

**The Southeastern Synod of the
Evangelical Lutheran Church in
America, Inc. and Affiliate**

Atlanta, Georgia

**Consolidated Financial Statements and Supplementary
Information**

Years Ended January 31, 2018 and 2017

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Consolidated Financial Statements and Supplementary Information

Years Ended January 31, 2018 and 2017

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Independent Auditor's Report

Board of Directors

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate
Milwaukee, Wisconsin

We have audited the accompanying financial statements of The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate (the "Organization") which comprise the consolidated statements of financial position as of January 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of January 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information appearing on pages 21 through 24 is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP

Milwaukee, Wisconsin

May 29, 2018

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Consolidated Statements of Financial Position

January 31, 2018 and 2017

<i>Assets</i>	2018	2017
Current assets:		
Cash and cash equivalents	\$ 1,352,038	\$ 1,042,148
Contributions receivable	92,757	55,413
Prepaid expenses	31,296	33,939
Total current assets	1,476,091	1,131,500
Property and equipment - Net	1,837,253	1,299,144
Other Assets:		
Notes receivable	28,579	28,579
Investments	2,547,760	2,427,166
Other	6,500	6,500
TOTAL ASSETS	\$ 5,896,183	\$ 4,892,889
<i>Liabilities and Net Assets</i>	2018	2017
Current liabilities:		
Accounts payable and accrued expenses	\$ 203,765	\$ 204,447
Net assets:		
Unrestricted:		
Undesignated	640,906	1,155,968
Board designated	1,530,275	370,127
Total unrestricted	2,171,181	1,526,095
Temporarily restricted	3,421,237	3,062,347
Permanently restricted	100,000	100,000
Total net assets	5,692,418	4,688,442
TOTAL LIABILITIES AND NET ASSETS	\$ 5,896,183	\$ 4,892,889

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Consolidated Statements of Activities

Year Ended January 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Ministry, support, and revenue:				
Contributions:				
Mission support from congregations	\$ 2,114,960	\$ 100	\$ -	\$ 2,115,060
Other	108,180	340,323	-	448,503
In-kind donation of land and building	1,086,000	-	-	1,086,000
Interest and Dividends	10,220	55,260	-	65,480
Grants and other revenue	131,789	492,383	-	624,172
Impairment loss on land, building and equipment	(501,337)	-	-	(501,337)
Net gain on investments	28,574	199,250	-	227,824
Total ministry, support, and revenue	2,978,386	1,087,316	-	4,065,702
Net assets released from restriction	725,248	(725,248)	-	-
Transfers	3,178	(3,178)	-	-
Total ministry, support, revenue, releases from restriction and transfers	3,706,812	358,890	-	4,065,702
Expenses:				
Mission support to ELCA	1,057,480	-	-	1,057,480
Program	1,586,565	-	-	1,586,565
Administrative	320,246	-	-	320,246
Fundraising	97,435	-	-	97,435
Total expenses	3,061,726	-	-	3,061,726
Change in net assets	645,086	358,890	-	1,003,976
Recharacterization of net assets	-	-	-	-
Net assets at beginning	1,526,095	3,062,347	100,000	4,688,442
Net assets at end	\$ 2,171,181	\$ 3,421,237	\$ 100,000	\$ 5,692,418

See accompanying notes to consolidated financial statements.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Consolidated Statements of Activities (Continued)

Year Ended January 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Ministry, support, and revenue:				
Contributions:				
Mission support from congregations	\$ 2,160,354	\$ -	\$ -	\$ 2,160,354
Other	40,951	363,580	-	404,531
In-kind donation of land and building	-	-	-	-
Interest and Dividends	9,332	49,953	-	59,285
Grants and other revenue	153,262	359,169	-	512,431
Impairment loss on land, building and equipment	-	-	-	-
Net gain on investments	20,458	143,635	-	164,093
Total ministry, support, and revenue	2,384,357	916,337	-	3,300,694
Net assets released from restriction	680,934	(680,934)	-	-
Transfers	-	-	-	-
Total ministry, support, revenue, releases from restriction and transfers	3,065,291	235,403	-	3,300,694
Expenses:				
Mission support to ELCA	1,086,942	-	-	1,086,942
Program	1,577,333	-	-	1,577,333
Administrative	328,125	-	-	328,125
Fundraising	91,818	-	-	91,818
Total expenses	3,084,218	-	-	3,084,218
Change in net assets	(18,927)	235,403	-	216,476
Recharacterization of net assets	130,731	(83,726)	(47,005)	-
Net assets at beginning	1,414,291	2,910,670	147,005	4,471,966
Net assets at end	\$ 1,526,095	\$ 3,062,347	\$ 100,000	\$ 4,688,442

