

The Montana District

Lutheran Church – Missouri Synod

4th Quarter 2011
(1 October – 31 December 2011)

Financial Statements

Unaudited



Board of Directors
Montana District of the Lutheran Church - Missouri Synod
30 Broadwater Avenue
Billings, Montana 59101

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Montana District - Lutheran Church Missouri Synod
Statement of Financial Position Report
4th Quarter (1 Oct thru 31 Dec 2011) Compared to 3rd Quarter

	Dec 31, 11	Sep 30, 11	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Yellowstone Bank Checking	30,767.40	21,173.05	9,594.35	45.31%
Yellowstone Bank Savings	57,700.64	26,190.28	31,510.36	120.31%
Total Checking/Savings	88,468.04	47,363.33	41,104.71	86.79%
Accounts Receivable				
Accounts Receivable - Invoiced	0.00	426.66	(426.66)	(100.0%)
Total Accounts Receivable	0.00	426.66	(426.66)	(100.0%)
Other Current Assets				
Accounts Receivable - District	51,341.16	16,760.62	34,580.54	206.32%
Prepaid Expenses	0.00	160.25	(160.25)	(100.0%)
Total Other Current Assets	51,341.16	16,920.87	34,420.29	203.42%
Total Current Assets	139,809.20	64,710.86	75,098.34	116.05%
Fixed Assets				
Fixed Assets less Depr.	69,636.85	76,280.24	(6,643.39)	(8.71%)
Total Fixed Assets	69,636.85	76,280.24	(6,643.39)	(8.71%)
Other Assets				
Life Ins SV-Scholarships (P/R)	51,066.15	51,078.38	(12.23)	(0.02%)
Long Term Investments	893,407.90	898,111.92	(4,704.02)	(0.52%)
Total Other Assets	944,474.05	949,190.30	(4,716.25)	(0.5%)
TOTAL ASSETS	1,153,920.10	1,090,181.40	63,738.70	5.85%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	903.26	(54.42)	957.68	(1,759.79%)
Total Accounts Payable	903.26	(54.42)	957.68	(1,759.79%)
Credit Cards				
CHASE MC #5609	122.88	366.68	(243.80)	(66.49%)
Total Credit Cards	122.88	366.68	(243.80)	(66.49%)
Other Current Liabilities				
Dist CEF Payables - Due MT Inv	16,341.16	16,341.16	0.00	0.0%
In/Out Account	945.89	945.89	0.00	0.0%
Payroll Liabilities	183.88	1,167.62	(983.74)	(84.25%)
Total Other Current Liabilities	17,470.93	18,454.67	(983.74)	(5.33%)
Total Current Liabilities	18,497.07	18,766.93	(269.86)	(1.44%)
Total Liabilities	18,497.07	18,766.93	(269.86)	(1.44%)
Equity				
Permanent Restricted Assets	437,820.87	411,378.38	26,442.49	6.43%
Temporary Restricted Assets	390,554.93	368,513.00	22,041.93	5.98%
Unrestricted Assets	307,047.23	291,523.09	15,524.14	5.33%
Net Income	69,622.39	40,601.60	29,020.79	71.48%
Total Equity	1,135,423.03	1,071,414.47	64,008.56	5.97%
TOTAL LIABILITIES & EQUITY	1,153,920.10	1,090,181.40	63,738.70	5.85%

Montana District - Lutheran Church Missouri Synod
Statement of Financial Position Report
4th Quarter (1 Oct thru 31 Dec 2011) Compared to 3rd Quarter

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Montana District - Lutheran Church Missouri Synod
STATEMENT OF CASH FLOWS - UNAUDITED
For the 4th Quarter Ended December 31, 2011

Oct - Dec 11

OPERATING ACTIVITIES

Net Income	29,255.93
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Accounts Receivable - Invoiced	426.66
Accounts Receivable - District: LCMS Reimbursements Due	419.46
Accounts Receivable - District: Receivables - Grants & Misc.	(35,000.00)
Prepaid Expenses	160.25
Accounts Payable	722.54
CHASE MC #5609	(243.80)
Payroll Liabilities: Federal Tax Withheld - Employee	(326.00)
Payroll Liabilities: Medicare Company Paid	(52.79)
Payroll Liabilities: Medicare Withheld - Employee	(52.79)
Payroll Liabilities: FICA Withheld - Employee	(152.93)
Payroll Liabilities: Social Security Company Paid	(225.75)
Payroll Liabilities: State Tax Withheld - Employee	(180.00)
Payroll Liabilities :Unemployment Ins Company Paid	6.52

Net cash provided by Operating Activities (5,242.70)

INVESTING ACTIVITIES

Fixed Assets less Depreciation.: Vehicle - Accumulated Depreciation	2,266.50
Fixed Assets less Depreciation: Office Bldg -Accumulated Depreciation	4,376.89
Life Ins SV-Scholarships (P/R)	12.23
Long Term Investments: LCEF Funds: Schools Fund Interest Payable. #019TR	(600.59)
Long Term Investments: LCMS Foundation Funds: Scholarship Fund: Scholarship Fund - Corpus (P/R)	(2,169.99)
Long Term Investments: LCMS Foundation Funds: Scholarship Fund :U/R Gain/Loss Scholarship	5,154.93
Long Term Investments: LCMS Foundation Funds: The Fund: U/R Gain/Loss "The Fund"	2,319.67

