racks and other supplies. Hope on Union/UUC is now taking the lead on the truck and supporting our churches.

As the pandemic wanes, our Food Ministry collective churches have built a strong sense of community, support and love for one another and are now shifting towards more long-term goals in their ministries, such as building authentic, loving relationships with the people they serve and listening deeply to the needs of the community, with love and hope in the name of Jesus.

The Food Ministry Collective meets the first Monday of each month on zoom.

Disaster Response and Preparedness Team

At the beginning of the COVID-19 pandemic in the spring of 2020, the Disaster Team Chair, Rev. Dave Worth and Mission Catalyst Rev. Heidi Worthen Gamble, went to work securing disaster relief funds and grants for individual churches and a Presbytery emergency fund. Thanks to your generous One Great Hour of Sharing offerings from years' past, PDA provided Pacific Presbytery with the initial seed money to create a [COVID-19 Disaster Relief Fund](#), a pastor's discretionary fund that allows Pacific Presbytery to partner with pastors in our churches to meet the needs of the most vulnerable members of our congregations and communities. This fund has continued to be replenished through Hunger Offerings, MIP/Lulu Stevens, private and individual church donations. The purpose of the fund is to provide emergency funds for people we know in our churches and communities most vulnerable during the pandemic: people who have lost jobs; who got COVID but weren't given sick pay; people struggling to pay for groceries, rent, and basic needs. It is important to know that in Pacific Presbytery, our churches span an enormous economic spectrum of poverty and wealth. We had some churches with a majority of their members who lost jobs early on in the pandemic and are now struggling to pay several months' back pay in their rent after rent moratoriums were lifted in September 2021. This fund has helped approximately 100 families through some tough times.

In the spring of 2021, we recognized the need for social/emotional support, and coordinated two lunchtime online zoom calls for free, led by PDA's National Response Team. Two hour-long live webinars on building resilience and tending to one's mental health were well-attended on zoom, with approx. 50 people attending from Pacific Presbytery.

Rev. Worth continues to work with LARCRO, LA Region Community Recovery Organization, as they are get ready to transition out of their response to the Woolsey Fire in the fall of 2018. Rev. Worth has been serving as chair of LARCRO and has partnered PDA funds with Disaster Case Managers to help the low-income Seminole Springs retirement community recover after the Woolsey Fire.

Rev. Heidi Worthen Gamble is Pacific Presbytery's representative with the LA County-wide ENLA (Emergency Network of Los Angeles), and is part of the spiritual and emotional care subcommittee for first responders and communities in times of disaster.

The Disaster Response and Preparedness Team meets on an as-needed basis.

Gulf Coast Planning Team

Pacific Presbytery's Gulf Coast Mission Team, in partnership with the National Black Presbyterian Caucus of Southern California, has been sending groups from our churches annually to work on rebuilding homes in the Gulf Coast since Hurricane Katrina in 2005 and The Storm with No Name in 2016. The team is co-chaired by John Toillion from Mililani Presbyterian Church in Hawaii and Simone Jackson from Wilshire Presbyterian Church.

Although a mission trip was planned to Louisiana at the end of May 2020, it was cancelled due to the COVID-19 pandemic. However, the Gulf Coast Planning Team has continued to meet monthly since March 2020 to check in, support, and process the pandemic and our lives with one another. This team continues to discern and monitor possible mission trip opportunities for the future at PDA worksites and will be ready to launch another mission trip when it is safe to do so.

The Gulf Coast Planning Team meets the last Sunday of each month.

Habitat for Humanity

Pacific Presbytery has had a decades-long relationship with Habitat for Humanity of Greater LA. In fact, members from our churches helped start this chapter decades ago. As you may remember, right before the pandemic, we were finishing up an almost two-year-long, once-a-month Saturday build day at the Culver City Habitat site, coordinated brilliantly by Judith Wong from Culver City Presbyterian Church. This was after we had raised over \$200,000 together as churches in Pacific Presbytery and became one of the largest donors for that build. There were still a few months left on the build in March of 2020 when everything shut down because of COVID-19. Habitat, unable to coordinate volunteers during the pandemic, hired contractors to finish the build. There are now ten beautiful new homes on Globe Avenue, directly across the street from Culver City Presbyterian Church.

The Culver City/Globe Ave. Habitat for Humanity build has been completed.

September Presbytery Meetings

In September 2012, MIP had a new idea: What if we had a Presbytery meeting that maximized mission and minimized business? This began our first September mission-focused Presbytery meeting. We brought in speakers to talk about the three Critical Global Issues out of World Mission: addressing the root causes of poverty, becoming a bolder witness for peace, and uplifting a holistic Gospel in our evangelism. After several years doing a deep dive on what it meant to embrace the critical global issues, Pacific Presbytery then shifted, after our Crossroads Training on Anti-Racism in the fall of 2018, to September mission-focused Presbytery meetings focused on racial justice. This year, we invited legendary Civil Rights Leader Rev. Jim Lawson to speak; however, he already had a commitment to teaching a zoom class on non-violence. The Presbytery Coordinating Commission voted to cancel the September Presbytery meeting and strongly encourage the Presbytery to participate in Rev. Lawson's workshop on on-violence called Soul-Force. Rev. Lawson challenged us to think about and imagine how we could apply

the power of Agape Love/Soul-Force to the violent threat to overthrow democracy at the capitol riots on January 6, 2021.