See accompanying notes to consolidated financial statements.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Consolidated Statements of Cash Flows

Years Ended January 31, 2018 and 2017

	2018	2017
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 1,003,976	\$ 216,476
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	46,554	43,821
Gain on investments	(227,824)	(164,093)
In-kind donation of land and building	(1,086,000)	-
Impairment loss on land, building and equipment	501,337	-
Changes in assets and liabilities:		
Notes and contributions receivable	(37,344)	(43,907)
Prepaid expenses and other assets	2,643	(1,026)
Accounts payable and accrued liabilities	(682)	166,787
Net cash provided by operating activities	202,660	218,058
Cash flows from investing activities:		
Purchase of property and equipment	-	(30,000)
Sales of long term investments	1,856,186	953,588
Purchases of long term investments	(1,748,956)	(1,286,472)
Net cash provided by (used in) investing activities	107,230	(362,884)
Net increase (decrease) in cash and cash equivalents	309,890	(144,826)
Cash and cash equivalents at beginning	1,042,148	1,186,974
Cash and cash equivalents at end	\$ 1,352,038	\$ 1,042,148
Noncash Supplementary Information:		
In-kind donation of land and building	\$ 1,086,000	\$ -

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Nature of Organization**

The Southeastern Synod (the "Synod") of the Evangelical Lutheran Church in America, Inc. (the "ELCA") is incorporated to fulfill the purpose of ELCA, in partnership with the church wide organization. The Synod has been entrusted with the primary responsibility for the oversight of the life and mission of the ELCA in the territory within the Synod. This territory includes that states of Georgia, Alabama, Mississippi, and Tennessee.

Note 2 **Summary of Significant Accounting Policies**

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("GAAP").

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Synod and the Southeastern Lutheran Holding Corporation ("SLHC") (collectively referred to as the "Synod"). All significant inter-organizational transactions and accounts have been eliminated.

Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect certain reported amounts and disclosures. Actual results may differ from these estimates.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2 Summary of Significant Accounting Policies (Continued)

Net Assets

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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets whose use by the Synod has been limited by donors to a specific time period or for a particular purpose.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the principal be maintained in perpetuity by the Synod.

Cash and Cash Equivalents

The Synod considers all highly liquid debt instruments purchased with an original maturity of three months or less when purchased to be cash equivalents, excluding amounts held as investments in the investment portfolio.

At times, cash and cash equivalents exceed federally insured amounts. The Synod believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash and cash equivalents with major financial institutions with sound financial standing. The Synod has not experienced any losses in such accounts. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2 **Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment are recorded at cost and are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives range from four to twenty years for assembly voting equipment, office equipment, and furniture and fixtures and forty years on buildings. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts. Maintenance and repair costs are charged to expense as incurred, and improvements that extend the useful life of the assets are capitalized. The Synod is preparing to sell a building in Jackson Mississippi and therefore the building was assessed for impairment. An impairment loss of \$501,337 was recorded on land and building during the year ended January 31, 2018 to adjust the carrying value of the land and building to the appraised value.