Net cash provided by Investing Activities 11,359.64

FINANCING ACTIVITIES

Permanent Restricted Assets: Dist ED Scholarship Fund Prin.	26,454.72
Permanent Restricted Assets: Scholarship Life Ins Policies Surrender Values	(12.23)
Temporary Restricted Assets: Campus Ministry	480.00
Temporary Restricted Assets: Clark Fork Mission	(28,965.25)
Temporary Restricted Assets: Convention Assessments	28,467.50
Temporary Restricted Assets: District Conferences Dual Circuit Conference	210.00
Temporary Restricted Assets: District Conferences: Pastor Conference Registration	(1,254.72)
Temporary Restricted Assets: District Conferences: Pastors' Wives' Retreat	(402.46)
Temporary Restricted Assets: District Conferences: Quad Circuit Conference	219.22
Temporary Restricted Assets: Dist Schools Fund Interest	(1,130.72)
Temporary Restricted Assets: Dist Schools Fund Principal	42.02
Temporary Restricted Assets: District Mission Starts	1,908.70
Temporary Restricted Assets: District Subsidized Ministries: Chaplaincy Ministry	4,980.42
Temporary Restricted Assets: District Subsidized Ministries: Crow Indian Ministry	35,000.00
Temporary Restricted Assets :Human Care Ministry :Prison Ministry	(379.79)
Temporary Restricted Assets: Indian Ministry MT District	4,316.26
Temporary Restricted Assets: Kranich Memorial Interest	6.10
Temporary Restricted Assets: MT Dist "THE FUND" BOD	(9,640.90)
Temporary Restricted Assets: Scholarship Fund Income Interest	(11,811.62)

Unrestricted Assets (RE)	(6,856.09)
Land, Buildings & Equip Assets	<u>(6,643.39)</u>
Net cash provided by Financing Activities	<u>34,987.77</u>
Net cash increase for period	41,104.71
Cash at beginning of period	<u>47,363.33</u>
Cash at end of period	<u>88,468.04</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Montana District - Lutheran Church Missouri Synod
Statement of Financial Activity (Unaudited)
4th QTR 2011 (Oct-Dec) compared against 3rd QTR 2011

	Oct - Dec 11	Jul - Sep 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
INCOME - Unrestricted				
Cong pledge/Contributions District & Synod	164,871.32	117,788.60	47,082.72	39.97%
Convention Income				
Vendor Income	100.00	0.00	100.00	100.0%
Total Convention Income	100.00	0.00	100.00	100.0%
Individual Donations to District				
District Expense Reimbursements	1,039.21	1,220.68	(181.47)	(14.87%)
Individual Donations	528.00	551.38	(23.38)	(4.24%)
Misc. Donations	0.00	183.75	(183.75)	(100.0%)
Total Individual Donations to District	1,567.21	1,955.81	(388.60)	(19.87%)
Investment Income (U)				
LCEF - \$12,500 Savings #0047	116.77	63.57	53.20	83.69%
LCEF - \$27,434 Savings #2734	51.01	36.30	14.71	40.52%
LCEF - \$100,000 Savings #5904	840.36	703.35	137.01	19.48%
Yellowstone Bank Savings	10.36	25.87	(15.51)	(59.95%)
Total Investment Income (U)	1,018.50	829.09	189.41	22.85%
Trust Income (U)				
Meinhardt Found Trust Income	0.00	393.76	(393.76)	(100.0%)
Wegner Found Trust Income	195.75	208.36	(12.61)	(6.05%)
Total Trust Income (U)	195.75	602.12	(406.37)	(67.49%)
Other Income	425.00	0.00	425.00	100.0%
Total INCOME - Unrestricted	168,177.78	121,175.62	47,002.16	38.79%
INCOME - Restricted				
Temp Restricted Income				
Campus Ministry Support T/R	75.00	160.00	(85.00)	(53.13%)
Clark Fork Mission Start T/R	2,188.20	2,228.00	(39.80)	(1.79%)
Convention Assessments T/R	0.00	4,913.00	(4,913.00)	(100.0%)
District Conferences & Retreats				
Dual Circuit Conf Registration fees T/R	0.00	120.00	(120.00)	(100.0%)
Pastor & Cir Conf Registration fees T/R	416.66	883.33	(466.67)	(52.83%)
Pastor Wives Retreat T/R	780.00	0.00	780.00	100.0%
Total District Conferences & Retreats	1,196.66	1,003.33	193.33	19.27%
District Subsidized Ministries				
Chaplain at Boulder DC T/R	8,355.03	0.00	8,355.03	100.0%
Circle of Life, Lame Deer T/R	1,371.53	100.00	1,271.53	1,271.53%
Crow Lutheran Ministry T/R	36,371.18	0.00	36,371.18	100.0%
Total District Subsidized Ministries	46,097.74	100.00	45,997.74	45,997.74%
District Mission Starts T/R	684.20	310.00	374.20	120.71%
Ed Conf Registrations T/R	180.00	0.00	180.00	100.0%
Indian Ministry MT Dist (T/R)	6,350.00	0.00	6,350.00	100.0%
LCEF Investments (T/R)				
LCEF-Dist School Interest #019 (T/R)	601.74	3.06	598.68	19,564.71%
LCEF-Dist School Prin#4371(T/R)	0.00	42.02	(42.02)	(100.0%)
Total LCEF Investments (T/R)	601.74	45.08	556.66	1,234.83%
Investments (T/R)				

