

**The Montana District
Of**



**2018
(1 January – 31 March 2018)**

Financial Statements

Unaudited

The Montana District – LCMS 2018 Financial Statements

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Montana District LCMS
1st Quarter 2018 Statement of Financial Position - Unaudited
As of March 31, 2018

	Mar 31, 18	Dec 31, 17	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings	550,092.10	578,660.05	(28,567.95)	(4.94%)
Accounts Receivable	5,690.00	2,920.00	2,770.00	94.86%
Other Current Assets				
Property Held for Resale	96,807.83	114,807.83	(18,000.00)	(15.68%)
Total Other Current Assets	96,807.83	114,807.83	(18,000.00)	(15.68%)
Total Current Assets	652,589.93	696,387.88	(43,797.95)	(6.29%)
Fixed Assets	60,941.26	63,169.33	(2,228.07)	(3.53%)
Other Assets				
Long Term Invest.	1,329,158.31	1,307,819.87	21,338.44	1.63%
Total Other Assets	1,329,158.31	1,307,819.87	21,338.44	1.63%
TOTAL ASSETS	2,042,689.50	2,067,377.08	(24,687.58)	(1.19%)
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	(40.00)	13,806.14	(13,846.14)	(100.29%)
Credit Cards	1,183.89	974.25	209.64	21.52%
Other Current Liabilities	29,600.00	51,813.67	(22,213.67)	(42.87%)
Total Current Liabilities	30,743.89	66,594.06	(35,850.17)	(53.83%)
Total Liabilities	30,743.89	66,594.06	(35,850.17)	(53.83%)
Equity				
With Donor Restrictions	368,625.42	368,461.80	163.62	0.04%
Purpose Restrictions	368,625.42	368,461.80	163.62	0.04%
Without Donor Restrictions	1,643,320.19	1,632,321.22	10,998.97	0.67%
Board Designated	1,142,596.00	1,074,051.92	68,544.08	6.38%
Land/Bldg/Equip	60,941.26	63,169.33	(2,228.07)	(3.53%)
Undesignated	439,782.93	495,099.97	(55,317.04)	(11.17%)
Total Equity	2,011,945.61	2,000,783.02	11,162.59	0.56%
TOTAL LIABILITIES & EQUITY	2,042,689.50	2,067,377.08	(24,687.58)	(1.19%)

Montana District LCMS
Statement of Cash Flows (unaudited)
1st Quarter 2018

	Jan - Mar 18
OPERATING ACTIVITIES	
Net Income	11,162.59
Adjustments to reconcile Net Income to net cash provided by operations:	
AR--Invoiced	(2,770.00)
Property Held for Resale:ROLF Property	18,000.00
Accounts Payable	(13,846.14)
CHASE Credit Card	209.64
Payroll Liabilities:Unemployment Ins Company Paid	(13.67)
Promises to Give Payable-CL	(22,200.00)
Net cash provided by Operating Activities	(9,457.58)
INVESTING ACTIVITIES	
Property Plant & Equipment:District Office Building:Accum Depreciation-Building	1,208.72
Property Plant & Equipment:District Vehicles:Accum Depreciation-Vehicle	1,019.35
Long Term Invest.:LCEF:LCEF 2yr Partner Plus CD	(124.16)
Long Term Invest.:LCMS Foundation Funds:MT District Foundation Fund:Principal	12,362.33
Long Term Invest.:LCMS Foundation Funds:MT District Foundation Fund:Unrealized G	9,637.72
Long Term Invest.:LCMS Foundation Funds:MT District Scholarship Fund:Principal	(27,045.92)
Long Term Invest.:LCMS Foundation Funds:MT District Scholarship Fund:Unrealized G	7,799.17
Long Term Invest.:LCMS Foundation Funds:MT District Schools Fund:Principal	(25,367.17)
Long Term Invest.:LCMS Foundation Funds:MT District Schools Fund:Unrealized Gain/	1,399.59
Net cash provided by Investing Activities	(19,110.37)
FINANCING ACTIVITIES	
With Donor Restrictions:Anaconda Mission	500.00
With Donor Restrictions:Mercy Fund	(336.38)
Board Designated:Car Replacement Fund	2,000.00
Board Designated:Convention Assessments	22,628.96
Board Designated:MT District Foundation Fund	(2,645.02)
Board Designated:MT District Scholarship Fund	19,246.75
Board Designated:MT District Schools Fund	23,967.58
Board Designated:Pastor/Teacher & Circ Conf Fees	1,345.81
Board Designated:Technology Replacement Fund	2,000.00
Land/Bldg/Equip	(2,228.07)
Without Donor Restrictions	(66,479.63)
Net cash provided by Financing Activities	0.00
Net cash increase for period	(28,567.95)
Cash at beginning of period	578,660.05
Cash at end of period	550,092.10