Contributions

Contributions from donors which are comprised predominately of contributions from Lutheran churches in the Synod's territory are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the Synod are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2 **Summary of Significant Accounting Policies (Continued)**

Contributions (Continued)

Under the ELCA's constitution and the by-laws of the Synod, when a member ELCA congregation ceases to exist, title to the congregation's property passes to the Synod. The Synod records the transfer of these assets as a contribution at the estimated fair value of the assets at the time of the transfer. A building with a value of \$1,086,000 was passed from a congregation in Nashville Tennessee during the year ended January 31, 2018. This amount has been included in in-kind contributions land and building on the statement of activities. The Board has designated the building and therefore is included under the title of Nashville Social Ministries in board designated net assets at January 31, 2018. (see note 3)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2 **Summary of Significant Accounting Policies (Continued)**

Notes Receivable

Notes receivable represent emergency and outreach loans, which are authorized by the Synod Council, to congregations and pastors. These loans bear interest at rates up to a maximum of 8% with varying repayment terms and generally do not exceed \$10,000. The Synod does not intend to issue additional loans in the future.

No allowance for uncollectible loans is included in the consolidated financial statements as the Synod considers all balances to be collectible.

Income Taxes

The Synod is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Synod is also exempt from state income tax on related income. The Synod does not file a federal or state informational return due to its religious designation.

SLHC is a nonprofit organization as described in Section 501(c)(2) of the Internal Revenue Code (the "Code") as a title-holding corporation and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The SLHC is also exempt from state income tax on related income.

Subsequent Events

Subsequent events have been evaluated through May 29, 2018, which is the date the consolidated financial statements were available to be issued.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 3 Board Designated Net Assets

Included in unrestricted net assets are unrestricted assets that have been designated by the Board of Directors ("Synod Council") to be invested for the purpose of providing adequate liquidity for the payment of each fund's annual spending authorization, producing long-term growth and minimizing investment expenses. Board-designated net assets result from an internal designation and are therefore not donor-restricted, and are classified as an unrestricted net asset.

	2018	2017
Board designated net assets:		
Luther Zion endowment fund	\$ 93,762	\$ 87,067
Candidacy endowment fund	208,377	194,222
Planting Congregations	31,412	22,629
Outreach and Ministry Enhancement	18,239	18,250
Information technology fund	18,071	14,471
Nashville Social Ministries	1,086,000	-
Office relocation	53,733	15,229
Other board designated	20,681	18,259
Total board designated net assets	\$ 1,530,275	\$ 370,127

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 4 Temporarily Restricted Net Assets

Temporarily restricted net assets include assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets are available for the following purposes at January 31:

	2018	2017
Congregational outreach, special causes and other	\$ 1,600,918	\$ 1,800,981
Church extension - Linn memorial	1,062,946	997,011
Mission work in east Tennessee (Morton fund)	157,196	147,137
Lutheran Theological Center in Atlanta	18,865	35,130
Disaster Response	141,905	-
Living Lutheran Legacy building fund	327,976	-
Seminary scholarships (Kessler fund)	64,179	53,570
Advocacy Program	47,252	28,518
Total temporarily restricted net assets	\$ 3,421,237	\$ 3,062,347

Temporarily restricted net assets of \$725,248 and \$680,934 were released from restriction during 2018 and 2017 respectively, by meeting donor restrictions as to time or use.

Note 5 Permanently Restricted Net Assets

Permanently restricted net assets at January 31, 2018, were restricted to investment in perpetuity, the current income from which is expendable to support, and consists of the following at January 31, 2018 and 2017:

	2018	2017
Seminary scholarships (Kessler fund)	\$ 100,000	\$ 100,000

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 6 Investments

The Synod's investment categories include well-diversified mutual funds. Although these investments have a fluctuating market price, by definition they are short-term, highly liquid investments that are readily convertible into known amounts of cash. As such, these amounts are recorded at their fair market value and any unrealized gains or losses are recognized in the consolidated financial statements.

Note 7 Pension and Other Benefits Plan

The Synod participates in a pension and other benefits plan for all qualified employees that is administered by the Evangelical Lutheran Church in America affiliate, Portico Benefit Services, in Minneapolis, Minnesota. Pension related expenses totaled \$64,048 and \$59,532 for the year ended January 31, 2018 and 2017, respectively.