	Oct - Dec 11	Jul - Sep 11	\$ Change
LCMS Foundation "The Fund" (T/R)			
"The Fund" Earned Income	2,114.54	2,082.91	31.63
Unrealized Gain/Loss (Mark-To-Market)	(4,434.21)	(3,583.01)	(851.20)
Total LCMS Foundation "The Fund" (T/R)	(2,319.67)	(1,500.10)	(819.57)
Scholarship Fund (T/R)			
Scholarship Fund Earned Income	2,169.99	2,178.74	(8.75)
Unrealized Gain/Loss (Mark-To-Market)	(5,154.93)	(4,066.35)	(1,088.58)
Total Scholarship Fund (T/R)	(2,984.94)	(1,887.61)	(1,097.33)
Total Investments (T/R)	(5,304.61)	(3,387.71)	(1,916.90)
Youth Camp Registrations T/R	35.00	5,367.55	(5,332.55)
Misc Temp Res Income T/R	280.00	0.00	280.00
Total Temp Restricted Income	52,383.93	10,739.25	41,644.68
Total INCOME - Restricted	52,383.93	10,739.25	41,644.68
INCOME-Restricted Fund Released			
Clark Fork Mission Start	4,695.35	11,578.91	(6,883.56)
Chaplain at BDC Support	2,355.03	0.00	2,355.03
Circle of Life, Lame Deer	1,371.53	100.00	1,271.53
Crow Lutheran Ministry Support	1,371.18	0.00	1,371.18
District Conferences			
Pastors Conference	1,680.32	565.70	1,114.62
Pastors Wives Retreat	1,212.46	0.00	1,212.46
Quad Circuit Conference	471.80	0.00	471.80
Total District Conferences	3,364.58	565.70	2,798.88
Dist Scholarship Fund	0.00	33,074.32	(33,074.32)
Dist Schools Fund Interest	0.00	6,448.00	(6,448.00)
Education Ministry	180.00	0.00	180.00
Indian Ministry MT Dist.	390.00	765.18	(375.18)
MT Dist "The Fund"			
G/P/W 3 Point Parish Support	3,470.00	3,750.00	(280.00)
MT Dist "The Fund" - Other	8,757.31	3,589.07	5,168.24
Total MT Dist "The Fund"	12,227.31	7,339.07	4,888.24
Prison Ministry	0.00	150.00	(150.00)
Student Loan Repay Program	16,215.00	0.00	16,215.00
Youth Ministry	35.00	5,367.55	(5,332.55)
Misc Temp Restricted Released	280.00	0.00	280.00
Net Assets Released fm Restrict	(42,484.98)	(65,388.73)	22,903.75
Total INCOME-Restricted Fund Released	0.00	0.00	0.00
Total Income	220,561.71	131,914.87	88,646.84
Expense			
SYNOD Pledge=25% Cong. Receipts	41,779.33	28,885.64	12,893.69
DISTRICT ADMINISTRATION			
BOARD OF DIRECTORS			
Board & Committee Meetings	2,609.71	2,993.25	(383.54)
Dist. Student Loan Repay Grant	19,632.22	0.00	19,632.22
District School Fund Grants	0.00	6,448.00	(6,448.00)
District Scholarship Grants	0.00	33,074.32	(33,074.32)
Insurance-Travel & Accident	59.74	55.10	4.64
District Subsidized Missions			
CHAPLAIN Boulder Dev Center			
Chaplain Salary	7,901.52	7,901.52	0.00
Chaplain Housing Allowance	5,000.04	5,000.04	0.00

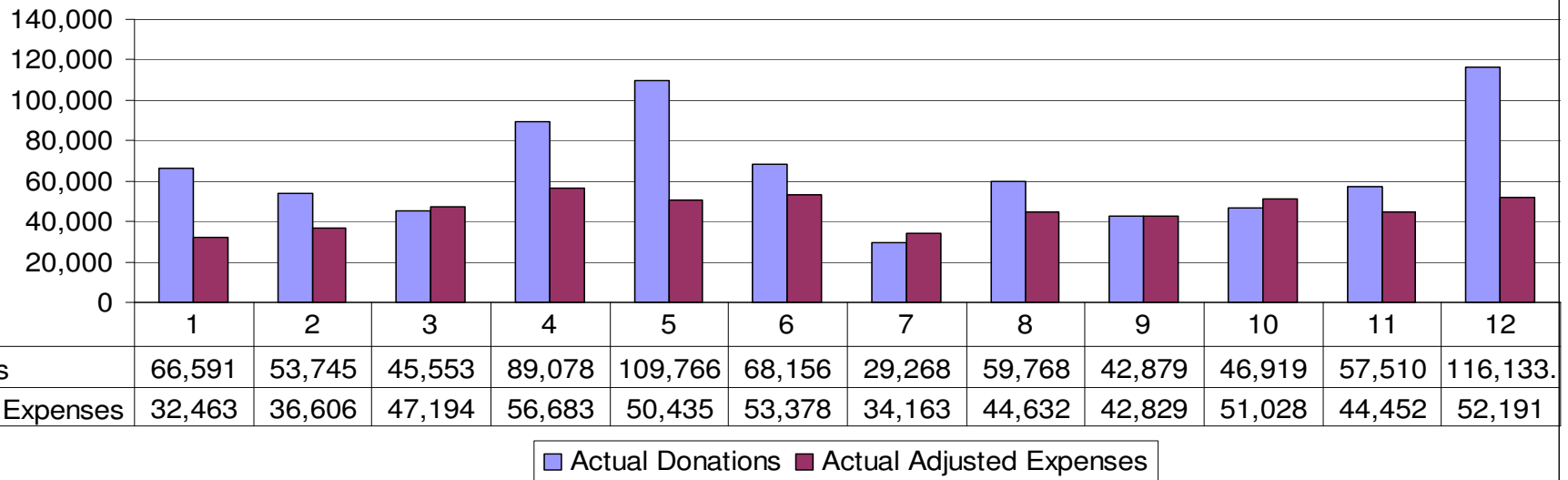
	Oct - Dec 11	Jul - Sep 11	\$ Change	% Change
Chaplain -3% CRP S/S Offset	387.06	387.06	0.00	0.0%
Chaplain Payroll Expense	7.50	7.50	0.00	0.0%
Chaplain - CPS Benefits	4,170.31	4,124.31	46.00	1.12%
Expense Reimbursements-Chap	236.92	0.00	236.92	100.0%
Total CHAPLAIN Boulder Dev Center	17,703.35	17,420.43	282.92	1.62%
Circle of Life -Lame Deer	18,387.27	18,387.27	0.00	0.0%
Circle of Life Payroll Support	125.00	0.00	125.00	100.0%
Crow Lutheran Ministry	15,500.01	15,500.01	0.00	0.0%
Glasgow/Plentywood/Wolfpoint	3,750.00	3,750.00	0.00	0.0%
Total District Subsidized Missions	55,465.63	55,057.71	407.92	0.74%
BOD Misc. Expense	1,755.83	2,585.00	(829.17)	(32.08%)
Total BOARD OF DIRECTORS	79,523.13	100,213.38	(20,690.25)	(20.65%)
REFLECTIONS Newsletter				
Personnel time/expense*	0.00	397.92	(397.92)	(100.0%)
Postage & Shipping	0.00	83.36	(83.36)	(100.0%)
Stationary & Supplies	792.00	235.09	556.91	236.89%
Total REFLECTIONS Newsletter	792.00	716.37	75.63	10.56%
DISTRICT CONFERENCES				
Pastor/Teacher Conference	1,680.32	565.70	1,114.62	197.03%
Pastors Wives Retreat	1,212.46	0.00	1,212.46	100.0%
Quad Circuit Conference	471.80	0.00	471.80	100.0%
Theological / Free Conference	518.00	276.96	241.04	87.03%
Total DISTRICT CONFERENCES	3,882.58	842.66	3,039.92	360.75%
OFFICE BUILDING				
Bldg & Janitorial Supplies	13.21	0.00	13.21	100.0%
Bldg Repair & Maint.	34.99	0.00	34.99	100.0%
Taxes-SIDs	579.74	0.00	579.74	100.0%
Utilities				
Electricity	195.84	296.12	(100.28)	(33.87%)
Gas	105.13	45.83	59.30	129.39%
Water/Sewer	51.69	56.79	(5.10)	(8.98%)
Total Utilities	352.66	398.74	(46.08)	(11.56%)
Total OFFICE BUILDING	980.60	398.74	581.86	145.93%
PRESIDENT OFFICE				
ADM Secretary Salary	3,146.00	3,108.94	37.06	1.19%
ADM Secretary Payroll Expense	7.50	8.75	(1.25)	(14.29%)
ADM Secretary Training	0.00	506.50	(506.50)	(100.0%)
District Planning Conferences	625.74	2,493.80	(1,868.06)	(74.91%)
Equipment Rental / Lease	292.62	360.26	(67.64)	(18.78%)
Telephone/Internet	745.96	733.65	12.31	1.68%
Periodical Resource Mat.	0.00	77.30	(77.30)	(100.0%)
Postage & Shipping	0.00	536.63	(536.63)	(100.0%)
Pres Continuing Education	0.00	(207.94)	207.94	100.0%
Pres Travel				
Taxi/Shuttle Fare	38.00	0.00	38.00	100.0%
Airline Tickets	551.60	355.50	196.10	55.16%
Auto Repair & Maintenance	34.95	34.95	0.00	0.0%
Fuel	582.30	359.32	222.98	62.06%
Lodging	531.47	114.73	416.74	363.24%
Meals	286.13	164.01	122.12	74.46%

