

**SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
JANUARY 31, 2016**



**thurman,
comes,
foley
& co., llp**

certified public accountants
and consultants

**SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA**

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INDEPENDENT AUDITORS' REPORT

Synod Council and Executive Committee
South Dakota Synod Evangelical Lutheran Church in America
Sioux Falls, South Dakota

We have audited the accompanying financial statements of the **SOUTH DAKOTA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA** (a South Dakota nonprofit organization) which comprise the statement of financial position – modified cash basis as of January 31, 2016 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended – modified cash basis, 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 the modified cash basis as described in Note 1; this includes determining that the modified cash basis accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of American. Those standards require that we plan and perform the audit 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 South Dakota Synod, Evangelical Lutheran Church in America as of January 31, 2016, and the related statements of activities and changes in its net assets, function expenses and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Norte 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Thurman Comes Foley & Co LLP

Sioux Falls, South Dakota

May 2, 2016

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

JANUARY 31, 2016

	<u>General</u>	<u>Property and Equipment</u>	<u>Endowment</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents				
Interest bearing	\$ 683,761	\$ -	\$ 299,106	\$ 982,867
ELCA investment certificates	290,829	-	100,000	390,829
Equity securities	-	-	3,490,576	3,490,576
Debt securities	-	-	719,508	719,508
Cash surrender value insurance	-	-	-	-
Accrued income	772	-	-	772
Accounts receivable	246	-	-	246
Property and equipment				
Building and improvements	-	1,394,522	-	1,394,522
Furniture and equipment	-	271,580	-	271,580
Less-accumulated depreciation	-	(770,073)	-	(770,073)
Real estate	-	-	1,501,052	1,501,052
	<u>-</u>	<u>-</u>	<u>1,501,052</u>	<u>1,501,052</u>
 Total assets	 <u>\$ 975,608</u>	 <u>\$ 896,029</u>	 <u>\$ 6,110,242</u>	 <u>\$ 7,981,879</u>
LIABILITIES AND NET ASSETS				
Notes payable	\$ -	\$ 39,407	\$ -	\$ 39,407
Accrued liabilities	101	-	246	347
Deferred Income	50,177	-	-	50,177
	<u>50,278</u>	<u>39,407</u>	<u>246</u>	<u>89,931</u>
 Total liabilities	 50,278	 39,407	 246	 89,931
 Net assets				
Unrestricted				
Undesignated	190,806	-	-	190,806
Board designated	123,991	-	-	123,991
Temporarily restricted	610,533	-	-	610,533
Property and equipment	-	856,622	-	856,622
Permanently restricted				
Quasi-endowment	-	-	53,207	53,207
Restricted-endowment	-	-	6,056,789	6,056,789
	<u>925,330</u>	<u>856,622</u>	<u>6,109,996</u>	<u>7,891,948</u>
 Total net assets	 <u>925,330</u>	 <u>856,622</u>	 <u>6,109,996</u>	 <u>7,891,948</u>
 Total liabilities and net assets	 <u>\$ 975,608</u>	 <u>\$ 896,029</u>	 <u>\$ 6,110,242</u>	 <u>\$ 7,981,879</u>

See accompanying notes.

