

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

**REPORT ON FINANCIAL STATEMENTS  
(with supplementary information)**

**YEARS ENDED JANUARY 31, 2017 AND 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

To the North/West Lower Michigan Synod  
of the Evangelical Lutheran Church in America

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America (a nonprofit organization) which comprise the statements of financial position as of January 31, 2017 and 2016, and the related statement of activities for the year ended January 31, 2017, related statements of cash flows for the years ended January 31, 2017 and 2016 and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America as of January 31, 2017 and 2016, and the changes in its net assets and its cash flows for the year ended January 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Adjustment**

As discussed in Note 12 to the financial statements, the Synod performed additional analysis and identified and reclassified net assets that had been previously reported as temporarily restricted net assets. This correction had no effect on total net assets at January 31, 2017 and 2016, or on total change in net assets for the years then ended. Our opinion is not modified with respect to that matter.

### **Other Matters**

#### **Report on Summarized Comparative Information**

We have previously audited the North/West Lower Michigan Synod of the Evangelical Lutheran Church in America's 2016 financial statements, and our report dated April 19, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented in the statement of activities for the year ended January 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Report on Supplementary Information**

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

*Maney Costeiran PC*

April 19, 2017

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENTS OF FINANCIAL POSITION  
JANUARY 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 416,643	\$ 381,185
Investments	2,117,144	1,952,323
Accounts receivable	57,617	33,286
Prepaid expenses	18,183	14,600
Property and equipment, less accumulated depreciation	34,704	38,400
TOTAL ASSETS	\$ 2,644,291	\$ 2,419,794
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 28,809	\$ 16,643
Assets held on behalf of others	45,000	-
Accrued payroll and related	12,969	11,798
Deferred revenue	8,703	13,525
Total liabilities	95,481	41,966
<b>NET ASSETS:</b>		
Unrestricted:		
Undesignated	214,475	129,949
Designated	562,115	538,914
Total unrestricted	776,590	668,863
Temporarily restricted	864,581	801,326
Permanently restricted	907,639	907,639
Total net assets, as restated	2,548,810	2,377,828
TOTAL LIABILITIES AND NET ASSETS	\$ 2,644,291	\$ 2,419,794

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JANUARY 31, 2017  
(with comparative totals for the year ended January 31, 2016)**

	2017			Total	2016 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
<b>REVENUES AND SUPPORT:</b>					
Mission support	\$ 1,349,004	\$ -	\$ -	\$ 1,349,004	\$ 1,370,987
Center for mission and ministry	26,029	3,530	-	29,559	20,715
Committee revenue	10,697	-	-	10,697	10,805
Investment income (loss) - net	105,785	102,925	-	208,710	(89,905)
Grant revenue	44,730	-	-	44,730	32,042
New and renewing congregations	-	3,302	-	3,302	754
Registration fees - leadership event	4,089	-	-	4,089	2,072
Registration fees - synod assembly	46,787	-	-	46,787	42,706
Seminary education assistance	-	421	-	421	295
Synod congregational support	-	20,532	-	20,532	29,434
Synod-wide revenue	3,264	44,961	-	48,225	25,897
Other income	3,049	2,650	-	5,699	13,310
Transfers from closed congregations	1,057	-	-	1,057	55,000
Transfers - reclassify donor contributions	(15,328)	15,328	-	-	-
Net assets released from restrictions	130,394	(130,394)	-	-	-
Total revenues and support	<u>1,709,557</u>	<u>63,255</u>	<u>-</u>	<u>1,772,812</u>	<u>1,514,112</u>
<b>EXPENSES:</b>					
Program services:					
Agency-organizational ministry support:					
ELCA church-wide support	674,502	-	-	674,502	685,493
Capital University and Wittenberg University	3,000	-	-	3,000	3,000
Living Water Ministries	40,000	-	-	40,000	40,000
Lutheran Social Services of Michigan	3,000	-	-	3,000	3,000
Region 6 support (includes archives)	9,256	-	-	9,256	9,059
Trinity Lutheran Seminary	25,000	-	-	25,000	22,000
Total agency-organizational ministry support	<u>754,758</u>	<u>-</u>	<u>-</u>	<u>754,758</u>	<u>762,552</u>
Synod ministries:					
Closed congregation expense	5,150	-	-	5,150	149
Synod assembly	47,119	-	-	47,119	55,942
Synod council	21,058	-	-	21,058	7,443
Total synod ministries	<u>73,327</u>	<u>-</u>	<u>-</u>	<u>73,327</u>	<u>63,534</u>
Special programs:					
Paul Trapp endowment	13,300	-	-	13,300	14,000
Wilson trust	-	-	-	-	21,259
Seminarian education assistance	-	-	-	-	5,000
Center for mission and ministry	19,712	-	-	19,712	29,760
Honduras companion support	15,939	-	-	15,939	29,435
M. P. Sudanese Christ Wyoming	-	-	-	-	250
Papua New Guinea program support	1,816	-	-	1,816	-
N. Ottawa County Mission	5,000	-	-	5,000	-
Honduran education fund	1,242	-	-	1,242	3,200
New and renewing congregations	23,949	-	-	23,949	3,436
Other congregational support	1,000	-	-	1,000	3,155
Total special programs	<u>81,958</u>	<u>-</u>	<u>-</u>	<u>81,958</u>	<u>109,495</u>