	Oct - Dec 11	Jul - Sep 11	\$ Change	% Change
Travel Expense Reimbursed	(657.12)	(421.72)	(235.40)	55.82%
Total Pres Travel	1,367.33	606.79	760.54	125.34%
Pres Cell Phone	298.87	301.18	(2.31)	(0.77%)
President Salary	10,900.50	10,900.50	0.00	0.0%
President Housing Allowance	3,000.00	3,000.00	0.00	0.0%
President 3% CRP SS Offset	417.06	417.06	0.00	0.0%
President Payroll Expense	7.50	7.50	0.00	0.0%
President CPS Benefits	4,199.62	4,153.62	46.00	1.11%
Stationary & Supplies	236.78	356.26	(119.48)	(33.54%)
Vehicles-Insurance/Registration	318.56	0.00	318.56	100.0%
Total PRESIDENT OFFICE	25,564.04	27,360.80	(1,796.76)	(6.57%)
CIRCUIT COUNSELORS				
Board & Committee Meetings	73.69	531.94	(458.25)	(86.15%)
Travel	298.95	376.77	(77.82)	(20.66%)
Total CIRCUIT COUNSELORS	372.64	908.71	(536.07)	(58.99%)
TREASURER OFFICE				
Accounting/Bookkeeping Services	525.00	0.00	525.00	100.0%
Bus Mgr Conf Synod Assessment	0.00	300.00	(300.00)	(100.0%)
Conferences and Workshops	(508.11)	546.20	(1,054.31)	(193.03%)
DIST PAYROLL EXPENSES				
Employee Taxable Group Life	358.56	358.56	0.00	0.0%
Medicare Co Pd	148.35	143.09	5.26	3.68%
Misc. Payroll Expenses	0.00	125.00	(125.00)	(100.0%)
SS Co Pd	634.31	611.82	22.49	3.68%
Unemployment Ins Co Pd	183.88	177.38	6.50	3.66%
Work Comp - MT State Fund	583.20	0.00	583.20	100.0%
Total DIST PAYROLL EXPENSES	1,908.30	1,415.85	492.45	34.78%
Periodicals & Resource Mat	86.00	0.00	86.00	100.0%
Treasurer Salary	7,070.00	6,221.25	848.75	13.64%
Treasurer- CPS Benefits	698.19	691.08	7.11	1.03%
Treasurer - Payroll Expenses	7.50	7.50	0.00	0.0%
Total TREASURER OFFICE	9,786.88	9,181.88	605.00	6.59%
Total DISTRICT ADMINISTRATION	120,901.87	139,622.54	(18,720.67)	(13.41%)
PARISH MINISTRIES				
EDUCATION/CAMPUS MINISTRY				
Conf & Workshops	1,048.26	0.00	1,048.26	100.0%
Program Activities				
Education Ministry	2,178.29	0.00	2,178.29	100.0%
Total Program Activities	2,178.29	0.00	2,178.29	100.0%
Total EDUCATION/CAMPUS MINISTRY	3,226.55	0.00	3,226.55	100.0%
INDIAN MINISTRY				
Program Activities	1,044.50	770.18	274.32	35.62%
Telephone	0.00	20.00	(20.00)	(100.0%)
Total INDIAN MINISTRY	1,044.50	790.18	254.32	32.19%
MISSIONS/EVANGELISM MINISTRY				
MISSIONS/EVANGELISM ADMIN				
Board & Committee Meetings	218.75	2,239.45	(2,020.70)	(90.23%)
Conferences and Workshops	1,466.98	0.00	1,466.98	100.0%