September Mission-Focused Presbytery Meetings are annual events.

International Partnerships

From 2006-2020, Pacific Presbytery engaged in a long-term international partnership with the COOPEMULNAGTLE Cooperative in Goyena, Nicaragua, facilitated by CEPAD, the Nicaraguan Council of Churches, and the PCUSA Regional Liaison for Central America, Tracey King-Ortega. In January 2020, we coordinated our last official delegation to Nicaragua and closed the partnership--but not the friendships. In fact, there is still a core group in our Presbytery who regularly communicates with our beloved friends in Nicaragua, but in an informal capacity, not through an official partnership.

In the spring of 2020, we were approached by IRCES, the Calvinist Churches of El Salvador, to meet over zoom to share stories and pray one another in our mutual work in caring for migrants. IRCES supports deportees sent to El Salvador by U.S. Immigration and Customs Enforcement; Pacific Presbytery supports asylum seekers from El Salvador through our Matthew 25 SoCal Asylum Hospitality Ministry. A small group of Pacific Presbytery leaders, facilitated by Tracey King-Ortega, have continued to meet bi-monthly with IRCES throughout the pandemic.

IRCES began its relationship with Pacific Presbytery in 2018, in fact, when IRCES made a bold statement at the World Alliance of Reformed Church (WARC) in Accra, Ghana, challenging the Reformed churches in the PC(USA) to see as their mission to create more compassionate and just immigration policies and to stop deporting Salvadoran en masse back to El Salvador. IRCES was then looking for a Presbytery passionate and engaged in immigration to co-write an overture to the General Assembly, advocating for just immigration laws in the United States. Pacific Presbytery stood out as the best partner for IRCES and together we wrote an overture that called for an international mission co-worker in Central America focused on immigration advocacy in the Americas. We are happy to report that Presbyterian World Mission is now implementing the overture's call for a Mission Co-Worker based in El Salvador and working bi-nationally to develop holistic advocacy for immigration!

In March of 2022, IRCES plans its first visit to Los Angeles and will meet with a delegation from Pacific Presbytery to go to the Salvadoran consulate, along with the Vice President of El Salvador, to seek bi-national funding for a development project in El Salvador addressing root causes of migration.

The IRCES partnership meets bi-monthly on zoom.

--Rev. Heidi Worthen Gamble, Mission Catalyst, Presbytery of the Pacific

Attachment 14
Report of the LAC + USC Chaplaincy Program

Legacy of Caring... Winter 2021

Support Presbyterian Chaplaincy at LAC+USC Medical Center

Pray Lift up this Ministry in Prayer

- Your prayers for patients, families, staff and chaplains support and sustain this important work of caring
- Add Presbyterian Chaplaincy to your prayer list

Give Continue the Legacy

- Your donations and financial partnership make this ministry possible
- Contact Amy at the Presbytery of the Pacific abennett@pacificpresbytery.org to find out more about one time and sustaining contributions

Remember Interfaith Memorial Service for Unclaimed Dead

- Wednesday, December 1, 2021 10:00 a.m.
- Los Angeles County Cemetery, via Zoom Only (stay tuned for link)
- Sponsored by the Los Angeles County Board of Supervisors

Create Handmade Blankets for patients

- During the Christmas season, chaplains offer a handmade blanket to the patient and their family. These blankets represent the prayers of the community for God's comfort and mercy. Our goal is to have 630 blankets made with prayer to share!
- Blankets can be knit, crochet, sewn or quilted
- Bright colors are the best
- Blankets need to be at least 36" x 36"
- Contact Elizabeth at the Dept. of Spiritual Care at (323) 409-4715 or egibbszehnder@dhs.lacounty.gov

Gather Hygiene Kits for homeless patients

- These are shared with homeless patients from the chaplain's office, Angel Interfaith and the LAC+USC Emergency Department
- A gallon zip lock bag filled with a washcloth, bar of soap, toothbrush, toothpaste, shampoo, deodorant, comb, tissue, body lotion, hand sanitizer & socks.
- For more details contact Maria at Angel Interfaith Network at (323) 409-6923 or office@angelinterfaith.net

To find out more about how you can be a part of this important ministry, please contact Rev. Elizabeth Gibbs Zehnder, Chaplain at Elizabeth.GibbsZehnder@gmail.com

Attachment 15
Report of the Presbytery of Riverside

Riverside Presbytery – 2021 Annual Report to Synod Assembly

Rev. Lee Ireland, Transitional Presbytery Leader for Mission and Vision

The Riverside Presbytery encompasses the largest geographic area of the presbyteries in the Synod and has the smallest number of church members. Those are the hard figures that may be used to describe the Presbytery. However, just like many smaller churches that make up the membership in the Presbytery have close knit relationships, during the Pandemic, the churches, pastors, and church members have drawn closer together and have sought ways to assist each other in ministry in the liminal time we are living through.