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JANUARY 31, 2017  
(with comparative totals for the year ended January 31, 2016)**

	2017			Total	2016 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
<b>EXPENSES:</b>					
Program services (Concluded):					
Program support:					
Publicly engaged church committee	\$ 20,765	\$ -	\$ -	\$ 20,765	\$ 32,658
Faith formation table committee	301	-	-	301	140
Communication committee	2,252	-	-	2,252	-
Mission support table committee	2,035	-	-	2,035	1,952
Global missions committee	9,980	-	-	9,980	10,773
Ministry committee	26,546	-	-	26,546	40,080
Campus ministry committee	55,730	-	-	55,730	44,700
New and redeveloping congregations table committee	67,639	-	-	67,639	60,567
Multicultural ministry committee	349	-	-	349	1,500
Renewing congregations table committee	3,334	-	-	3,334	107
Worship committee	173	-	-	173	3,539
Youth committee	2,646	-	-	2,646	3,594
Total program support	<u>191,750</u>	<u>-</u>	<u>-</u>	<u>191,750</u>	<u>199,610</u>
Total program services	<u>1,101,793</u>	<u>-</u>	<u>-</u>	<u>1,101,793</u>	<u>1,135,191</u>
Support services:					
Staff salaries and benefits:					
Salary - administrative support staff	45,137	-	-	45,137	75,988
Salary and housing - called staff	161,908	-	-	161,908	140,000
Salary - deployed staff	53,516	-	-	53,516	38,821
Social security allowance	17,966	-	-	17,966	16,410
Payroll taxes	7,932	-	-	7,932	9,446
Health insurance and retirement	79,629	-	-	79,629	81,179
Continuing education	1,253	-	-	1,253	1,556
Other insurance	4,213	-	-	4,213	4,599
Total staff salaries and benefits	<u>371,554</u>	<u>-</u>	<u>-</u>	<u>371,554</u>	<u>367,999</u>
Synod administration:					
Bishop's discretionary fund	1,926	-	-	1,926	1,652
Insurance - operating	11,164	-	-	11,164	10,711
Lease expense	16,800	-	-	16,800	16,800
Office equipment - maintenance	5,414	-	-	5,414	9,431
Office supplies	7,943	-	-	7,943	8,297
Postage	3,221	-	-	3,221	2,718
Professional fees	22,036	-	-	22,036	21,640
Telephone	7,806	-	-	7,806	8,778
Travel - staff	29,951	-	-	29,951	31,294
(Gain) loss on disposal of assets	(1,144)	-	-	(1,144)	893
Website and network	1,843	-	-	1,843	8,891
Total synod administration	<u>106,960</u>	<u>-</u>	<u>-</u>	<u>106,960</u>	<u>121,105</u>
Depreciation expense	<u>21,523</u>	<u>-</u>	<u>-</u>	<u>21,523</u>	<u>21,630</u>
Total support services	<u>500,037</u>	<u>-</u>	<u>-</u>	<u>500,037</u>	<u>510,734</u>
Total expenses	<u>1,601,830</u>	<u>-</u>	<u>-</u>	<u>1,601,830</u>	<u>1,645,925</u>
CHANGE IN NET ASSETS	107,727	63,255	-	170,982	(131,813)
NET ASSETS, beginning of year (See Note 12)	668,863	801,326	907,639	2,377,828	2,509,641
NET ASSETS, end of year	<u>\$ 776,590</u>	<u>\$ 864,581</u>	<u>\$ 907,639</u>	<u>\$ 2,548,810</u>	<u>\$ 2,377,828</u>

See notes to financial statements.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JANUARY 31, 2017 AND 2016**

	2017	2016
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Change in net assets	\$ 170,982	\$ (131,813)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	21,523	21,630
(Gain) loss on disposal of assets	(1,144)	893
Realized and unrealized (gain) loss on investments	(138,298)	161,018
Accounts receivable	(24,331)	3,415
Prepaid expenses	(3,583)	14,474
Accounts payable	12,166	(2,886)
Accrued payroll and related	1,171	271
Assets held on behalf of others	45,000	-
Deferred revenue	(4,822)	7,806
Total adjustments	(92,318)	206,621
Net cash provided by operating activities	78,664	74,808
Cash flows from investing activities:		
Purchase of investments	(88,186)	(107,719)
Sale of investments	61,663	64,015
Purchase of property and equipment	(20,933)	(16,658)
Proceeds from sale of property and equipment	4,250	-
Net cash provided (used) by investing activities	(43,206)	(60,362)
INCREASE IN CASH AND CASH EQUIVALENTS	35,458	14,446
CASH AND CASH EQUIVALENTS:		
Beginning of year	381,185	366,739
End of year	\$ 416,643	\$ 381,185



**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** - The books and records of the Synod are maintained on the accrual basis of accounting, which recognizes income when earned and expenses when incurred. The Synod is required to report its financial position and activities according to three classes of net assets based on donor imposed restrictions. A description of the three net asset categories follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.
- Temporarily restricted net assets - Net assets whose use is limited by either a donor-imposed time restriction or a donor imposed purpose restriction. When a restriction expires (that is, when a stipulated time restriction ends or funds are expended for the specific purpose) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets - Net assets that donors have instructed the Synod to maintain in perpetuity, that is, permanently.