Note 8 Property and equipment

Property and equipment is as follows as of January 31:

	2018	2017
Property and equipment:		
Land	\$ 815,404	\$ 479,404
Buildings and improvements	985,749	926,180
Equipment	40,345	58,768
Auto	132,314	132,314
Total property and equipment	1,973,812	1,596,666
Less: Accumulated depreciation	(136,559)	(297,522)
Property and equipment - Net	\$ 1,837,253	\$ 1,299,144

Depreciation expense for the years ended January 31, 2018 and 2017 was \$46,554 and \$43,821, respectively.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 9 Leases

The Synod leased office and storage space with the United Way of Greater Atlanta. This lease was terminated during 2017 and therefore the Synod did not have any long-term leases as of January 31, 2018.

Rental expense for the year ended January 31, 2018 and 2017, was \$64,535 and \$94,060, respectively.

The Synod leases property to a not-for-profit company under an operating lease through August 31, 2030, subject to early termination. The lease charged rent of \$2,000 per month at the inception of the lease at September 1, 2014, and the rent increases by 2% per month annually on September 1. Either party may terminate the lease at any time after August 31, 2020, with at least three years notice in advance of the termination date. Minimum future rental payments through August 31, 2020, under the terms of these agreements are as follows for the fiscal years ended January 31:

2019	\$	25,681
2020		26,195
2021		15,457
<hr/>		
Total	\$	67,333

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 10 Fair Value Measurements

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured at cost which approximates fair value.
- Government obligations are valued using quotes from pricing vendor based on recent trading activity and other observable market data.
- Index funds are valued based on quoted market prices from the active market on which the index fund is traded.

The methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Synod believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth by level within the fair value as of January 31:

January 31, 2018	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Money market funds	\$ -	\$ 605,061	\$ -	\$ 605,061
U.S. Government obligations	762,759	-	-	762,759
Bond Index Funds	272,476	-	-	272,476
Stock Index Funds	907,464	-	-	907,464
Totals	\$ 1,942,699	\$ 605,061	\$ -	\$ 2,547,760

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 10 Fair Value Measurements (Continued)

January 31, 2017	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Cash and equivalents:				
Money market funds	\$ -	\$ 577,995	\$ -	\$ 577,995
U.S. Government obligations	757,750	-	-	757,750
Bond Index Funds	266,809	-	-	266,809
Stock Index Funds	824,612	-	-	824,612
Totals	\$ 1,849,171	\$ 577,995	\$ -	\$ 2,427,166

Note 11 Endowment Funds

Interpretation of Relevant Law

The Synod's endowment funds consist of six individual funds established to fulfill a variety of purposes. The endowments include both donor-restricted funds that are considered permanently restricted, donor-restricted funds that are considered temporarily restricted, and board designated funds that are considered unrestricted.

The Synod has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary, increased by accumulated investment income considered sufficient to satisfy the purposes of the endowment. As a result, the Synod classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Based on the gift and the direction of the donor, some gifts are classified as temporarily restricted net assets.

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 11 Endowment Funds

The Synod Council is charged with the responsibility of managing the endowment assets of the Synod. The Synod has adopted investment and spending policies approved by the Synod Council for endowment assets that attempt to generate a long-term total rate of return, within reasonable levels of risk that provides sustainable distributions to support the intended mission. The funds are invested in money market accounts and a variety of mutual funds and other equity securities in order to provide maximum diversification.

Spending Policies

The Synod has a policy of expending up to 6% of average investable assets for the preceding four year period from each endowment fund. The Synod believes that long term sustainability of the funds is possible with this level of distribution.

Composition

Composition of endowment net assets by type of fund as of January 31, were as follows:

January 31, 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Morton fund	\$ -	\$ 157,196	\$ -	\$ 157,196
Luther Zion endowment fund	93,760	-	-	93,760
Candidacy endowment fund	208,375	-	-	208,375
Great commission fund	-	597,412	-	597,412
Church extension - Linn memorial	-	1,062,946	-	1,062,946
Kessler fund	-	64,179	100,000	164,179
	\$ 302,135	\$ 1,881,733	\$ 100,000	\$ 2,283,868

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 11 Endowment Funds (Continued)

Composition (Continued)