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED JANUARY 31, 2016

	Annual Budget	Unrestricted	Board Designated and Restricted	Property and Equipment	Endowment	Total
Revenues, Gifts and Other Support						
Contributions						
Congregational Benevolence	\$ 1,754,418	\$ 1,745,454	\$ -	-	\$ -	\$ 1,745,454
Designated Gifts	-	-	157,527	-	-	157,527
Restricted Gifts	-	-	1,391,607	-	-	2,223,508
Investment Income	7,500	7,353	-	-	831,901	171,638
Net Realized Loss in Securities	-	-	-	-	(12,219)	(12,219)
Net Unrealized Gain in Securities	-	-	-	-	(370,931)	(370,931)
SD Synod Mission Support	44,568	49,671	-	-	-	49,671
SDS Travel LLC Income	5,000	8,962	-	-	-	8,962
SDS Transportation	25,000	19,633	-	-	-	19,633
Pine Ridge Ministry	88,441	45,000	-	-	-	45,000
DEM Support Staff	15,000	15,000	-	-	-	15,000
Other	-	8,351	-	-	-	8,351
Total Revenues, Gifts and Other Support	1,939,927	1,899,424	1,549,134	-	620,389	4,068,947
Functional Expenses						
Synod Administration	543,337	523,704	-	-	-	523,704
Synod Programs	20,200	14,472	-	-	-	14,472
Synod Supported Ministries	264,028	266,324	-	-	-	266,324
Synod Sustained Ministries	135,422	134,392	-	-	-	134,392
Outreach Ministries	19,500	18,399	-	-	-	18,399
Region III	15,380	15,380	-	-	-	15,380
ELCA Ministries	789,488	785,454	-	-	-	785,454
Native American Ministries	125,959	76,458	-	-	-	76,458
Synod Youth Ministry	14,403	14,253	-	-	-	14,253
Campaign Synod Coordinator	10,984	11,280	-	-	-	11,280
Contingency	1,226	-	-	-	-	-
Depreciation:						
Furniture and Equipment	-	-	-	20,581	-	20,581
Building	-	-	-	34,353	-	34,353
Investment Expense	-	-	-	-	17,785	17,785
Other Distributions	-	-	1,389,832	-	221,514	1,611,346
Loss on Disposal	-	5,009	-	-	-	5,009
Total Functional Expenses	1,939,927	1,865,125	1,389,832	54,934	239,299	3,549,190
Net Increase (Decrease) in Net Assets	-	34,299	159,302	(54,934)	381,090	519,757
Transfers						
Net Assets, Beginning of Year	-	(19,157)	(1,087)	20,244	-	-
Net Assets, End of Year		175,664	576,309	891,312	5,728,906	7,372,191
		\$ 190,806	\$ 734,524	\$ 856,622	\$ 6,109,996	\$ 7,861,948

See accompanying notes.

See accompanying notes.

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JANUARY 31, 2016

	Annual Budget	Unrestricted	Property and Equipment	Endowment	Total
Synod Administration					
Bishop Salary	\$ 53,532	\$ 54,936	\$ -	\$ -	\$ 54,936
Bishop Housing	51,404	50,000	-	-	50,000
Bishop Pension	36,012	35,954	-	-	35,954
Associate/Director Evangelical Mission Salary	12,013	12,013	-	-	12,013
Associate Mobility/Candidacy Salary	79,286	79,286	-	-	79,286
Associate Mobility/Candidacy Social Security	6,065	6,146	-	-	6,146
Associate Mobility/Candidacy Pension	21,516	21,454	-	-	21,454
Exec Staff Continuing Education	3,800	3,800	-	-	3,800
Exec Staff Travel	15,000	20,933	-	-	20,933
SDS Transportation Travel	50,000	38,955	-	-	38,955
Contra-Auto Loans	(5,434)	(8,905)	-	-	(8,905)
Exec Staff Professional Expenses	4,000	4,000	-	-	4,000
Staff Salaries	109,814	107,815	-	-	107,815
Staff Pensions	32,676	32,744	-	-	32,744
Staff Continuing Education	720	240	-	-	240
Employer Social Security	8,401	7,746	-	-	7,746
Utilities, Cleaning, Etc. Reimbursed to Augustana	25,584	26,040	-	-	26,040
Supplies	12,000	10,714	-	-	10,714
Printing	1,000	2,613	-	-	2,613
Postage	6,000	3,525	-	-	3,525
Telephone	7,500	6,705	-	-	6,705
Equipment Maintenance/Rent	5,665	2,788	-	-	2,788
Insurance	16,500	14,271	-	-	14,271
Auditing	7,464	7,888	-	-	7,888
Synod Council Travel	2,500	2,883	-	-	2,883
Synod Council Hospitality	3,000	1,426	-	-	1,426
Lutherans Outdoors Offset	(22,681)	(22,266)	-	-	(22,266)
Total Synod Administration	\$ 543,337	\$ 523,704	\$ -	\$ -	\$ 523,704
Synod Programs					
Resource Center	\$ 250	\$ 135	\$ -	\$ -	\$ 135
Support to Ministries Travel	1,500	2,436	-	-	2,436
Support to Ministries Hospitality	1,000	1,693	-	-	1,693
Support to Ministries Program	1,000	10	-	-	10
Candidacy Travel	1,500	1,194	-	-	1,194
Candidacy Hospitality	3,000	1,505	-	-	1,505
Candidacy Programs	2,500	(327)	-	-	(327)
Electronic Communications	2,500	1,312	-	-	1,312

See accompanying notes.

See accompanying notes.