**Financial statement presentation** - The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Synod's prior-year statement of activities from which the summarized information was derived.

**Programs:**

- Agency-organizational ministry support:
  - ❖ ELCA agencies and organizations - This activity promotes resources available for monthly or quarterly ministry support for various ELCA related ministries within Region 6.
  - ❖ Church-wide ministry support - This activity provides unrestricted resources for distribution through the church-wide expression of the Evangelical Lutheran Church in America for missions domestically and globally.
- Synod ministries - This activity provides resources for the Synod Assembly, the highest level synod legislative body, and for the Synod Council which transacts and oversees the ministries of the Synod between assemblies.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Programs (Continued):**

- Special programs:
  - ❖ Paul Trapp endowment - This activity oversees requests for financial support for synod congregations in the northern portion of the Lower Peninsula, funded by annual earnings received by the Paul Trapp Endowment Fund Pooled Trust.
  - ❖ Wilson trust - This activity provides financial resources for synod member churches located in Saginaw County, Michigan, funded by a one-time bequest and annual earnings received by the Wilson Endowment Trust.
  - ❖ Seminarian education assistance - This activity oversees requests for financial support for tuition and/or non-tuition expenses of seminarians toward calls in ELCA ministries, which is funded by donations and annual earnings received by the To Whom Shall We Go Endowment Fund Pooled Trust.
  - ❖ New and renewing congregations - This activity provides financial resources for new congregations and other congregations in renewal within the Synod, funded by donations and annual earnings received by the To Whom Shall We Go Endowment Fund Pooled Trust.
  - ❖ Center for mission and ministry - Originally intended to be part of a campus which would also include a Lutheran Episcopal congregation and the synodical offices, this activity evolved to provide programs including spiritual discernment and formation throughout the Synod.
  - ❖ Companion and other congregational support - Through the global Lutheran family, the ELCA has bilateral “companion church” relationships with many national Lutheran church bodies. These global relationships are deepened by the ELCA Companion Synods Program, which connects 65 ELCA synods in over 120 international companion relationships. Through these companion relationships, members of ELCA synods live out the accompaniment model of the global mission.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Programs (Continued):**

- Program support:
  - ❖ Faith formation table committee - This committee shall be the conduit between congregations, the Synod, the region and church-wide bodies to promote Christian education. The committee shall recruit, train and equip educational leaders within congregations. The committee shall also provide oversight of the Synod resource room.
  - ❖ Publically engaged church committee - This committee shall respond to the Gospel and thereby address social issues through study, grants, advocacy and social statements. This committee shall assist congregations in establishing and implementing social ministry programs.
  - ❖ Communication committee - This committee shall communicate and interpret the ministries of the Church, especially focusing on three levels: congregational, synodical and church-wide. It will accomplish these tasks using periodicals, resources and media instruments most beneficial.
  - ❖ Mission support table committee - This committee oversees stewardship consultations with congregations each year. It acts as a catalyst and advocate for programs and resources beneficial for stewardship growth within the congregation.
  - ❖ Global mission committee - This committee shall be responsible for supporting and interpreting the mission work of the church that is done outside the United States as well as that done within. The committee may include in its work the Companion Synod program, congregational advocates and their assisting tools.
  - ❖ Ministry committee - This committee shall be responsible for candidacy, leadership support, specialized ministry and ministry of laypersons in daily life.
  - ❖ Campus ministry committee - This committee shall be responsible for providing a comprehensive ministry with the communities of higher education in accordance with the policies of the Division for Education & Schools of the Evangelical Lutheran Church in America.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Programs (Concluded):**

- ❖ New and redeveloping congregations table committee - This committee shall be responsible for helping and supporting mission congregations, develop new ministries, support urban and rural coalitions, monitor the Mission Partner Program of the Evangelical Lutheran Church in America, and coordinate mission efforts of the ELCA. The committee shall develop a mission strategy appropriate to the context of the Synod, review funding requests related to the Evangelical Lutheran Church in America for Outreach and coordinate a mission strategy with other synods of Region 6.
- ❖ Multicultural ministry committee - this committee shall promote and facilitate inclusivity, and consult with and/or relate to synod congregations, other synod committees, units of the ELCA, and/or Region 6 on matters which are multi-cultural.
- ❖ Renewing congregations table committee - This committee shall lift up the task of sharing the Gospel of Jesus Christ in word and deed; enable congregations and their members to do this corporately and individually with both the unchurched and their own inactive members; and equip congregations and individuals in any and all appropriate ways of accomplishing this God-given task.
- ❖ Worship committee - This committee shall advise, plan and coordinate workshop for synodical events. The committee shall make available resources, workshops, and worship events to congregations of the Synod.
- ❖ Youth committee - This committee shall serve the youth of the synod as they do ministry in congregations, conferences, the synod and the church-at-large. The committee shall listen to the goals and needs of youth and be advocates in planning and implementation of these goals, work with the Lutheran Youth Organization of the Synod and strive to empower the youth in their ministry. The committee shall also serve as a resource to congregations in the area of youth ministry.