	Oct - Dec 11	Jul - Sep 11	\$ Change	% Change
Synodical Assessments	100.00	0.00	100.00	100.0%
Travel	0.00	714.05	(714.05)	(100.0%)
Total MISSIONS/EVANGELISM ADMIN	1,785.73	2,953.50	(1,167.77)	(39.54%)
Mission Starts				
Clark Fork Mission	2,958.89	1,808.15	1,150.74	63.64%
Demographic Studies	255.83	0.00	255.83	100.0%
West Yellowstone/Big Sky	472.19	0.00	472.19	100.0%
Total Mission Starts	3,686.91	1,808.15	1,878.76	103.91%
Mission Plant Pastor / ADMIN				
MPP - Salary	1,965.00	1,965.00	0.00	0.0%
MPP - Housing Allowance	2,670.00	2,670.00	0.00	0.0%
MPP -3% CRP S/S Offset	139.08	139.08	0.00	0.0%
MPP - Payroll Expense	7.50	7.50	0.00	0.0%
MPP-Employee CPS Benefits	3,330.92	3,279.84	51.08	1.56%
MPP - Health Reimbursement Acct	0.00	396.84	(396.84)	(100.0%)
MPP - Mileage Allowance	1,787.62	1,204.43	583.19	48.42%
MPP -District Travel for events	188.18	95.37	92.81	97.32%
Total Mission Plant Pastor / ADMIN	10,088.30	9,758.06	330.24	3.38%
Total MISSIONS/EVANGELISM MINISTRY	15,560.94	14,519.71	1,041.23	7.17%
STEWARDSHIP/HUMAN CARE MINISTRY				
Program Activities				
Human Care	1,000.00	943.16	56.84	6.03%
Total Program Activities	1,000.00	943.16	56.84	6.03%
Total STEWARDSHIP/HUMAN CARE MINISTRY	1,000.00	943.16	56.84	6.03%
YOUTH MINISTRY				
Program Activities	0.00	1,592.55	(1,592.55)	(100.0%)
Travel	0.00	658.97	(658.97)	(100.0%)
Total YOUTH MINISTRY	0.00	2,251.52	(2,251.52)	(100.0%)
Total PARISH MINISTRIES	20,831.99	18,504.57	2,327.42	12.58%
Total Expense	183,513.19	187,012.75	(3,499.56)	(1.87%)
Net Ordinary Income	37,048.52	(55,097.88)	92,146.40	(167.24%)
Other Income/Expense				
Other Expense				
Depreciation Expense	6,643.39	0.00	6,643.39	100.0%
Total Other Expense	6,643.39	0.00	6,643.39	100.0%
Net Other Income	(6,643.39)	0.00	(6,643.39)	(100.0%)
Net Change in Assets	30,405.13	(55,097.88)	85,503.01	(155.18%)

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

ACTUAL 2011 Income and Expenses



2011 Actual Income and Expenses

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTALS
Actual Donations	66,591	53,745	45,553	89,078	109,766	68,156	29,268	59,768	42,879	46,919	57,510	116,133.13	785,364
Actual Expenses	56,872	43,201	52,586	65,877	57,376	61,594	85,683	51,836	49,494	76,229	52,675	61,252.80	714,675
Release of Restricted Savings	24,408.76	6,594.93	5,392.74	9,194.44	6,941.32	8,216.30	51,520.19	7,203.89	6,664.65	25,200.77	8,222.67	9,061.54	168,622.20
Actual Adjusted Expenses	32,463	36,606	47,194	56,683	50,435	53,378	34,163	44,632	42,829	51,028	44,452	52,191	546,053
Net Change in Asset Value	9,718.57	10,544.58	-7,033.70	23,200.63	52,389.68	6,561.89	-56,415.24	7,932.07	-6,614.71	29,310.35	4,835.15	54,880.33	70,688.90
Net change Unrestricted Assets	5,512.69	1,570.56	-7,670.13	6,805.54	-673.04	10,421.22	-11,516.40	13,576.39	-2,508.39	-2,087.76	9,649.49	12,944.45	36,024.62

DISTRICT Income and Expenses for 2011

As of 31 December 2011:

Unrestricted Donations from Congregations= \$568,052.73	Total Funds Received: \$ 785,364.13
Unrestricted Investment and individual donations: \$ 14,024.92	Restricted Funds Used: \$ 168,622.20
Total Restricted Donations received to support specific missions/ministries: \$203,286.48 (includes market gains & losses on investments)	Total Expenses: \$ 714,675.23
Total Restricted Funds Released to support expenses: \$168,622.20	Net = \$ 70,688.90. Net Change in Unrestricted Assets = \$ 36,024.62

Expenses:

District SYNOD Pledge	District Board Directors & Admin	President & District Office	District Treasurer & Finance	Education & Campus Ministry	Indian Ministry	Mission & Evangelism	Stewardship & Human Care	Youth Ministry	Subsidized Ministries
142,013.18	103,160.09	114,518.98	42,585.82	6,985.86	3,074.24	53,550.04	2,622.95	12,101.52	223,292.14
2011 Budgeted Income: \$ 617,488						2011 Budgeted Expenses: \$ 587,885			

District Subsidized Missions,
\$223,292.14 32% of Total.
 -Chaplain MDC Boulder, Rev. Everson
 -Circle of Life - Rev. Bauer, N. Cheyenne Ministry, Lame Deer
 -Crow Lutheran Ministry - Rev Jacobs, Crow Agency
 - Glasgow/PlentyWood/WolfPoint Tri-Parish Support

SYNOD Pledge, \$139,946.91, 20% of Total , 25% of all District Cong.
 Pledges /Contributions /Msn support
 Receipts sent for Synod support.