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JANUARY 31, 2016

	Annual Budget	Unrestricted	Hard Designated and Restricted	Property and Equipment	Endowment	Total
Synod Programs (Continued)						
Evangelical Outreach	1,500	1,500	-	-	-	1,500
Companion Synods Ministry	500	194	-	-	-	194
Stewardship Projects	1,000	1,000	-	-	-	1,000
Continuing Education Projects	250	250	-	-	-	250
Multi-Cultural Ministry Committee	1,700	1,700	-	-	-	1,700
Mission Table Strategy	2,000	1,870	-	-	-	1,870
Total Synod Programs	\$ 20,200	\$ 14,472	-	\$ -	\$ -	\$ 14,472
Synod Supported Ministries						
SD Ministries Support	\$ 20,056	\$ 22,352	-	\$ -	\$ -	\$ 22,352
Luther Seminary	70,700	70,700	-	-	-	70,700
Church Colleges	6,117	6,117	-	-	-	6,117
Lutheran Social Services	70,700	70,700	-	-	-	70,700
Lutherans Outdoors	35,260	35,260	-	-	-	35,260
Assn Christian Churches	1	1	-	-	-	1
Good Samaritan Society	1	1	-	-	-	1
Chapel in the Hills	1	1	-	-	-	1
Lutheran Planned Giving	61,192	61,192	-	-	-	61,192
Total Synod Supported Ministries	\$ 264,028	\$ 266,324	-	\$ -	\$ -	\$ 266,324
Synod Sustained Ministries						
Campus Ministry	\$ 124,670	\$ 124,670	-	\$ -	\$ -	\$ 124,670
Heartland Ephphatha	6,117	6,117	-	-	-	6,117
Lutheran Youth Organization	3,605	3,605	-	-	-	3,605
Campus Capital	1,030	-	-	-	-	-
Total Synod Sustained Ministries	\$ 135,422	\$ 134,392	-	\$ -	\$ -	\$ 134,392
Outreach Ministries						
Mission Congregation Startup	\$ 4,000	\$ 4,000	-	\$ -	\$ -	\$ 4,000
Companion Synod	500	400	-	-	-	400
Multicultural Center	15,000	13,999	-	-	-	13,999
Total Outreach Ministries	\$ 19,500	\$ 18,399	-	\$ -	\$ -	\$ 18,399
Region III						
	\$ 15,380	\$ 15,380	-	\$ -	\$ -	\$ 15,380
ELCA Ministries						
	\$ 789,488	\$ 785,454	-	\$ -	\$ -	\$ 785,454

See accompanying notes.

See accompanying notes.

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JANUARY 31, 2016

	Annual Budget	Unrestricted	and Designated and Restricted	Property and Equipment	Endowment	Total
Native American Ministries						
Salary	\$ 37,100	\$ 40,053	-	\$ -	-	\$ 40,053
Housing	17,278	13,235	-	-	-	13,235
Pension	13,644	16,401	-	-	-	16,401
Employer Social Security	4,160	4,077	-	-	-	4,077
Travel	6,060	2,692	-	-	-	2,692
Continuing Education	800	-	-	-	-	-
Assistant Salary	30,000	-	-	-	-	-
Assistant Pension	11,172	-	-	-	-	-
Assistant Employer Social Security	2,295	-	-	-	-	-
Assistant Travel	3,000	-	-	-	-	-
Assistant Continuing Education	450	-	-	-	-	-
Total Native American Ministries	\$ 125,959	\$ 76,458	-	\$ -	-	\$ 76,458
Synod Youth Ministry Coordinator						
Salary	\$ 12,636	\$ 12,636	-	\$ -	-	\$ 12,636
Employer Social Security	967	967	-	-	-	967
Travel	500	350	-	-	-	350
Continuing Education	300	300	-	-	-	300
Total Synod Youth Ministry Coordinator	\$ 14,403	\$ 14,253	-	\$ -	-	\$ 14,253
Companion Synod Coordinator						
Salary	\$ 9,042	\$ 9,042	-	\$ -	-	\$ 9,042
Employer Social Security	692	692	-	-	-	692
Travel	1,250	1,546	-	-	-	1,546
Total Companion Synod Coordinator	\$ 10,984	\$ 11,280	-	\$ -	-	\$ 11,280
Contingency	\$ 1,226	\$ -	-	\$ -	-	\$ -
Depreciation:						
Furniture and Equipment	\$ -	\$ -	-	\$ 20,581	-	\$ 20,581
Building	-	-	-	34,353	-	34,353
Total Depreciation	\$ -	\$ -	-	\$ 54,934	-	\$ 54,934
Investments Expense	\$ -	\$ -	-	\$ -	17,785	\$ 17,785
Other Distributions	\$ -	\$ -	1,389,832	\$ -	221,514	\$ 1,611,346
Loss on Disposal	\$ -	\$ 5,009	-	\$ -	-	\$ 5,009
Total Functional Expenses	\$ 1,939,927	\$ 1,865,125	1,389,832	\$ 54,934	239,299	\$ 3,549,190

See accompanying notes.