**Functional allocation of expenses** - The costs of the various programs and other activities have been summarized on a functional basis in Note 11. Fundraising has not been segregated on the basis of immateriality.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**Cash and cash equivalents** - Cash and cash equivalents consist of cash accounts and money market funds. Cash held by investment managers is considered an investment rather than cash equivalent.

**Investments** - Investments are reported at fair value with realized and unrealized gains and losses included in the statement of activities.

**Accounts receivable** - Accounts receivable includes amounts collected by local ministries during the years ended January 31, 2017 and 2016, but not received by the Synod until after year end. The Synod provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of the receivable account. Based on management's estimate, no allowance for bad debts was necessary for the years ended January 31, 2017 and 2016.

**Property and equipment** - Property and equipment are recorded at cost. Donated assets are recorded at fair value at the date of donation. Depreciation is computed over the estimated useful life of assets using the straight-line method. The Synod capitalizes property and equipment in excess of \$1,000. Cost of maintenance and repairs are charged to expense when incurred.

**Assets held on behalf of others** - Assets held on behalf of others consist of cash held in an agency capacity.

**Deferred revenue** - Deferred revenue represents grants received in advance of related program expenses and assets held on behalf of others in an agency capacity.

**NOTE 2 - ORGANIZATION, RISKS AND UNCERTAINTIES**

The North/West Lower Michigan Synod of the Evangelical Lutheran Church in America (the "Synod") is a Michigan Non-Profit Corporation. The purpose of the Synod is to develop and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures, and management services for the member churches. The member churches are located in the northern and western half of the Lower Peninsula of Michigan ("Region 6"). Using ministry support and special offerings received from its member churches, the Synod contributes to denominational ministries and provides support for various missions, educational programs and youth outreach. The Synod is exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - ORGANIZATION, RISKS AND UNCERTAINTIES (Concluded)**

The Synod is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the organization to concentrations of significant credit risk consist of cash and cash equivalents and investments. The Synod places its cash with FDIC insured financial institutions and thereby limits the amount of credit exposure to any one financial institution. Although such cash balances may exceed the federally insured limits at certain times during the year and at year-end they are, in the opinion of management, subject to minimal risk. Credit risk with respect to investments is limited due to the wide variety of investment vehicles used as part of participation in the Evangelical Lutheran Church in America (ELCA) Endowment Fund Pooled Trust and the Evangelical Lutheran Church in America Mission Investment Fund. These investments are not insured by the FDIC or any other regulatory agency. The Synod's investment portfolio is also subject to market risk.

Investments are disclosed in Notes 3 and 4 and consist largely of amounts invested in various funds by the Evangelical Lutheran Church in America Endowment Fund Pooled Trust and the Evangelical Lutheran Church in America Mission Investment Fund.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Tax positions are taken based on interpretation of federal, state and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain positions. Federal, state and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

The Synod evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 19, 2017, which is the date the financial statements were available to be issued.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - INVESTMENTS**

Investments at January 31 consist of the following:

	<u>2017</u>	<u>2016</u>
ELCA Mission Investment Fund:		
Money market fund	\$ 232,405	\$ 241,572
Certificates of deposit	45,000	-
Short-term investment fund	-	34,430
ELCA Endowment Fund Pooled Trust	<u>1,839,739</u>	<u>1,676,321</u>
	<u>\$ 2,117,144</u>	<u>\$ 1,952,323</u>

Investment income for the year ended January 31 consists of the following:

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Interest and dividends	\$ 1,609	\$ 661	\$ 2,270
ELCA pooled trust dividend	19,936	48,206	68,142
Realized/unrealized loss on investments - net	<u>84,240</u>	<u>54,058</u>	<u>138,298</u>
	<u>\$ 105,785</u>	<u>\$ 102,925</u>	<u>\$ 208,710</u>
	<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Interest and dividends	\$ 149	\$ 2,384	\$ 2,533
ELCA pooled trust dividend	40,946	27,634	68,580
Realized/unrealized gain on investments - net	<u>(97,052)</u>	<u>(63,966)</u>	<u>(161,018)</u>
	<u>\$ (55,957)</u>	<u>\$ (33,948)</u>	<u>\$ (89,905)</u>

Investment income is net of related investment expenses for the years ended January 31, 2017 and 2016.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS**

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

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

Level 2: Inputs to the valuation methodology include:

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

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Synod's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at January 31, 2017 and 2016.