Montana District LCMS
Statement of Activities (unaudited)
 January through March 2018

	Jan - Mar 18	Oct - Dec 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
PUBLIC SUPPORT				
District Congregations	160,557.21	146,669.34	13,887.87	9.47%
Individual Donations	150.00	419.00	(269.00)	(64.2%)
In Kind Contribution	205.13	503.50	(298.37)	(59.26%)
Fees and Assessments	3,640.80	495.00	3,145.80	635.52%
District Subsidized Ministries	1,465.00	1,453.00	12.00	0.83%
Indian Ministry MT District	0.00	40.00	(40.00)	(100.0%)
Mercy Fund	700.00	2,550.00	(1,850.00)	(72.55%)
Thrivent Choice Dollars	28.00	50.00	(22.00)	(44.0%)
Miscellaneous	212.57	16,381.21	(16,168.64)	(98.7%)
Rental Income	2,560.00	2,490.00	70.00	2.81%
Returned Check Charges	0.00	0.00	0.00	0.0%
Total PUBLIC SUPPORT	169,518.71	171,051.05	(1,532.34)	(0.9%)
INVESTMENT INCOME	(11,997.74)	74,028.06	(86,025.80)	(116.21%)
Net Assets Released frm Restric	0.00	0.00	0.00	0.0%
Total Income	157,520.97	245,079.11	(87,558.14)	(35.73%)
Gross Profit	157,520.97	245,079.11	(87,558.14)	(35.73%)
Expense				
PROGRAM EXPENSE	83,886.69	111,847.32	(27,960.63)	(25.0%)
DISTRICT OFFICERS AND ADMIN	49,234.53	44,541.90	4,692.63	10.54%
MINISTRY BOARD AND COMMITTEE	4,705.58	7,145.44	(2,439.86)	(34.15%)
Total Expense	137,826.80	163,534.66	(25,707.86)	(15.72%)
Net Ordinary Income	19,694.17	81,544.45	(61,850.28)	(75.85%)
Other Income/Expense				
Other Income				
GAIN/LOSS ON SALE OF ASSET	(8,531.58)	0.00	(8,531.58)	(100.0%)
Total Other Income	(8,531.58)	0.00	(8,531.58)	(100.0%)
Net Other Income	(8,531.58)	0.00	(8,531.58)	(100.0%)
Net Income	11,162.59	81,544.45	(70,381.86)	(86.31%)

Montana District LCMS
YTD Statement of Activities By Class (Unaudited)
as of 31 March 2018

