



To the Synod Council  
Lower Susquehanna Synod of the Evangelical Lutheran Church in America  
Harrisburg, Pennsylvania

Attention: Mr. Joseph Stepansky, Treasurer

This letter is to inform the Synod Council of the Lower Susquehanna Synod of the Evangelical Lutheran Church in America (the Synod) about significant matters related to the conduct of our audit as of and for the year ended January 31, 2020, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

### **The Respective Responsibilities of the Auditor and Management**

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated December 31, 2019. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication, dated May 21, 2020, regarding the planned scope and timing of our audit, and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.

### **Significant Accounting Practices, Including Policies, Estimates, and Disclosures**

In our meeting with you, we will discuss our views about the qualitative aspects of Synod's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

#### **Significant Accounting Policies**

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Synod is included in Note 2 to the financial statements. During 2020, the Synod adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. There were no other changes in existing significant accounting policies or their application during 2020. We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus."

## **Significant Accounting Practices, Including Policies, Estimates, and Disclosures (continued)**

### **Significant Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the estimated useful lives of property and equipment and fair value of investments.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

### **Financial Statement Disclosures**

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Synod's financial statements relate to fair value estimates.

### **Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### **Internal Control Matters**

We have issued a separate communication, dated May 21, 2020, regarding certain deficiencies in internal control that we identified during the planning or performance of our audit of the financial statements.

### **Disagreements with Management**

There were no disagreements with management.

### **Consultation with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Management Representations**

Attached is a copy of the management representation letter.

## Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Lower Susquehanna Synod of the Evangelical Lutheran Church in America.

This report is intended solely for the information and use of the Synod and is not intended to be, and should not be, used by anyone other than this specified party.

RKL LLP

May 21, 2020  
Harrisburg, Pennsylvania



To the Synod Council  
Lower Susquehanna Synod of the Evangelical Lutheran Church in America  
Harrisburg, Pennsylvania

In planning and performing our audit of the financial statements of the Lower Susquehanna Synod of the Evangelical Lutheran Church in America (the Synod) as of and for the year ended January 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Synod's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Synod's internal control. Accordingly, we do not express an opinion on the effectiveness of the Synod's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Synod's financial statements will not be prevented, or detected and corrected, on a timely basis.

The following is a description of an identified deficiency in internal control that we determined did not constitute significant deficiencies or material weaknesses:

- There is a lack of segregation of duties throughout the Synod's internal control due to the limited size of the Synod's staff. The executive assistant has the ability to sign checks and download the bank statement from the bank's website. The executive assistant is also the person who runs the checks, mails the checks, and posts entries to the accounting system. The Synod does require two signatures on check requests. Bank reconciliations are prepared by the Treasurer. The following areas are affected:
  - Cash receipts
  - Cash disbursements

This communication is intended solely for the information and use of the Synod Council, management, and others within the Synod and is not intended to be, and should not be, used by anyone other than these specified parties.

RKL LLP

May 21, 2020  
Harrisburg, Pennsylvania



May 21, 2020

RKL LLP  
320 Market Street, Suite 373 East  
Harrisburg, PA 17108

This representation letter is provided in connection with your audits of financial statements of Lower Susquehanna Synod of the Evangelical Lutheran Church In America (the Synod), which comprise the statement of financial position as of January 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of the auditor's report:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated December 31, 2019, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no knowledge of any uncorrected misstatements in the financial statements.

**Information Provided**

9. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audits;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, regulators, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
15. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
16. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize, and report financial data.
18. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data has been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

LOWER SUSQUEHANNA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA

  
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Joseph M. Stepansky  
Treasurer