*ELCA Endowment Fund Pooled Trust:* Valued at the net asset value (NAV) of the units held by the Synod, the Fund is available for exclusive investment by Evangelical Lutheran Church in America related institutions. The primary investment objective of the Fund is to provide for long term capital growth. The Fund seeks to achieve its investment objectives by investing in a diversified portfolio of equity, bond and real estate securities. Investments held at the ELCA Endowment Fund Pooled Trust include numerous securities that are combined with the investment portfolios of other ELCA related organizations. As such, they are considered Level 3 investments.



**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)**

*ELCA Mission Investment Fund:* Valued at the NAV, the Fund is available for exclusive investment by Evangelical Lutheran Church in America related institutions. The Fund participates in short-term investments offering demand, saving and term investment accounts. As such, they are considered Level 2 investments.

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

The following is a market value summary by the level of the inputs used, as of January 31, 2017 and 2016, in evaluating the Synod's assets carried at fair value. The inputs or methodologies used for valuing securities may not be an indication of the risk associated with investing in those securities.

Description	2017	2016
Level 2 measurement:		
ELCA Mission Investment Fund:		
Certificates of deposit	\$ 45,000	\$ -
Short-term investment fund	-	34,430
Level 3 measurement:		
ELCA Endowment Fund Pooled Trust	1,839,739	1,676,321
ELCA Mission Investment Fund:		
Money market funds at cost	232,405	241,572
Total	<u>\$ 2,117,144</u>	<u>\$ 1,952,323</u>

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS (Concluded)**

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance February 1, 2015	\$ 1,777,774
ELCA pooled trust dividend	68,580
Realized/unrealized gain (loss) on investments - net	(161,018)
Purchases	55,000
Proceeds from sale	<u>(64,015)</u>
Balance January 31, 2016	1,676,321
ELCA pooled trust dividend	68,142
Realized/unrealized gain (loss) on investments - net	138,298
Purchases	18,641
Proceeds from sale	<u>(61,663)</u>
Balance January 31, 2017	<u><u>\$ 1,839,739</u></u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment and their depreciable lives as of January 31, are summarized as follows:

	Estimated useful life (in years)	2017	2016
Furniture and equipment	5	\$ 28,213	\$ 25,926
Vehicles	3	<u>56,373</u>	<u>50,629</u>
		84,586	76,555
Less accumulated depreciation		<u>49,882</u>	<u>38,155</u>
Net property and equipment		<u><u>\$ 34,704</u></u>	<u><u>\$ 38,400</u></u>
Depreciation expense		<u><u>\$ 21,523</u></u>	<u><u>\$ 21,630</u></u>

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - OPERATING LEASE**

The Synod rents office space under the terms of an operating lease from a member church that expired in 2011. Future rent is based on a verbal agreement that the lease continues on a month-to-month basis. The current base monthly lease rate is \$1,400. Rent expense for the years ended January 31, 2017 and 2016 amounted to \$16,800 and \$16,800, respectively.

**NOTE 7 - RETIREMENT PLAN**

The Synod participates in a multi-employer defined contribution pension plan administered by Portico, formerly the Evangelical Lutheran Church in America Board of Pensions, which covers all full-time employees. The Synod contributes between 6 and 12 percent of each participant's annual wages. Contributions made by the Synod amounted to \$21,895 and \$21,168 for the years ended January 31, 2017 and 2016, respectively.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The Synod conducts essentially all transactions, other than purchases of goods and services and sales of certain property, with affiliated congregations. Certain administrative expenses are reimbursed by related organizations.

**NOTE 9 - NET ASSETS**

Unrestricted net assets at January 31 were comprised of the following:

	2017	2016 (as restated)
Unrestricted, designated:		
Cash flow reserve	\$ 18,780	\$ 18,780
Automobile purchases	5,603	20,000
Severance pay - called staff	20,000	20,000
Shared risk deductible	5,000	5,000
New and renewing congregations endowment fund	11,770	11,770
Synod Staff Growth Fund	5,539	5,539
Synod-designated endowment fund	495,423	457,825
Total unrestricted, designated net assets	562,115	538,914
Unrestricted, undesignated	214,475	129,949
Total unrestricted net assets	\$ 776,590	\$ 668,863

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - NET ASSETS (Continued)**

Temporarily restricted net assets at January 31 are available for the following purposes:

	2017	2016 (as restated)
Paul Trapp endowment fund	\$ 94,168	\$ 65,319
Honduran education endowment fund	48,737	44,572
New and renewing congregations endowment fund	3,353	-
Seminary education assistance endowment fund	1,723	-
Grace mission endowment fund	31,812	-
Wilson trust endowment fund	304,446	271,298
Endowment related temporarily restricted net assets	484,239	381,189
Central Muskegon ministries fund	-	12,688
New and renewing congregations fund	42,738	56,214
Seminary education assistance fund	40,136	5,000
Honduras project - church leaders education fund	133	133
Center for mission and ministry - building fund	-	4,995
Center for mission and ministry - program support fund	22,684	22,146
Ministry grant fund	-	5,155
Ionia mission fund	-	54,390
Coalitions / Multi-cultural ministries fund	67,659	17,665
ELCA - immersion mapp project fund	-	1,355
Muskegon Heights fund	-	49,994
Trinity Church, Saginaw fund	4,114	9,264
Making us one - startup grants fund	-	6,870
Prince of Peace - seminary fund	-	34,430
Prince of Peace - equipping leaders for mission and ministry scholarship fund	28,741	28,741
Honduras health team Salud Para La Vida fund	16,387	8,880
Honduras trips fund	-	696
Honduras three P's fund	6,465	6,615
Honduras women's health program fund	125	125
Honduras LaCanada kindergarten snack program fund	8,492	11,792
Papua New Guinea companion support fund	-	1,816
Outreach fund	5,003	2,426
Assistant to the Bishop fund	-	20,000
Bishop's teaching fund	6,305	1,150
Open hearts / open church fund	69	500
Interim minister's support fund	5,086	5,086
Other congregational support fund	1,070	70
Bishop's fund	720	-
Muskegon cooperative ministry	25,000	25,000
Synod staff growth fund	67,190	-
Synod disaster fund	7,284	-
Bertina W. Helmers trust fund	24,941	26,941
Total temporarily restricted net assets	\$ 864,581	\$ 801,326

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - NET ASSETS (Continued)**

Temporarily restricted net assets released as a result of satisfying their restricted purposes or by occurrence of other events specified by donors for the years ended January 31, 2017 and 2016 as presented on the statement of activities are comprised of the following:

	<u>2017</u>	<u>2016</u>
Paul Trapp endowment fund	\$ 13,300	\$ 14,000
Honduran education endowment fund	1,242	3,200
Wilson trust endowment fund	-	21,258
	<hr/>	<hr/>
Endowment related temporarily restricted net assets released	14,542	38,458
New and renewing congregations fund	23,949	-
Seminary education assistance fund	-	2,090
Center for mission and ministry - building fund	5,000	242
Center for mission and ministry - program support fund	3,066	15,306
Center for mission and ministry - regional hubs fund	-	8,437
Mamrelund, Kent City targeted fund	2,500	-
Trinity Church, Saginaw fund	5,150	149
Central Muskegon ministries fund	12,688	-
ELCA - immersion mapp project fund	1,355	-
Outreach fund	1,800	-
Open hearts / open church fund	431	-
Honduras companion support fund	15,171	29,399
Other congregational support fund	1,000	4,655
Papua New Guinea companion support fund	1,816	-
Assistant to the Bishop fund	20,000	-
New and renewing congregations fund	-	3,436
Technology fund	-	5,928
Bishop's fund	1,926	316
Bertina W. Helmers trust fund	20,000	16,100
	<hr/>	<hr/>
Total temporarily restricted net assets released	<u>\$ 130,394</u>	<u>\$ 124,516</u>

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - NET ASSETS (Concluded)**

Permanently restricted net assets at January 31 were comprised of the following:

	2017	2016 (as restated)
Paul Trapp endowment fund	\$ 279,545	\$ 279,545
New and renewing congregations endowment fund	103,998	103,998
Seminary education assistance endowment fund	76,308	76,308
Grace mission endowment fund	447,788	447,788
Total permanently restricted net assets	\$ 907,639	\$ 907,639

**NOTE 10 - ENDOWMENTS**

Endowments consist of funds established for a variety of purposes and may include both donor-restricted funds and funds internally designated to function as endowments. Restrictions are both permanent and temporary and assets associated with endowment funds are classified and reported based on the existence or absence of these restrictions.

The Synod has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as permitting the preservation of the historical value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, when directed by the gift instrument, the Synod classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until the restricted purpose has been accomplished. The Synod considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund.
2. The purposes of the organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the organization
7. The investment policies of the Synod.

The Synods investment and spending practices for endowment assets attempt to provide a predictable stream of funding to programs supported while seeking to maintain the purchasing power of the endowment assets.

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - ENDOWMENTS (Continued)**

Investment earnings from donor-restricted endowment funds are classified as unrestricted income absent explicit donor stipulations to the contrary. In the event that the fair value of donor-restricted endowment funds falls below the level required to be maintained in perpetuity, the resulting deficiency is recorded as a reduction of unrestricted net assets. Deficiencies of this nature amounted to \$9,831 and \$42,549 at January 31, 2017 and 2016, respectively. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs deemed prudent by the Synod.

Changes in endowment net assets are as follows:

	Unrestricted, designated	Unrestricted, undesignated	Total unrestricted	Temporarily restricted	Permanently restricted	Total net endowment assets
Endowment net assets at February 1, 2015 (as restated)	\$ 502,328	\$ (11,719)	\$ 490,609	\$ 455,979	\$ 852,639	\$ 1,799,227
Contributions	-	-	-	-	55,000	55,000
Investment return:						
Investment income	19,227	21,719	40,946	27,634	-	68,580
Net depreciation	(44,503)	(52,549)	(97,052)	(63,966)	-	(161,018)
Appropriation of endowment assets for expenditure	(19,227)	-	(19,227)	(38,458)	-	(57,685)
Endowment net assets at January 31, 2016	457,825	(42,549)	415,276	381,189	907,639	1,704,104
Investment return:						
Investment income	18,532	1,404	19,936	48,206	-	68,142
Net appreciation	37,598	46,642	84,240	54,058	-	138,298
Transfer - reclassify donor investments	-	(15,328)	(15,328)	15,328	-	-
Appropriation of endowment assets for expenditure	(18,532)	-	(18,532)	(14,542)	-	(33,074)
Endowment net assets at January 31, 2017	\$ 495,423	\$ (9,831)	\$ 485,592	\$ 484,239	\$ 907,639	\$ 1,877,470