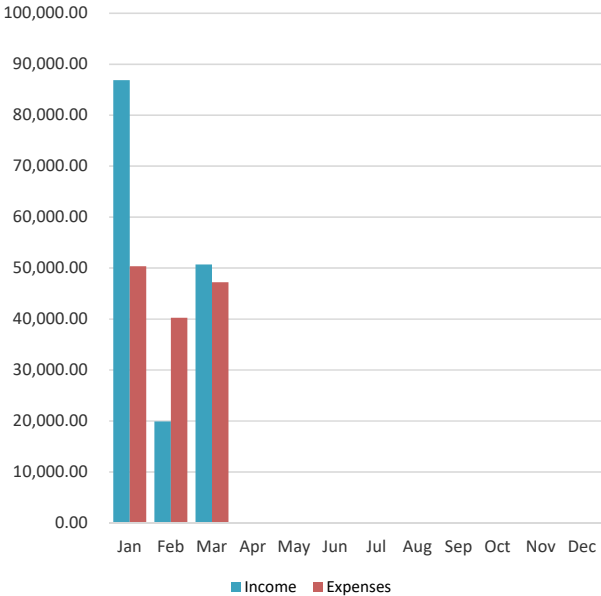
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Ordinary Income/Expense			
Income			
PUBLIC SUPPORT			
District Congregations	160,557.21	0.00	160,557.21
Individual Donations	150.00	0.00	150.00
In Kind Contribution	205.13	0.00	205.13
Fees and Assessments	3,640.80	0.00	3,640.80
District Subsidized Ministries	0.00	1,465.00	1,465.00
Mercy Fund	0.00	700.00	700.00
Thrivent Choice Dollars	28.00	0.00	28.00
Miscellaneous	212.57	0.00	212.57
Rental Income	2,560.00	0.00	2,560.00
Total PUBLIC SUPPORT	167,353.71	2,165.00	169,518.71
INVESTMENT INCOME	(11,997.74)	0.00	(11,997.74)
Net Assets Released frm Restric	2,001.38	(2,001.38)	0.00
Total Income	157,357.35	163.62	157,520.97
Gross Profit	157,357.35	163.62	157,520.97
Expense			
PROGRAM EXPENSE	83,886.69	0.00	83,886.69
DISTRICT OFFICERS AND ADMIN	49,234.53	0.00	49,234.53
MINISTRY BOARD AND COMMIT	4,705.58	0.00	4,705.58
Total Expense	137,826.80	0.00	137,826.80
Net Ordinary Income	19,530.55	163.62	19,694.17
Other Income/Expense	(8,531.58)	0.00	(8,531.58)
Net Income	10,998.97	163.62	11,162.59

Montana District LCMS
1st Quarter 2018 Statement of Functional Expenses - Unaudited
As of March 31, 2018

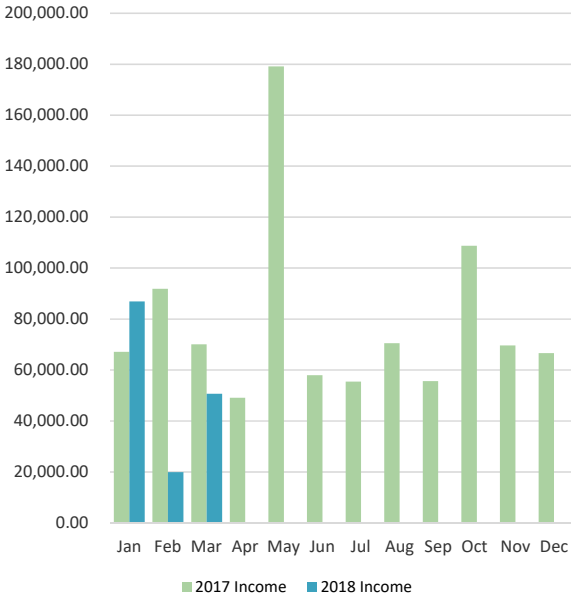
<i>Functional Classifications</i>	National/ International Mission	MT District Mission	Total Programs	Management and General	Fundraising	Total
Natural Classifications						
Personnel						
Salary and Wages	3495	9713	13207	19411	0	
Benefits	930	2413	3343	3193	0	
Taxes(Employer SS and Medicare)	0	58	58	767	0	
UI/Worker's Comp/Admin Fund	0	4	4	54	0	
Payroll Processing	2	6	8	24	0	
Total Personnel	4426	12194	16620	23448	0	40068
Resource Materials & Training			0	989		989
Postage and Shipping			0	20		20
Office Technology			0	170		170
Total Office Building			0	839	0	839
Property/Liability Insurance			0	3434		3434
Board of Directors	28	414	442	877		1319
Accounting Costs			0	150		150
Bank Fees			0	17		17
Depreciation			0	2228		2228
Synodical Pledge	40139		40139			40139
District Convention		453	453			453
Grants & Support						
Congregational Subsidies		30798	30798			
MT Missionary Support		2000	2000			
Mercy Fund Grants		1036	1036			
Total Grants & Support		33834	33834			33834
Ecclesiastical Services						
Circuit Visitors		228	228			
District Conferences		3831	3831			
District President	2212	2716	4928	473	0	
Ecclesiastical Services	2212	6775	8987	473	0	9460
Ministry Boards & Committees	0	2629	2629	2076	0	4706
Loss or (Gain) on sale of asset			0			0
Investment Expenses *			0	1671		1671
Total	46805	55846	102651	36393	0	139498
	34%	40%	74%	26%	0%	100%