- Billed as ‘covid relief,’ the Synod grant to the Presbytery was passed through to individual churches. Most churches used the funds to purchase equipment to allow the church to move to virtual worship and on to hybrid worship.
- The Presbytery has sponsored four workshops on virtual worship. Most recently, two of the workshops covered the topic of moving the worship service from virtual to hybrid. All workshops were led by members of the Presbytery. Additionally, church staff volunteered to be consultants to assist churches in obtaining the appropriate equipment for hybrid worship.
- During the Pandemic, the Presbytery offered pastors an opportunity to join a cohort, a safe environment to discuss issues and frustrations. Over two thirds of the pastors in the Presbytery are participating in such a group and all have elected to continue meeting in 2022. The Presbytery plans to expand the cohorts to include special interest groupings, such as clerks of sessions, mission committee members, etc.
- A cooperative of churches in the Palm Springs area is forming with the intent to work together to share in mission outreach and to support each other.
- With direction from the Presbytery Assembly, the Presbytery donated 10% of the proceeds from the previous sale of church properties to local non-profit agencies in the geographic area of the church.
- To support a church in the Presbytery with outreach to immigrants, the Presbytery created the Immigrant Emergency Fund which is used to support immigrants in need. Churches and individuals within the Presbytery have provided donations to this fund, demonstrating the connectedness of our Presbytery membership.
- The Presbytery is engaged in a Discernment Process. To date over 70 individuals have contributed through small group meetings as the Presbytery seeks to discern God’s will for the future direction of the Presbytery. The process is drawing to a close as the group sifting through the data will be preparing a report to present to Presbytery Assembly in 2022.
- The new worshipping communities (NWC) in the Presbytery continue to meet the needs of those they serve. Recently, two of the NWCs received grant money from PCUSA that will be used to strengthen the ministries. One NWC is closing due to the pastors retiring and moving to Africa to start new ministries there.
- The Presbytery is in discussions with one ethnic church about joining the Presbytery and with two pastors who wish to start an NWC for Arabic-speaking people in the high desert. This NWC would be the Presbytery’s second Arabic-speaking ministry.

The Pandemic has challenged the Presbytery and the churches in the Presbytery to support each other in new and creative ways xxas we seek to be Christ’s hands and feet in the changing and challenging world we live in today, as together we seek to love God and neighbor.

Attachment 16
Report of the Synod Executive

Executive Report to Synod Assembly

December 4, 2021

Here we are, December of 2021 and we are still not out of the Pandemic that started eighteen months ago. What we initially thought would last a few weeks has turned into months with no end in sight. As I write this report, there are findings that a new increase is taking place as we are entering winter.

As we have pushed through the Pandemic, one thing that many have agreed is the unknown that awaits us. Recently, I have often heard the word, “Liminality”. One dictionary defines the word as *“Liminality is a state of transition between one stage and the next, especially between major stages in one's life or during a rite of passage. ... In a general sense, liminality is an in-between period, typically marked by uncertainty.”* We are in-between place from what we once knew of and the unknown that we are marching toward.

In this in-between space, I am reminded by a Chinese word for danger, which also contains a meaning, opportunity. In moments of danger, we are inclined to find new opportunities to forge ahead.

This is a moment many of our ministry partners find themselves in. We are also at the juncture of making new beginnings. The Commission of Assembly has decided to embark on a new Strategy to look at ourselves for the coming years. We have many individuals who have volunteered to work together looking at the paths we ought to take. I ask for your prayers for this group of faithful individuals who will work together in the coming months in 2022.

One area of Synod life we have already made a change is to close our physical office space to go fully virtual. This change is not a radical step, but rather a follow-up to how our office has functioned during the Pandemic. The staff has mostly worked from home, following the Covid protocol and we have all discovered we have fully functioned without a decrease in our level of performance.

One positive outcome of the Pandemic is that we are seeing more volunteers who have decided to serve in one of our committees. Joining a meeting via Zoom rather than having to spend hours on the road to get to a meeting, has become a good motivating factor in voluntarism. I fully anticipate that even when this Pandemic is over or we learn to live with it, Zoom meetings will likely continue to continue.

I mentioned in my last year's report that our lives are filled with hellos and farewells. We welcome Rev. John Moser as the Interim Executive Presbyter for San Diego. He brings a lifetime of faithful service in the Lord to bring benefits to the Presbytery. We say farewell to Rev. Forrest Claassen, Co-pastor to the Presbytery of Los Ranchos, who has served with skill as its Stated Clerk for the last eight years. God has called him to be the Executive at Synod of the Trinity. Although we are sad to see him move from our area, we rejoice in God's sovereign plan for him in his new call.

As we have recently gone through a season of Thanksgiving, giving thanks has become even more meaningful as we continue with our struggle with Covid. I am reminded by the voice of Apostle Paul who urged his church with these words.

“Give thanks in all circumstances; for this is God's will for you in Christ Jesus.” (1 Thessalonians 5:18)

I pray we as God's family will be able to do just that in whatever we find ourselves in the times to come. Hallelujah!!