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - ENDOWMENTS (Concluded)**

The composition of endowment net assets at January 31 were comprised of the following:

	2017	2016
Cash and cash equivalents	\$ 37,731	\$ 27,783
ELCA Endowment Fund Pooled Trust (Note 3)	1,839,739	1,676,321
Endowment net assets	\$ 1,877,470	\$ 1,704,104

The composition of endowment net assets at January 31, 2017, were comprised of the following:

	Unrestricted, designated	Unrestricted, undesignated	Total unrestricted	Temporarily restricted	Permanently restricted	Total net endowment assets
Synod-designated fund	\$ 495,423	\$ -	\$ 495,423	\$ -	\$ -	\$ 495,423
Paul Trapp fund	-	-	-	94,168	279,545	373,713
New and renewing congregations fund	-	-	-	3,353	103,998	107,351
Seminary education assistance fund	-	-	-	1,723	76,308	78,031
Honduran education fund	-	-	-	48,737	-	48,737
Wilson trust fund	-	-	-	304,446	-	304,446
Grace mission fund	-	(9,831)	(9,831)	31,812	447,788	469,769
	\$ 495,423	\$ (9,831)	\$ 485,592	\$ 484,239	\$ 907,639	\$ 1,877,470

The composition of endowment net assets at January 31, 2016 (as restated), were comprised of the following:

	Unrestricted, designated	Unrestricted, undesignated	Total unrestricted	Temporarily restricted	Permanently restricted	Total net endowment assets
Synod-designated fund	\$ 457,825	\$ -	\$ 457,825	\$ -	\$ -	\$ 457,825
Paul Trapp fund	-	-	-	65,319	279,545	344,864
New and renewing congregations fund	-	(8,475)	(8,475)	-	103,998	95,523
Seminary education assistance fund	-	(6,335)	(6,335)	-	76,308	69,973
Honduran education fund	-	-	-	44,572	-	44,572
Wilson trust fund	-	-	-	271,298	-	271,298
Grace mission fund	-	(27,739)	(27,739)	-	447,788	420,049
	\$ 457,825	\$ (42,549)	\$ 415,276	\$ 381,189	\$ 907,639	\$ 1,704,104



**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - FUNCTIONAL REPORTING**

The Synod reports its expenses in the statement of activities in a manner that facilitates management's oversight. For purposes of functional reporting, expenses relating to supporting various program activities have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Program services	\$ 1,431,817	\$ 1,472,275
Support services	<u>170,013</u>	<u>173,650</u>
Total expenses	<u>\$ 1,601,830</u>	<u>\$ 1,645,925</u>

**NOTE 12 - PRIOR PERIOD ADJUSTMENT**

During the year ended January 31, 2017, the Synod performed additional analysis and identified and reclassified net assets that had been previously reported as temporarily restricted net assets. This correction had no effect on total net assets at January 31, 2017 and 2016, or on total change in net assets for the years then ended. The effect of the reclassification of net assets is as follows:

	<u>Unrestricted</u>			Temporarily restricted	Permanently restricted	<u>Total</u>
	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>			
Balance January 31, 2015, as previously reported	\$ (16,956)	\$ 562,157	\$ 545,201	\$1,121,801	\$ 842,639	\$2,509,641
Prior period adjustment	<u>209,656</u>	<u>-</u>	<u>209,656</u>	<u>(219,656)</u>	<u>10,000</u>	<u>-</u>
Balance January 31, 2015, as restated	192,700	562,157	754,857	902,145	852,639	2,509,641
Change in net assets	<u>(62,751)</u>	<u>(23,243)</u>	<u>(85,994)</u>	<u>(100,819)</u>	<u>55,000</u>	<u>(131,813)</u>
Balance January 31, 2016	129,949	538,914	668,863	801,326	907,639	2,377,828
Change in net assets	<u>84,526</u>	<u>23,201</u>	<u>107,727</u>	<u>63,255</u>	<u>-</u>	<u>170,982</u>
Balance January 31, 2017	<u>\$ 214,475</u>	<u>\$ 562,115</u>	<u>\$ 776,590</u>	<u>\$ 864,581</u>	<u>\$ 907,639</u>	<u>\$2,548,810</u>

**SUPPLEMENTARY INFORMATION**

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
UNRESTRICTED BUDGET TO ACTUAL SCHEDULE  
YEAR ENDED JANUARY 31, 2017**