January 31, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Morton fund	\$ -	\$ 147,137	\$ -	\$ 147,137
Luther Zion endowment fund	87,067	-	-	87,067
Candidacy endowment fund	194,222	-	-	194,222
Great commission fund	-	555,096	-	555,096
Church extension - Linn memorial	-	997,011	-	997,011
Kessler fund	-	53,570	100,000	153,570
	\$ 281,289	\$ 1,752,814	\$ 100,000	\$ 2,134,103

Changes in the endowment as of January 31, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowments at February 1, 2016	\$ 312,650	\$ 1,296,366	\$ 147,005	\$ 1,756,021
Interest and dividend income	7,537	43,566	-	51,103
Net appreciation	21,734	147,113	-	168,847
Recharacterization of net assets	(42,925)	364,664	(47,005)	274,734
Appropriation for expenditures	(17,707)	(98,895)	-	(116,602)
Endowments at January 31, 2017	281,289	1,752,814	100,000	2,134,103
Interest and dividend income	7,657	44,287	-	51,944
Net appreciation	30,548	203,654	-	234,202
Appropriation for expenditures	(17,359)	(119,022)	-	(136,381)
Endowments at January 31, 2018	\$ 302,135	\$ 1,881,733	\$ 100,000	\$ 2,283,868

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 11 Endowment Funds (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with the individual endowment funds may fall below the level that the Synod Council, donor or UPMIFA requires the Synod to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies of this nature as of January 31, 2018.

Supplementary Information

The Southeastern Synod of the Evangelical Lutheran Church in America, Inc. and Affiliate

Mission Support by Congregation

Year Ended January 31, 2018 and 2017

City	State	Congregation Name	2018	2017
Albany	GA	Lutheran Church Of Our Saviour	\$ 1,380	\$ 1,300
Alpharetta	GA	Lord Of Life Lutheran Church	4,400	5,200
Alpharetta	GA	Prince Of Peace Lutheran Church	25,206	33,102
Anniston	AL	Trinity Lutheran Church	-	400
Arlington	TN	Living Word Lutheran Church	10,125	9,425
Athens	GA	Holy Cross Lutheran Church	33,149	35,073
Atlanta	GA	Die Deutsche Kirchengemeinde in Atlanta	2,400	2,600
Atlanta	GA	Emmanuel Lutheran Church	-	200
Atlanta	GA	Lutheran Church Of The Atonement	4,796	4,796
Atlanta	GA	Lutheran Church of the Redeemer	112,894	119,081
Atlanta	GA	Peachtree Road Lutheran Church	2,500	2,500
Atlanta	GA	St John Lutheran Church	30,557	38,525
Atlanta	GA	St Luke Lutheran Church	19,400	25,000
Augusta	GA	Advent Lutheran Church	18,840	15,502
Augusta	GA	Lutheran Church Of The Resurrection	21,467	19,679
Austell	GA	Nativity Lutheran Church	2,183	7,898
Bessemer	AL	Grace Lutheran Church	-	275
Bethlehem	GA	Nativity Lutheran Church	10,100	10,014
Biloxi	MS	Bethel Lutheran Church	8,333	10,833
Birmingham	AL	Shades Valley Lutheran Church	26,080	37,500
Birmingham	AL	Shepherd Of The Hills Lutheran Church	17,680	19,197
Blountville	TN	Immanuel Lutheran Church	1,200	1,300
Brandon	MS	Nativity Lutheran Church	1,100	1,300
Bristol	TN	Faith Lutheran Church	3,600	3,925
Brunswick	GA	St James Lutheran Church	5,283	7,513
Canton	GA	Celebration of Grace	8,722	8,686
Carrollton	GA	Grace Lutheran Church	5,661	6,781
Chattanooga	TN	Ascension Lutheran Church	2,094	2,000
Clay	AL	Faith Lutheran Church	11,096	10,008
Cleveland	GA	Faith Lutheran Church	10,944	9,073
Collierville	TN	Epiphany Lutheran Church	12,976	18,104
Columbus	GA	St Matthew Lutheran Church	10,000	8,800
Conyers	GA	Epiphany Lutheran Church	31,130	28,105
Cordova	TN	St Luke Lutheran Church	24,500	25,000
Crossville	TN	Christ Lutheran Church	45,100	44,000
Cullman	AL	Christ Lutheran Church	1,500	1,500
Cumming	GA	Christ The King Lutheran Church	18,326	27,900
Dalton	GA	Christ The King Lutheran Church	11,026	8,718