*Reported Net of Investment Income on the Statement of Activities

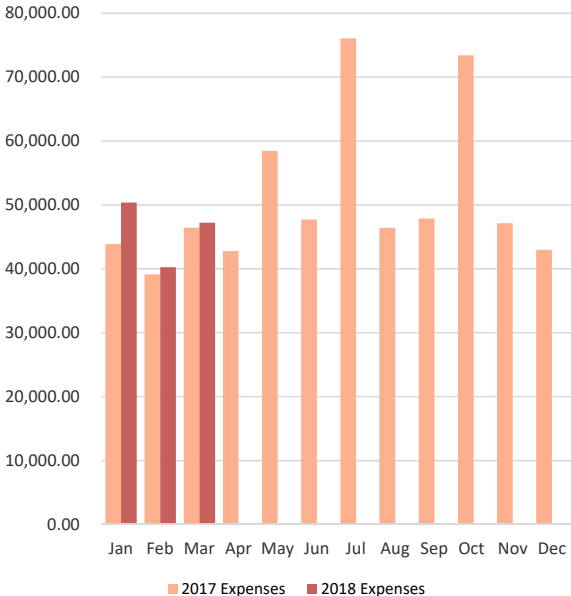
Income and Expense Trend 2018



Income Comparison 2017, 2018



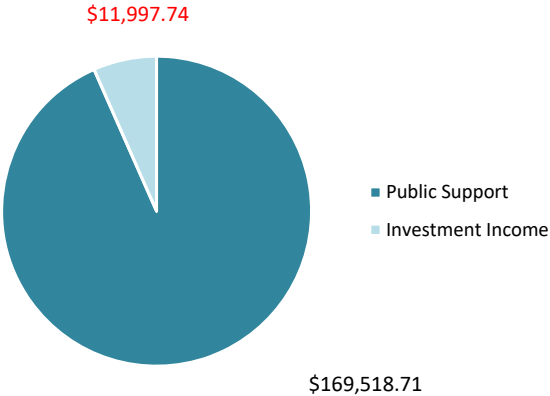
Expense Comparison 2017, 2018



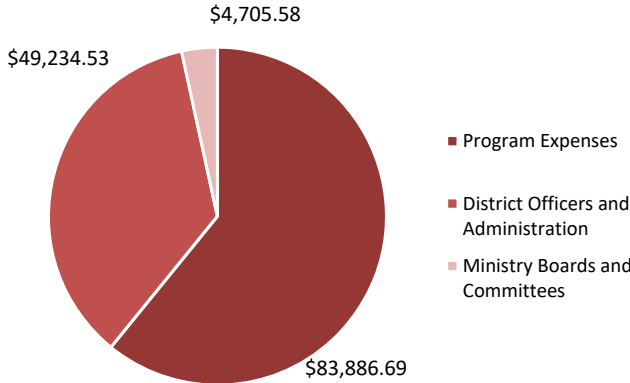
Account Balances

Account	Balance
Payroll Liabilities	0.00
Credit Card	1,183.89
Accounts Payable	-40.00
Promise to Give Payable-CL	29,600.00
Accounts Receivable	5,690.00
Yellowstone Bank	
Checking	44,096.89
Savings	115,671.85
LCEF	390,323.36
LCEF-2 yr CD	25,479.79
LCMS Foundation	1,303,678.52