See accompanying notes.

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF CASH FLOWS

JANUARY 31, 2016

	<u>General</u>	<u>Property and Equipment</u>	<u>Endowment</u>	<u>Totals</u>
Cash Flows from Operating Activities				
Change in net assets	\$ 193,601	\$ (54,934)	\$ 381,090	\$ 519,757
Adjustments to reconcile to net cash used by operating activities:				
Depreciation	-	54,934	-	54,934
Net realized gain	-	-	(12,219)	(12,219)
Unrealized loss	-	-	370,931	370,931
Earnings reinvested	(1,339)	-	(134,003)	(135,342)
Noncash Contributions	(7,000)	-	-	(7,000)
Loss on Disposition	5,009	-	-	5,009
Changes in operating assets and liabilities:				
Accrued income	4	-	-	4
Accounts receivable	71	-	-	71
Accrued liabilities	6	-	-	6
Other	(42,753)	42,753	-	-
Deferred Income	28,561	-	-	28,561
Life Insurance	-	-	198,090	198,090
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	176,160	42,753	803,889	1,022,802
Cash Flows from Investment Activities				
Property and equipment purchases	-	(64,284)	-	(64,284)
Investment purchases	-	-	308,641	308,641
Investment sales and maturities	-	-	(1,217,891)	(1,217,891)
Sales proceeds	24,500	-	-	24,500
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used by investment activities	24,500	(64,284)	(909,250)	(949,034)
Cash Flows from Financing Activities				
Payments on long term borrowings	-	(8,903)	-	(8,903)
Long term borrowings provided	-	30,434	-	30,434
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by financing activities	-	21,531	-	21,531
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in cash	200,660	-	(105,361)	95,299
Cash, Beginning of year	483,101	-	404,467	887,568
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Cash, End of year	\$ 683,761	\$ -	\$ 299,106	\$ 982,867
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See accompanying notes.

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Date of Management's review

Management has evaluated subsequent events through May 2, 2016, the date which the financial statements were available to be issued.

b. Nature of Activities

The South Dakota Synod – ELCA was organized for the purpose of providing oversight and support to the Evangelical Lutheran Church congregations and organizations in South Dakota. The Synod is a member of the Evangelical Lutheran Church in America and is supported primarily through donations from member congregations and individual donors.

c. Basis of Accounting

The accounts of the Synod are maintained on the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recorded as they are paid rather than as the benefits are recognized. That basis differs from generally accepted accounting principles primarily because the Synod has not recognized unconditional promises to give from members as pledges receivable in the accompanying financial statements.

d. Method of Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the organization, the accounts of the organization are grouped into asset groups. Resources are classified according to their nature and purposes. Separate accounts are maintained for each asset, however, in the accompanying financial statements, those having similar characteristics have been combined.

The assets, liabilities, and net assets of the organization are reported in four self-balancing asset groups as follows:

General, which includes unrestricted and restricted resources, represents the portion of expendable assets that are available for support of operations. Restricted resources are further classified as follows:

Board designated – resources which have been set aside from the general fund for a specific purpose designated by the board. Designations can be changed by the board as need arises.

Donor restricted – contributions to the Synod for which the donor has specified the purpose for which the assets are to be used.

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Method of Accounting (Continued)

Property and equipment, which represents resources restricted for plant acquisitions.

Endowment, which represents assets that are subject to restrictions of gift instruments or that have been designated by the Synod Council. The individual endowment accounts are as follows:

Restricted-endowment account - contributions to the Synod for which the donor has limited distributions to the income from the principal and has specified the purpose for which the income is to be used.

Term-endowment account - contributions to the Synod for which the donor has allowed distributions to be made from both the income and the principal and has specified the purpose for which the assets are to be used.

Quasi-endowment account - contributions to the Synod for which the donor has not specified a particular purpose and which have been designated by the Synod Council, either on a specific action or by standing resolution, to be placed in the Endowment.