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Mission Support by Congregation (Continued)

Year Ended January 31, 2018 and 2017

City	State	Congregation Name	2018	2017
Daphne	AL	Holy Trinity Lutheran Church	\$ 3,750	\$ 3,800
Decatur	GA	Hope International Mission	400	337
Decatur	GA	St Stephen Lutheran Church	550	2,000
Dothan	AL	Triumphant Cross Lutheran Church	1,400	1,406
Douglasville	GA	Evangelical Lutheran Church Of The Good	4,500	6,000
Duluth	GA	Dong Hang Worship Community	-	700
Elberton	GA	Holy Trinity Lutheran Church	550	1,250
Ellijay	GA	Hope Lutheran Church	10,300	10,800
Franklin	TN	St Andrew Lutheran Church	61,240	68,590
Garden City	GA	Lutheran Church Of The Good Shepherd	10,603	10,124
Gatlinburg	TN	Our Savior Lutheran Church	13,621	12,100
Grayson	GA	Community Of Grace Church	1,900	325
Greeneville	TN	Reformation Lutheran Church	23,000	24,942
Greeneville	TN	St James Lutheran Church	1,035	1,368
Griffin	GA	St John Lutheran Church	22,327	22,342
Gulf Shores	AL	Grace Lutheran Church	4,200	4,200
Guyton	GA	Zion Lutheran Church	5,731	3,191
Hampton	GA	Be Free Ministry	-	150
Hendersonville	TN	St Timothy Lutheran Church	39,271	37,736
Hiram	GA	Holy Cross Lutheran Church	1,195	2,600
Hixson	TN	Trinity Lutheran Church	32,516	29,645
Huntsville	AL	All Saints Lutheran Church	24,876	25,167
Huntsville	AL	St Mark Lutheran Church	55,000	51,250
Jackson	MS	Ascension Lutheran Church	6,000	6,000
Johnson City	TN	Our Saviour Lutheran Church	47,214	49,976
Kennesaw	GA	First United Lutheran Church	22,458	26,042
Kingsport	TN	Holy Trinity Lutheran Church	16,000	16,000
Knoxville	TN	Faith Lutheran Church	2,750	1,500
Knoxville	TN	Gloria Dei Lutheran Church	10,264	9,260
Knoxville	TN	Messiah Lutheran Church	26,400	26,400
Knoxville	TN	Peace Lutheran Church	10,185	11,791
Knoxville	TN	St John Lutheran Church	13,750	11,250
Lagrange	GA	Advent Lutheran Church	2,200	2,600
Lawrenceville	GA	Amazing Grace Lutheran Church	6,600	7,800
Lawrenceville	GA	Christ The Lord Lutheran Church	15,695	18,525
Lebanon	TN	Faith Lutheran Church	17,067	16,888
Lilburn	GA	All Saints Lutheran Church	27,306	26,179
Lilburn	GA	Trinity Lutheran Church	72,661	66,608

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Mission Support by Congregation (Continued)