YTD Income



YTD Expense Breakdown

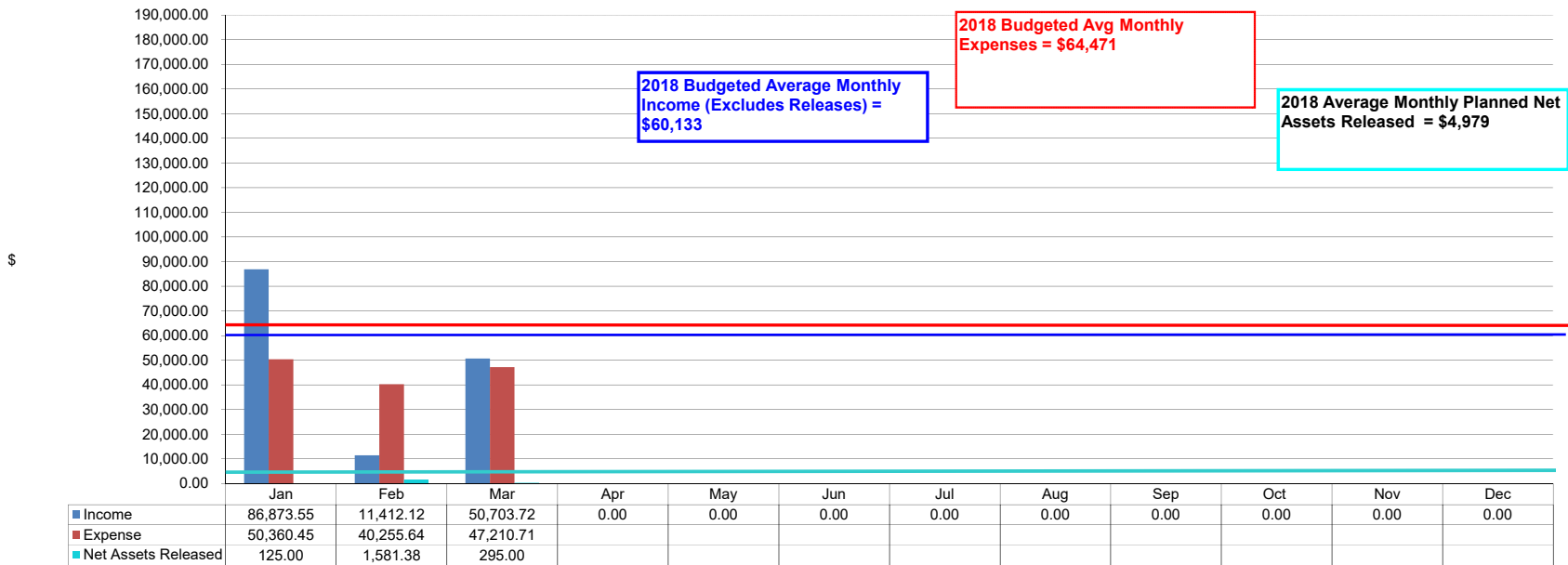


Montana District-LCMS ACTUAL 2018 INCOME AND EXPENSES

Actual (accrual basis):

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals:
Public Support (Without Donor Restrictions)	59,219.97	51,317.06	56,816.68										167,353.71
Public Support (With Donor Restrictions)	225.00	1,545.00	395.00										2,165.00
Investment Income (Without Donor Restrictions)	27,428.58	(32,918.36)	(6,507.96)										(11,997.74)
Net Assets Released From Donor Restrictions	125.00	1,581.38	295.00										2,001.38
Total Ordinary Income (is not affected by release of net assets)	86,873.55	19,943.70	50,703.72										157,520.97
Total Expenses	50,360.45	40,255.64	47,210.71										137,826.80
Net ordinary Gain/(Loss)	36,513.10	(20,311.94)	3,493.01										19,694.17
Other Income		(8,531.58)											(8,531.58)
Net Income [Gain/(Loss)]	36,513.10	(20,311.94)	3,493.01										19,694.17
Gain/(Loss) in Net Assets Without Donor Restrictions	36,413.10	(28,807.14)	3,393.01										10,998.97
Gain/(Loss) in Net Assets With Donor Restrictions	100.00	(36.38)	100.00										163.62