Youth Ministry, \$12,101.52, 2% of Total. Youth Summer Camps

BOD & District Admin, \$103,160.09 15% of Total. District VPs, Board of Directors, Circuit Counselors, Archives, Conventions, Reflections newspaper, Dist Office Bldg expense, School / Scholarships / Student Loan Repayment Grants to District

Stewardship/Human Care, \$2,622.95 0% of Total. Parish Nursing Tng & Conf., Stewardship Conf., Prison Ministry, Disaster Tng and Response programs

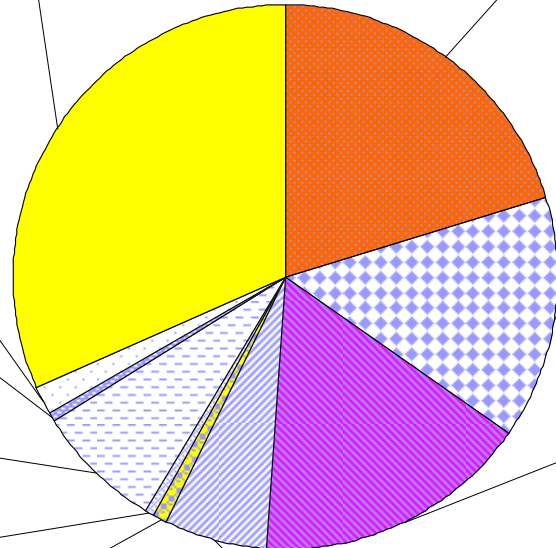
District /Office, \$114,518.98, 16% Total. Pres & Sec Salary, Office admin supplies and equipment, Telephones and Internet, Planning Committee Mtgs and expenses, Pastor Conferences, Vehicle and Travel costs, Minister Assistance and Reconciler expenses.

Missions/Evangelism, \$53,550.04 8% of Total. Committee Admin, New Mission Starts, Clark Fork Mission start, and Mission Plant Pastor Support

Indian Ministry, \$3,074.24 0% of Total

Education/Campus Ministry , \$6,985.86, 1% of Total. Education and Early Childhood Conferences, Campus Ministry program.

District Finance, \$ 45,585.82 6% of Total. District Payroll expenses, Treasurer Salary, Accounting & Bookkeeping, District Audits



Total expense by category and where each donated dollar is used by District.

Board of Directors
Montana District of the Lutheran Church - Missouri Synod
30 Broadwater Avenue
Billings, Montana 59101

NOTES TO THE FINANCIAL STATEMENTS 4th Quarter Ending 31 December 2011

NOTE 1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Montana District of the Lutheran Church – Missouri Synod, a non-profit organization, is one of the 35 geographic Districts of The Lutheran Church-Missouri Synod (the Synod). The Montana District encompasses 65 congregations in the state of Montana, Idaho and North Dakota. The Synod established its District offices to more effectively achieve its objectives and assist its congregations and their members in conserving and promoting the unity of the faith, and in carrying out their functions of worship, witness, teaching and nurture, service and support.

The District relies on donations from its member congregations for a significant portion of its support. As shown on the statement of activities, unrestricted support from District congregations totaled \$184,134 for the 2nd quarter ended 30 June 2011.

The Montana District of the Synod is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes on the income from related exempt activities under Code Section 501(a). No provisions for federal income taxes have been made in the accompanying financial statements because of the exemption and there was no unrelated business income for the reporting period.

1.a. BASIS OF ACCOUNTING

The Montana District-LCMS uses the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). With this measurement focus operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in total net assets. Revenues are recognized when they are earned and expenses when they are incurred.

1.b CASH AND INVESTMENTS

For financial statement purposes, the Montana District-LCMS considers currency, demand deposits, and liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. At times throughout the year, the cash and cash equivalent balances may exceed amounts insured by the FDIC. The Lutheran Church Extension Fund (LCEF), and LCMS Foundation are religious organizations, therefore amounts held by them are not insured by the FDIC.

1.c. FUND ACCOUNTING

To ensure observance of limitations and restrictions placed on the use of resources available to the Montana District-LCMS, the accounts of the district are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported in the unrestricted, temporarily restricted, and permanently restricted as noted below (Para. 1f-h).

1.d. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.e. CAPITAL ASSETS

The District's property, plant, equipment, and infrastructure with useful lives of more than one year and in excess of \$5,000 are stated at historical cost and comprehensively reported in the financial statements. Historical cost was established at the initial booking of the capital assets by determining actual costs. The costs of normal maintenance and repair are not capitalized. Depreciation on capital assets is provided over their estimated useful lives on the straight-line method. The useful lives of these assets have been estimated as follows:

Buildings & Improvements	10 - 30 years
Automobiles and Equipment	5 - 10 years

1.f. UNRESTRICTED NET ASSETS

Unrestricted net assets result from revenues from receiving unrestricted contributions from individual donors, receiving interest from investments, and performing administrative functions. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation.