Year Ended January 31, 2018 and 2017

City	State	Congregation Name	2018	2017
Long Beach	MS	Grace Lutheran Church	\$ 9,163	\$ 10,837
Loudon	TN	Shepherd Of The Lake Lutheran Church	27,067	25,673
Louisville	MS	Beth-Eden Lutheran Church	-	600
Lumberton	MS	Lutheran-Episcopal Worshiping Community	447	670
Macon	GA	Lutheran Church Of The Redeemer	-	1,300
Madison	AL	Messiah Lutheran Church	34,237	35,809
Marietta	GA	Christ Lutheran Church	5,000	5,000
Marietta	GA	Holy Trinity Evangelical Lutheran Church	93,809	114,966
Marietta	GA	Lutheran Church Of The Incarnation	3,600	3,600
Marietta	GA	Lutheran Church Of The Resurrection	93,870	90,447
Maryville	TN	St Paul Lutheran Church	25,266	25,500
Mc Donough	GA	St Luke Lutheran Church	12,159	4,000
Memphis	TN	Peace Lutheran Church	2,400	649
Midway	TN	Sinking Springs Lutheran Church	360	360
Mobile	AL	Martin Luther Evangelical Lutheran Church	600	500
Mobile	AL	St Paul's Lutheran Church	1,800	3,150
Montgomery	AL	Gathered by Grace	1,382	954
Montgomery	AL	Messiah Lutheran Church	11,040	10,582
Morganton	GA	Shepherd Of The Hills Lutheran Church	3,000	3,000
Morristown	TN	The Good Shepherd	2,550	2,550
Mount Juliet	TN	Celebration Lutheran Church	15,968	16,606
Murfreesboro	TN	Advent Lutheran Church	11,182	12,093
Nashville	TN	Christ Kiswahili Lutheran Mission	200	500
Nashville	TN	Christ Lutheran Church	4,150	7,500
Nashville	TN	First Evangelical Lutheran Church	16,204	9,878
Nashville	TN	Holy Trinity Lutheran Church	12,250	16,622
Nashville	TN	Memorial Lutheran Church	2,136	5,700
Nashville	TN	St John's Lutheran Church	20,194	19,487
Nashville	TN	St Paul Lutheran Church	-	500
Newnan	GA	Resurrection Lutheran Church	20,000	9,020
Newport	TN	Holy Trinity Lutheran Church	3,000	-
Norcross	GA	Christ The King Lutheran Church	53,304	55,446
Norcross	GA	Cross and Crown Teluga Mission	-	1,000
Oak Ridge	TN	Grace Lutheran Church	30,000	36,270
Oakwood	GA	Christ Lutheran Church	13,040	12,749
Oakwood	GA	Iglesia Luterana de Cristo	1,150	1,720
Ocean Springs	MS	Christus Victor Lutheran Church	17,243	18,128
Oglethorpe	GA	Mt Zion-St Luke Lutheran Church	10,000	8,250
Parrottsville	TN	Salem Lutheran Church	-	2,500
Peachtree City	GA	Christ Our Shepherd Lutheran Church	88,523	88,667

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Mission Support by Congregation (Continued)

Year Ended January 31, 2018 and 2017

City	State	Congregation Name	2018	2017
Prattville	AL	Christ Lutheran Church	\$ 6,594	\$ 5,251
Richmond Hill	GA	Spirit Of Peace Lutheran Church	12,341	11,459
Rincon	GA	Jerusalem Lutheran Church	4,230	2,421
Rincon	GA	St John Lutheran Church	1,090	430
Riverdale	GA	Christ Our Hope Lutheran Church	4,103	2,625
Roswell	GA	Cross Of Life Lutheran Church	61,240	60,994
Savannah	GA	Lutheran Church Of The Ascension	9,727	9,533
Savannah	GA	Messiah Lutheran Church	28,349	15,000
Savannah	GA	Redeemer Lutheran Church	18,115	18,606
Savannah	GA	St Paul Lutheran Church	8,822	9,152
Shelbyville	TN	Christ Lutheran Church	1,400	1,050
Shreveport	LA	Holy Trinity Lutheran Church	-	300
Spring Hill	TN	Peace Lutheran Church	7,812	9,329
St Simons Island	GA	Lord of Life Lutheran Church	-	1,000
Suwanee	GA	Epiphany Lutheran Church	21,465	24,204
Tucker	GA	Living Grace Evangelical Lutheran Church	21,000	20,600
Tullahoma	TN	Trinity Lutheran Church	11,000	12,000
Tupelo	MS	Christ the King Lutheran Church	3,322	2,000
Unionville	TN	Crowells Chapel Lutheran Church	2,650	2,400
Vonore	TN	St Paul Lutheran Church	600	600
Warner Robins	GA	Faith Lutheran Church	12,500	2,500
Woodstock	GA	Good Shepherd Lutheran Church	50,817	58,412
Atlanta	GA	Misc Designated (from individuals)	11,226	50
Total			\$ 2,114,960	\$ 2,160,354