Actual Income vs Expenses 2018

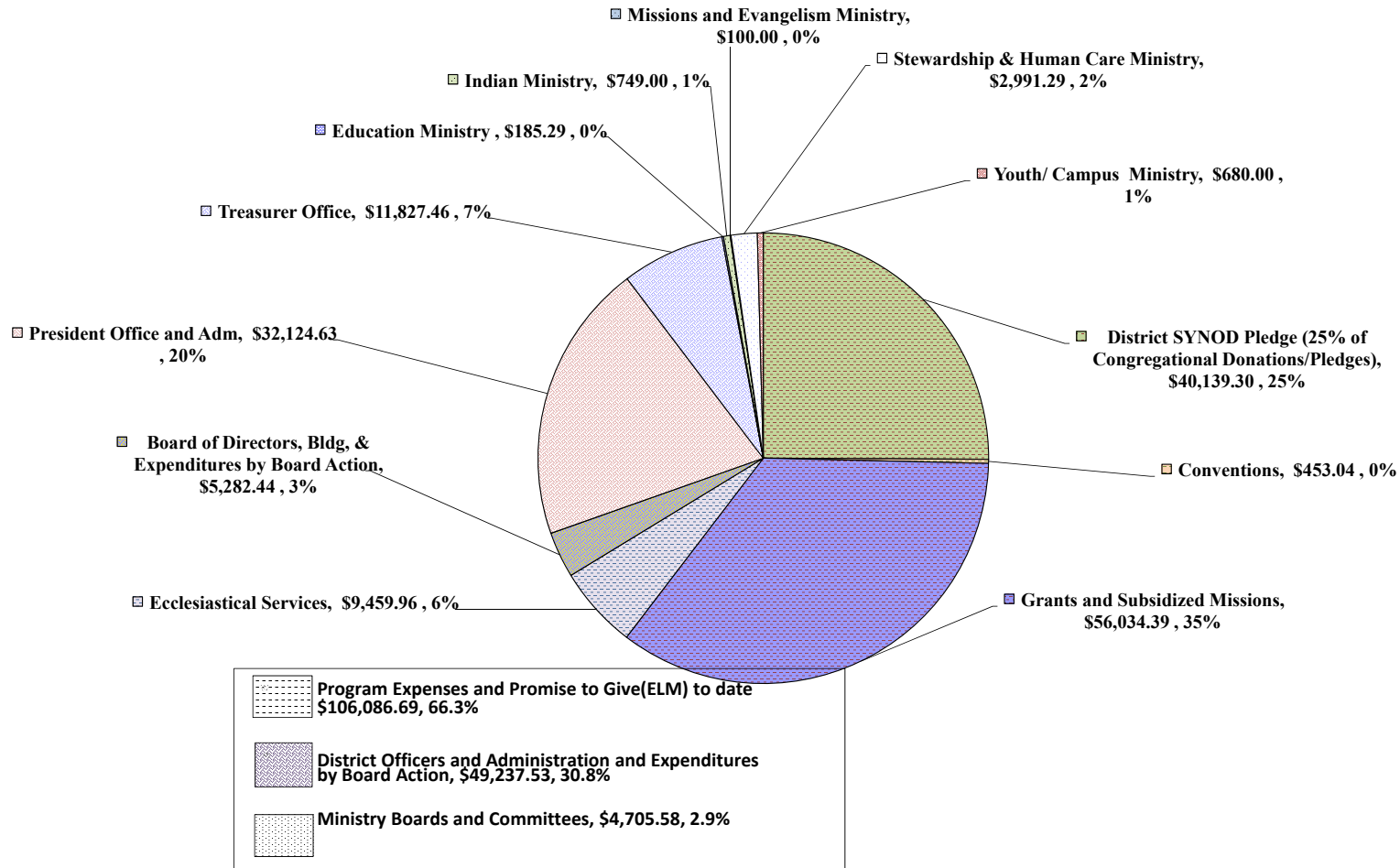


Expenditures to Date: \$ 160,026.80

District SYNOD Pledge (25% of Congregational Donations/Pledges)	Conventions	Grants and Subsidized Missions	Ecclesiastical Services	Board of Directors, Bldg. & Expenditures by Board Action	President Office and Adm	Treasurer Office	Education Ministry	Indian Ministry	Missions and Evangelism Ministry	Stewardship & Human Care Ministry	Youth/ Campus Ministry
\$ 40,139.30	\$ 453.04	\$ 56,034.39	\$ 9,459.96	\$ 5,282.44	\$ 32,124.63	\$ 11,827.46	\$ 185.29	\$ 749.00	\$ 100.00	\$ 2,991.29	\$ 680.00
2018 Budgeted Income: \$ 721,599						2018 Budgeted Expenses: \$ 773,650					

160,026.80

2018 DISTRICT EXPENDITURES YTD (as of 31 March= \$160,026.80)



NOTES TO THE FINANCIAL STATEMENTS – January 1-March 31, 2018

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 68 congregations in the states 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 \$160,557.21 for the first quarter of 2018, 101.9% of total income.