	Budget	Actual	Favorable (unfavorable)
<b>REVENUES AND SUPPORT:</b>			
Mission support	\$ 1,477,292	\$ 1,349,004	\$ (128,288)
Center for mission and ministry	-	26,029	26,029
Committee revenue	22,000	10,697	(11,303)
Investment income (loss) - net	19,150	105,785	86,635
Grant revenue	20,000	44,730	24,730
Registration fees - leadership event	8,000	4,089	(3,911)
Registration fees - synod assembly	65,000	46,787	(18,213)
Synod-wide revenue	6,000	3,264	(2,736)
Transfers from closed congregations	-	1,057	1,057
Other income	-	3,049	3,049
Transfers - reclassify donor contributions		(15,328)	(15,328)
Net assets released from restrictions	67,000	130,394	63,394
Total revenues and support	<u>1,684,442</u>	<u>1,709,557</u>	<u>25,115</u>
<b>EXPENSES:</b>			
Program services:			
Agency-organizational ministry support:			
ELCA church-wide support	738,646	674,502	64,144
Capital University and Wittenberg University	3,000	3,000	-
Living Water Ministries	42,000	40,000	2,000
Lutheran Social Services of Michigan	3,000	3,000	-
Region 6 support (includes archives)	9,060	9,256	(196)
Trinity Lutheran Seminary	25,000	25,000	-
Total agency-organizational ministry support	<u>820,706</u>	<u>754,758</u>	<u>65,948</u>
Synod ministries:			
Closed congregation expense	-	5,150	(5,150)
Synod assembly	65,000	47,119	17,881
Synod council	9,000	21,058	(12,058)
Total synod ministries	<u>74,000</u>	<u>73,327</u>	<u>673</u>
Special programs:			
Paul Trapp endowment	-	13,300	(13,300)
Center for mission and ministry	-	19,712	(19,712)
Honduras companion support	-	15,939	(15,939)
Papua New Guinea program support	-	1,816	(1,816)
N. Ottawa County Mission	-	5,000	(5,000)
Honduran education fund	-	1,242	(1,242)
New and renewing congregations	-	23,949	(23,949)
Other congregational support	-	1,000	(1,000)
Total special programs	<u>-</u>	<u>81,958</u>	<u>(81,958)</u>
Program support:			
Faith formation table committee	1,500	301	1,199
Publically engaged church committee	19,000	20,765	(1,765)
Communication committee	2,000	-	2,000
Mission support table committee	4,000	2,035	1,965

**NORTH/WEST LOWER MICHIGAN SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA  
UNRESTRICTED BUDGET TO ACTUAL SCHEDULE  
YEAR ENDED JANUARY 31, 2017**

	Budget	Actual	Favorable (unfavorable)
EXPENSES (Concluded):			
Program services (Concluded):			
Program support (Concluded):			
Global missions committee	\$ 10,000	\$ 9,980	\$ 20
Ministry committee	40,000	26,546	13,454
Campus ministry committee	45,000	55,730	(10,730)
Multicultural ministry committee	2,000	349	1,651
Communication committee	-	2,252	(2,252)
New and redeveloping congregations table committee	52,000	67,639	(15,639)
Renewing congregations table committee	2,000	3,334	(1,334)
Worship committee	1,500	173	1,327
Youth committee	2,000	2,646	(646)
Total program support	<u>181,000</u>	<u>191,750</u>	<u>(10,750)</u>
Total program services	<u>1,075,706</u>	<u>1,101,793</u>	<u>(26,087)</u>
Support services:			
Staff salaries and benefits:			
Salary - administrative support staff	86,920	45,137	41,783
Salary and housing - called staff	166,500	161,908	4,592
Salary - deployed staff	68,711	53,516	15,195
Social security allowance	19,314	17,966	1,348
Payroll taxes	11,901	7,932	3,969
Health insurance and retirement	111,110	79,629	31,481
Continuing education	3,180	1,253	1,927
Other insurance	5,300	4,213	1,087
Total staff salaries and benefits	<u>472,936</u>	<u>371,554</u>	<u>101,382</u>
Synod administration:			
Bishop's discretionary fund	4,000	1,926	2,074
Insurance - operating	8,500	11,164	(2,664)
Lease expense	16,800	16,800	-
Office equipment - maintenance	8,000	5,414	2,586
Office supplies	9,000	7,943	1,057
Postage	3,500	3,221	279
Professional fees	18,000	22,036	(4,036)
Telephone	10,000	7,806	2,194
Travel - staff	36,000	29,951	6,049
(Gain) loss on disposal of assets	-	(1,144)	1,144
Website and network	5,000	1,843	3,157
Total synod administration	<u>118,800</u>	<u>106,960</u>	<u>11,840</u>
Depreciation expense	<u>12,000</u>	<u>21,523</u>	<u>(9,523)</u>
Total support services	<u>603,736</u>	<u>500,037</u>	<u>103,699</u>
Total expenses	<u>1,679,442</u>	<u>1,601,830</u>	<u>77,612</u>
CHANGE IN NET ASSETS	<u>\$ 5,000</u>	<u>\$ 107,727</u>	<u>\$ 102,727</u>