1.g. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time (Normally limited to 5 years) or once specific actions have been undertaken by the Montana District. Temporarily restricted net assets as of 31 December 2011 consist of the following:

Campus Ministry	\$ 1,115.00
Chaplain Ministry	\$ 6,000.00
Circle of Life Cheyenne Ministry	\$ 0
Crow Lutheran Ministry	\$ 35,000.00
Clark Fork (P/T/F) Mission Start	\$ 0
Convention Assessments	\$ 28,467.50
New District Mission Starts	\$ 6,507.10
Dist. Schools Fund Interest	\$ 601.74
Dist. ED Grant Principal	\$ 64,334.27
Dual Circuit Pastor Conference	\$ 210.00
Human Care: Parish Nursing	\$ 7,554.16
Human Care: Prison Ministry	\$ 755.54
Indian Ministry	\$ 7,077.26
Kranich Memorial Interest payable	\$ 3.27
"The Fund" – BOD Controlled	\$ 224,590.10
Pastor Conference Registrations	\$ 3,234.82
Pastor Wives Retreat	\$ 357.19
Quad Circuit Pastor Conference	\$ 219.22
Scholarship Fund Payable 2012	\$ 3,960.66
Student Loan Repayment Program	\$ 0
Teacher Conference Registrations	\$ 567.10
Youth Camp Registrations	\$ 0
Total	<u>\$ 390,554.93</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.h. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are subject to donor-imposed restrictions that the principal be invested in perpetuity. The interest on these investments can be used without restriction for operating the District. This amount includes life insurance policies with surrender values of \$51,066.15, as of 31 December 2011. Permanent Restricted Accounts as of 31 December 2011 consist of the following:

	<u>Restricted Principal</u>	<u>Unrestricted interest used for:</u>
District Scholarship Fund	\$ 386,454.72	Annual District Scholarship applicant awards
Life Insurance Surrender Values (Part of Scholarship Fund)	\$ 51,066.15	No interest. Policies maintained to be added to District Scholarship Fund.
Kranich Memorial Fund	<u>\$ 300.00</u>	To purchase Christmas alter flowers 1 st Lutheran, Missoula.
TOTAL	<u>\$ 437,820.87</u>	

NOTE 2. CASH

2.a. At period end 31 December 2011 the carrying amount of the Districts cash deposits were \$228,402.08. One local bank has cash deposits of \$88,468.04 which is covered by FDIC Insurance in the name of the District. An additional \$139,934.04 of cash deposits are held as investments by a brokerage firm (LCEF) in the name of the District and are not covered by FDIC. For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3. INVESTMENTS

As of the last published LCMS Foundation Statement (30 October 2011) the carrying amount of unrestricted District investments was \$0, temporarily restricted was \$302,458.20, and the permanently restricted investments were \$385,780.80. The investment is held by the Lutheran Church Missouri Synod Foundation. The investment is in the Standard Fund Accounts – Conservative Balanced Fund. This is a blended portfolio that holds both fixed income (Core bond Fund, High Yield Bond Fund) and equity securities (Domestic Equity Fund, International Equity Fund.) This portfolio has a high exposure to fixed income, focusing primarily on income generation with a limited potential for growth. A total of \$139,934.04 in unrestricted investments are held in Lutheran Church Extension Fund 5 year term Certificates of Deposit.

NOTE 4. PLANT, PROPERTY, AND EQUIPMENT

Capital assets are reported at historical cost. Historical cost was established at the initial booking of capital assets by determining actual costs or estimating using standard costing procedures. Donated property is recorded at fair value as of the date of the gift.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4.a. CHANGES IN CAPITAL ASSETS

The value and changes to capital assets are recorded at year end (31 December). No new assets have been added in 2011. The values for the past fiscal year ended December 31, 2011 are as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011	
Cost:					
Land	\$ 31,382	\$ 0	\$ 0	\$ 31,382	
Main Building	106,533	0	0	106,533	
Vehicle	33,049	0	19,450	13,599	2011 sold 2004 Chevy Impala for \$4,000, purchased 2011 Impala \$13,599
Machinery & Equipment	10,036	<u>0</u>	<u>0</u>	<u>10036</u>	
Total	<u>\$ 181,000</u>	<u>\$ 0</u>	<u>\$ 19,450</u>	<u>\$ 161,550</u>	
ACCUMULATED DEPRECIATION:					
Main Building	\$ (75,234)	\$ (4,377)	\$ 0	\$ (79,611)	
Vehicle	(11,505)	(2,267)	11,505	(2,267)	
Machinery & Equipment	(10,036)	<u>0</u>	<u>0</u>	<u>(10,036)</u>	
Total	<u>\$ (96,775)</u>	<u>\$ (6,644)</u>	<u>\$ (0)</u>	<u>\$ (69,637)</u>	
Total (Net)	<u>\$ 84,226</u>	<u>\$ (6,644)</u>	<u>\$ 11,505</u>	<u>\$ 69,637</u>	

NOTE 5. ACCOUNTS RECEIVABLE

5.a DUE FROM LCEF/DUE TO INVESTORS

Pursuant to an agreement between the Montana District and the Lutheran Church Extension Fund (LCEF) dated January 1, 1987, the Montana District transferred to LCEF, effective January 1, 1987, all rights, title and interest in its Church Extension Fund assets, subject to the debts and liabilities of the Fund. Under the terms of this agreement, the LCEF will continue church extension operations in the Synod on its behalf. The Montana District agreed not to issue any investment obligations after January 1, 1987.

As explained in an addendum to the agreement referenced above, the LCEF offered holders of the Montana District- LCMS Church Extension Fund obligations the right to exchange their holdings for LCEF obligations. Commencing on the effective date, the LCEF agreed to pay principal and interest on all obligations and became actually liable to investors who accepted the exchange offer. The Montana district remains primarily liable to "non-tendering" investors who did not accept the exchange offer. At December 31, 2011 this liability totaled \$16,341.16. Due to the transfer of the District's Church Extension Fund assets to the LCEF, the liability to non-tendering investors is offset by a corresponding receivable from the LCEF.

NOTE 6. RISK MANAGEMENT

The Montana District of the Lutheran Church - Missouri Synod is exposed to various types of risk of loss, including: a) damage to and loss of property and contents; b) employee torts; c) professional liability, i.e. errors and omissions; d) environmental damage; e) workers' compensation, i.e. employee injuries and f) medical insurance costs of employees. Several methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for property and contents damage, employee torts, professional liabilities, and employee medical insurance. The Montana District of the Lutheran Church - Missouri Synod's employees is covered by the Montana State Fund, a state fund for workers' compensation. The Montana District of the Lutheran Church - Missouri Synod has no coverage for potential losses from environmental damages.