The Montana District of the Lutheran Church – Missouri 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 (GAAP) in the United States of America. 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.

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restriction imposed at the time the gift was given.

Support that is restricted by the donor is reported as an increase in net assets With Donor Restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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 Federal Deposit Insurance Corporation (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/class groups. Accordingly, all financial transactions have been recorded and reported in the net assets without donor restrictions and net assets with donor restrictions as noted below.

1.d. NET ASSET DISCLOSURE

Net Assets With Donor Restrictions

Net assets with donor restrictions 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. Net assets with donor restrictions consist of the following as of March 31, 2018:

Subject to expenditure for specified purpose:	March 31, 2018
A Anaconda Mission	\$ 500.00
B Campus Ministry	1,520.00
C Indian Ministry	100.00
D Mercy Fund	40,297.93
E Scholarships	305,526.22
F School Fund Grants	20,681.27
Total net assets with donor restrictions	\$ 368,625.42

Net Assets Without Donor Restrictions

Net assets without donor restrictions result from receiving unrestricted contributions from donors, receiving interest from investments where there is no donor restriction on the income from a donation, and performing administrative functions. The only limits on the use of net assets without donor restrictions 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, unless the governing board chooses to set aside a portion for specific purposes. Net assets without donor restrictions as of March 31, 2018 were \$1,643,320.19.

Net assets without donor restrictions set aside by the governing board are “board designated.” The governing board can, at its discretion, add to or release from board designations. As of March 31, 2018, The Montana District LCMS’s governing board had designated from net assets without donor restrictions \$1,142,596.00 as follows:

Designated for expenditure for specified purpose:	March 31, 2018
To be expended in fulfillment of the purpose specified by the governing board. The designation on the entire balance of the fund may be dissolved and the balance may be spent at any time, for any purpose, at the discretion of the governing board.	
G Car Replacement Fund	\$ 20,000.00
H Convention Assessments	70,690.42
I Pastor/Teacher&Circuit Conferences	4,641.94
J Pastor Wives Retreat	92.46
K Student Loan Repayment Grants	30,000.00
L Technology Replacement Grants	6,000.00
	131,424.82
Designated for long-term investment in a quasi-endowment fund:	
Income on investment increases the quasi-endowment. Principal and income to be expended in support of the specified purpose on direction of the governing board. The designation on the entire principal and income may be dissolved and the sum may be spent at any time, for any purpose, at the discretion of the governing board.	
D Scholarships	257,160.65
E School Fund Grants	100,496.18
M Mission and Ministry	653,514.35
	1,011,171.18
Total net assets without donor restrictions—board designated	\$ 1,142,596.00

- A. Anaconda Mission consists of funds received from donors to be used in support of the mission effort in Anaconda, MT.
- B. Campus Ministry consists of funds received from donors to be used in support of campus ministry in the Montana District.
- C. Indian Ministry consists of funds received from donors for the support of Indian ministry in the Montana District.
- D. The Mercy Fund was created to provide relief for catastrophic health care expenses of Montana District church workers and their immediate family members.
- E. Scholarship Fund is to provide scholarships for members of the Montana District congregations who are enrolled at an LCMS college or university and actively pursuing studies for full-time service within the LCMS.
- F. The School Fund Grant Fund is to be used for the support of day schools of Montana District LCMS congregations.
- G. Car Replacement Fund was established by the board to designate funds specifically for the replacement of the district owned vehicle.
- H. Convention Assessments consists of the fees assessed to Montana District LCMS congregations annually which the board has designated to be set aside for the funding of the MT District Convention and the Synodical Convention.
- I. Pastor/Teacher/Circuit Conference fees are assessed annually to Montana District congregations and set aside to fund annual conferences within the District.
- J. Pastor Wives Retreat fees are collected and held to help offset the cost of organizing the Pastor Wives Retreat.
- K. Student Loan Repayment Fund was established to provide assistance to LCMS workers in congregations and ministries of the Montana District in repaying student loans acquired at LCMS colleges and universities in the pursuit of LCMS church-worker degrees.
- L. Technology Replacement Fund was established by the board to designate funds specifically for the replacement of the Montana District office computers and computer accessories.
- M. The Mission and Ministry Fund was established by the governing board to receive gifts and bequests without donor restrictions, in addition to receiving excess funds without donor restrictions, and to use them for the mission of the Montana District LCMS. The available balance of the fund is reduced by the Promise to Give (See Note 6). $\$653,514.35 - \$29,600.00 = \$623,914.35$.