Account balances will be independently maintained for accounting purposes. However, assets of the accounts may be pooled for investment purposes.

e. Property and Equipment

All fixed assets are recorded at cost with the exception of contributed fixed assets, which are recorded at fair value.

It is the policy of the Synod to provide depreciation based on the estimated useful life of the individual items. Depreciation methods and estimated useful lives are as follows:

	<u>Method</u>	<u>Estimated Useful Lives</u>
Building and improvements	Straight-line	40 years
Furniture and equipment	Straight-line	5-10 years

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles-modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

g. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Synod considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

h. Concentration of Credit Risk

The Synod maintains its cash balances at several financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the Synod maintains cash balances in excess of this limit.

i. Income Taxes

The Synod is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Synod has evaluated the compliance rules of this Code Section and has determined that they continue to maintain this favorable tax position.

2. INVESTMENT SECURITIES - ENDOWMENT

Investments in marketable securities with readily determinable fair values and all investments in debt and equity securities are valued at their fair market values in the statement of financial position. These Unrealized gains and losses are included in the change in net assets.

	<u>Cost*</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Market Value**</u>
Equity securities	\$ 3,795,412	\$ (304,836)	\$ 3,490,576
Debt securities	\$ 716,048	\$ 3,460	\$ 719,508

*The above cost amounts include reinvested earnings.

**Fair Market Value was based on Level 1 inputs, quoted prices in active markets for identical assets.

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
NOTES TO FINANCIAL STATEMENTS

3. BUILDING

Effective March 1, 2012, the Synod and Augustana University entered into a building ownership and an occupancy agreement. As a condition of ownership, the agreement stipulates that Augustana agrees to make a payment of \$200,000 to the Synod to be used by the Synod to pay off remaining debt associated with the facility. An additional payment will be made from Augustana if the Synod vacates the building prior to 2034. The occupancy agreement requires the Synod to pay a monthly occupancy fee of \$2,170. The Synod may vacate the premises in their sole discretion.

4. PENSION PLAN

The Synod participates in the pension plan sponsored by the Evangelical Lutheran Church in America which covers religious and lay personnel. Total pension plan expense was \$52,735.

5. PERMANENTLY RESTRICTED NET ASSETS

The permanently restricted net assets are comprised of the following:

Quasi-Endowment	\$ 53,207
Restricted-Endowment	<u>6,056,789</u>
	<u>\$ 6,109,996</u>

6. NOTE PAYABLE

Note payable to Home Federal Bank, due in 60 monthly installments of \$499, including interest at 3.59%, secured by a vehicle	\$ 12,449
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Note payable to BMO-Harris Bank, due in 72 monthly installments of \$619, including interest at 2.99%, secured by a vehicle	<u>26,958</u>
Total Notes Payable	<u>\$ 39,407</u>

Principal payment requirements to be made in subsequent years are summarized as follows:

year ending January 31, 2017	\$ 12,420
2018	12,756
2019	8,124
2020	<u>6,107</u>
	<u>\$ 39,407</u>



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Synod Council and
Executive Committee
South Dakota Synod
Evangelical Lutheran Church in America
Sioux Falls, South Dakota

Our report on our audit of the basic financial statements of the **SOUTH DAKOTA SYNOD, EVANGELICAL LUTHERAN CHURCH IN AMERICA** as of January 31, 2016, appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included on pages 13, 14 and 15 are presented for purposes of additional information analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Thurman Comes Foley & Co LLP

Sioux Falls, South Dakota

May 2, 2016

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF CHANGES IN BOARD DESIGNATED ASSETS
JANUARY 31, 2016

	Balance <u>1/31/2015</u>	Gifts <u>Received</u>	<u>Expenditures</u>	<u>Transfers</u>	Balance <u>1/31/2016</u>
Board Designated					
Occupancy Upkeep & Repairs	\$ 16,385	\$ -	\$ -	\$ -	\$ 16,385
Office Equipment	5,812	-	-	-	5,812
Bishop Election/Transition	30,004	-	-	25,000	55,004
Stewardship Projects	19,676	3,332	2,693	-	20,315
Continuing Education	5,116	87,645	82,651	-	10,110
Fall Theological Conference	255	9,399	9,654	-	-
Bridge Builders	-	249	249	-	-
Youth Certification School	2,870	-	-	-	2,870
First Call Retreat Program	400	-	-	-	400
Stewardship The Call	750	-	-	-	750
LYO Synod Gathering	659	-	299	-	360
Synod Assembly Fund	13,102	55,754	34,650	(25,000)	9,206
Companion Synod Promotions	512	-	210	-	302
Multi-Cultural Ministry	1,329	1,148	-	-	2,477
Total Board Designated	<u>\$ 96,870</u>	<u>\$ 157,527</u>	<u>\$ 130,406</u>	<u>\$ -</u>	<u>\$ 123,991</u>