Montana District – LCMS
Congregation to District Giving Summary - Unaudited

Circuit	City	Congregation	# Confirmed Mbrs.	2011 Intention/Pledge	Remitted Dec 2011	Remitted for Year Jan - Dec 2011
Southern #1	Belfry	St. John	59	\$0	184.00	2,208.00
	Billings	Christ the King	127	\$3,500	1,350.00	3,600.00
	Billings	Hope	79	\$0	0.00	2,100.00
	Billings	Mt. Olive	523	\$0	3,312.13	40,434.31
	Billings	Our Savior	263	\$0	0.00	4,756.35
	Billings	Trinity	942	10% or \$71,900	5,278.00	70,079.66
	Bridger	St. Paul	68	\$1,200	253.00	1,418.00
	Crow Agency	Crow Ministry	29	10% of offerings	265.50	1,841.93
	Hardin	Redeemer	117	\$1,000	0.00	1,000.00
	Harlowton	Trinity	29	\$400	0.00	450.00
	Lame Deer	Circle of Life	32	\$0	0.00	900.00
	Laurel	St. John	423	12% or \$23,000	4,997.89	26,188.79
	Park City	St. Paul	115	\$0	0.00	500.00
	Roundup	St. Paul	10	\$0	0.00	200.00
	Worden	Our Redeemer	45	\$1,500	0.00	1,500.00
Total			2861		15,640.52	157,177.04

Western #2	Condon	Faith	61	\$0	218.26	2,415.75
	Hamilton	Grace	263	\$0	4,467.52	26,157.48
	Missoula	First	638	15% or \$56,000	10,415.09	61,064.79
	Missoula	Messiah	90	11% or \$11,000	783.28	10,645.00
	Salmon, ID	Shepherd/Valley	191	\$8,800	1,635.27	9,950.65
	Seeley Lake	Holy Cross	72	\$0	416.99	5,080.39
	Stevensville	Our Savior	141	\$0	0.00	7,642.00
	Superior	Trinity	77	\$0	612.05	8,077.76
	Total			1533		18,548.46

Eastern #3	Angela	Trinity	11	\$0	0.00	0.00
	Colstrip	Mt. Calvary	152	5% or \$3,970	509.19	4,190.76
	Fairview	St. John	60	\$2,200	0.00	2,200.00
	Fallon	Grace	64	\$1,000	520.00	590.00
	Forsyth	Concordia	170	\$6,000	500.00	5,000.00
	Glasgow	Faith	26	5% of offerings	310.17	1,231.21
	Glendive	Our Savior	844	\$28,500	2,375.00	26,125.00
	Hysham	Trinity	54	\$0	0.00	920.00
	Miles City	Trinity	317	7% or \$12,400	2,105.04	10,058.87
	Plentywood	Trinity	55	\$3,000	250.00	3,000.00
	Sidney	Trinity	282	0	1,090.00	6,540.00
	Williston, ND	Concordia	213	4% or \$5,000	457.22	5,635.51
	Wolf Point	Trinity	58	\$1,200	0.00	1,200.00
Total		2306			8,116.62	66,691.35

Circuit	City	Congregation	# Confirmed Mbrs.	2011 Intention/Pledge	Remitted Dec 2011	Remitted for Year Jan - Dec 2011
Central #4	Chinook	Zion	77	\$0	0.00	500.00
	Denton	Our Savior	?	\$750	75.00	995.00
	Fairfield	St. John	?	\$0	0.00	0.00
	Ft. Benton	First	?	\$0	0.00	0.00
	Great Falls	Christ/Deaf	?	\$200	0.00	400.00
	Great Falls	Peace	273	\$0	1,050.00	7,536.02
	Great Falls	Trinity	417	\$10,750	875.00	10,500.00
	Havre	St. Paul	200	10% of offerings	641.00	7,273.06
	Lewistown	St. Paul	?	\$0	452.76	3,213.79
	Power	Zion	?	\$2,000	0.00	1,821.00
	Stanford	Trinity	?	\$1,080	0.00	810.00
Total		967			3,093.76	33,048.87

Divide #5	Anaconda	Redeemer	16	\$0	0.00	450.00
	Belgrade	Holy Trinity	124	10% or \$7,500	0.00	7,500.00
	Boulder	Faith	26	\$0	0.00	80.70
	Bozeman	First	392	\$0	5,000.00	30,000.00
	Butte	St. Mark	127	\$5,300	0.00	3,500.00
	Deer Lodge	St. John	106	\$0	450.00	5,450.00

Ennis	Shepherd/Hills	53	10% or \$3,960	0.00	3,174.15
Helena	First	500	10% or \$31,800	2,207.78	31,260.05
Three Forks	Grace	88	10% or \$5,000	1,500.00	6,298.40
Whitehall	Zion	73	\$0	0.00	2,500.00
Total		1505		9,157.78	90,213.30

Flathead						
#6	Columbia Falls	Our Redeemer	177	\$0	583.33	6,999.96
	Eureka	Holy Cross	165	\$4,400	0.00	4,400.00
		Church at				
	Kalispell	Creston	112	10% or \$12,000	3,212.50	12,850.00
	Kalispell	Trinity	1072	\$27,000	1,916.66	27,249.97
	Libby	St. John	96	5%	1,786.30	10,468.54
	Polson	Mt. Calvary	71	\$0	306.91	6,000.00
	Ronan	St. Paul	87	11%	0.00	8,581.78
	St. Ignatius	Zion	35	\$4,896	365.00	4,380.00
	Whitefish	St. Peter	109	10% or \$7,800	1,577.00	8,958.00
Total			1924		9,747.70	89,888.25

Total Congregation Donations 2011:	64,304.84	568,052.63
Congregation Donations 2010:	66,624.98	553,678.76
Additional Contributions to Synod 2011:	500.00	3,000.00
25% sent to Synod 2011:	\$16,076	\$142,013