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. 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.

NOTE 2. CASH

At period end March 31, 2018, the carrying amount of the Districts cash deposits was \$550,092.10. One local bank has cash deposits of \$159,768.74 (\$145,609.71 without donor restrictions, \$14,159.03 with donor restrictions) in checking and savings accounts which are covered by FDIC Insurance in the name of the District. An additional \$390,323.36 of cash deposits (\$360,323.36 without donor restrictions, \$30,000.00 with donor restrictions) 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 31 March 2018, the carrying amount of Synod investments was \$1,329,158.31 (\$1,004,691.92 without donor restrictions, and \$324,466.39 with donor restrictions). These investments were held by the LCEF (\$25,479.79) and Lutheran Church Missouri Synod Foundation (LCMS Foundation) (\$1,303,678.52). The LCEF investment is in a 2yr Certificate of Deposit at a fixed rate of 2.0% per year, maturing in April of 2019. The LCMS Foundation investment is in the Standard Fund Account – Moderate 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), providing modest income generation and potential for growth. This fund is jointly managed by NEPC under contract with the LCMS Foundation board.

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.

4.a. CHANGES IN CAPITAL ASSETS

The value and changes to capital assets are recorded quarterly. The value as of March 31, 2018 along with accumulated depreciation is \$60,941.26 as shown in the Statement of Financial Position report ([page 3](#)).

NOTE 5. ACCOUNTS RECEIVABLE

2018 CONGREGATION ASSESSMENTS

Each congregation of The Montana District - LCMS is sent an annual Assessment Invoice in February of each year. These assessment are used to cover the costs of the tri-annual District and Synod conventions and the annual District Pastor and regional Pastor Conferences. The 2018 convention assessment (set annually by the Board of Directors) is \$2.20 per communicant member. The Pastor Conference assessment for 2018 is \$35 per conference or \$70 per Pastor to cover the two conferences each Pastor is required to attend each year. For the year 2018, the MT District Board of Directors chose to give relief of the convention assessments to MT District congregations by designating the full 2018 assessment amount of \$23,082.00 from the 2017 budget surplus. 94.1% of Pastor Conference assessments for 2018 have been paid.

NOTE 6. LIABILITIES

CURRENT AND LONG-TERM PROMISES TO GIVE

In July of 2015, the Board of Directors entered into a 36-month obligation to give a maximum of \$7,400.00 per month support to Emmaus Lutheran Mission. The full 36-month obligation of \$266,400.00, in accordance with GAAP, was expensed in the year 2015. The current liability portion of the Promises to Give represents the obligation that will be paid within the next twelve months, adjusted quarterly. As of March 31, 2018, the remainder of the obligation was \$29,600.00.

NOTE 7. LIQUIDITY

The following reflects The Montana District LCMS’s financial assets as of March 31, 2018, reduced by amounts not available for general use because of donor-imposed restrictions within one year. Amounts not available include amounts set aside for long term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of March 31, 2018 have not been subtracted as unavailable.

Financial assets, March 31, 2018	\$1,884,940.41
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with purpose restrictions	\$(313,325.42)

Board designations:	
Quasi-endowment funds, primarily for long-term investing	<u>\$(923,444.75)</u>
Financial assets available to meet cash needs for general expenditures	
within one year	<u>\$648,170.24</u>

The Montana District LCMS is substantially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, The Montana District LCMS must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of The Montana District LCMS’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, The Montana District LCMS invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, at the direction of the governing board, The Montana District LCMS could draw upon its quasi-endowment funds.

NOTE 8. 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.