SOUTH DAKOTA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

STATEMENT OF CHANGES IN DONOR RESTRICTED ASSETS

JANUARY 31, 2016

	Balance 1/31/2015	Gifts Received	Expenditures	Transfers	Balance 1/31/2016
Donor Restricted					
Pine Ridge/Lutheran Lakota Ministry	\$ 16,754	\$ 55,574	\$ 45,064	\$ -	27,264
Heartland Ephphatha	-	38,278	34,187	-	4,091
Lutheran Youth Organization	13,313	9,025	14,155	-	8,183
Campus Min Capital Reserves	2,020	-	-	-	2,020
Woyatan Multicultural	9,014	19,259	12,689	-	15,584
Listen, God Is Calling	(37,107)	362,151	182,767	(1,087)	141,190
Answer The Call	44,882	56,179	36,599	-	64,462
African Ministry	13,231	12,463	11,503	-	14,191
Answer The Call - WELCA	300	6,889	7,189	-	-
KA Yela Dyate	875	-	50	-	825
Westside Lutheran SF	-	22,938	22,938	-	-
Table of Grace	-	51,903	33,594	-	18,309
Ethiopian Community	468	-	-	-	468
Intentional Christ	10,002	22,000	12,010	-	19,992
Marty's Mug	21,540	2,325	8,693	-	15,172
SD Pastor Conference	8,098	8,612	6,653	-	10,057
SD Ministries Support	7,285	22,352	20,000	-	9,637
New Mission Start (SF)	2,109	-	1,346	-	763
SD Hunger Relief	3,447	614	10	-	4,051
Pastors' Sem Indebtedness	313	91,817	82,015	-	10,115
Seminary Student Fund	19,509	43,466	34,505	-	28,470
SD Mission Partners/Mission Booster	19,460	53,370	48,135	-	24,695
SD Disaster Relief	-	7,266	7,266	-	-
C Engen Seminary Scholarship	77,446	61,437	138,827	-	56
Synod Assembly Offering	-	8,533	8,533	-	-
Endowment Distributions	34,435	51,954	51,424	-	34,965
Monthly Pass-Through	2,458	90,340	92,340	-	458
New Hope Salary	3,409	-	-	-	3,409
BOP 1% Wellness Reward	25,053	27,234	32,141	-	20,146
Latino Emerging Ministry	20,330	91,669	88,046	-	23,953
Faith Family Style	10,498	-	-	-	10,498

SOUTH DAKOTA SYNOD
EVANGELICAL LUTHERAN CHURCH IN AMERICA
STATEMENT OF CHANGES IN DONOR RESTRICTED ASSETS

JANUARY 31, 2016

	Balance <u>1/31/15</u>	Gifts <u>Received</u>	<u>Expenditures</u>	<u>Transfers</u>	Balance <u>1/31/2016</u>
Donor Restricted (Continued)					
Faith Builders	11,965	48,883	48,508	-	12,340
Book Of Faith Initiative	741	-	-	-	741
Peace Fund	12,030	1,833	1,200	-	12,663
Bishops Discretionary Fund	9,789	14,180	13,689	-	10,280
Exec Staff Cont Education	8,211	814	1,436	-	7,589
Cameroon Projects	29,342	16,487	31,390	-	14,439
Nicaragua Projects	20,531	55,936	52,636	-	23,831
Comp Synods-Traveling To	307	-	-	-	307
Comp Synods-Traveling From	5,189	-	3,045	-	2,144
Train Up A Child	4,107	5,823	6,800	-	3,130
Cameroon Roofs 6 by 7	43,683	21,488	58,000	-	7,171
Nicaragua Missionary IFLE	4,402	8,515	10,043	-	2,874
Total Donor Restricted	<u>\$ 479,439</u>	<u>\$1,391,607</u>	<u>\$ 1,259,426</u>	<u>\$ (1,087)</u>	<u>\$ 610,533</u>
Total Board Designated and Donor Restricted	<u>\$ 576,309</u>	<u>\$1,549,134</u>	<u>\$ 1,389,832</u>	<u>\$ (1,087)</u>	<u>\$ 734,524</u>