

MONTANA DISTRICT OF THE
LUTHERAN CHURCH – MISSOURI SYNOD

Billings, Montana

FINANCIAL STATEMENTS
December 31, 2020 and 2019

Mangis Accounting, PC
Certified Public Accountants
Billings, Montana

MONTANA DISTRICT OF THE
LUTHERAN CHURCH – MISSOURI SYNOD
Billings, Montana

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MANGIS ACCOUNTING
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Montana District of the Lutheran Church – Missouri Synod, a non-profit corporation, which comprise the Statements of Financial Position as of December 31, 2020 and 2019, and the related Statements of Activities and Change in Net Assets, and Statements of Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

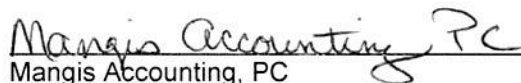
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Montana District of the Lutheran Church – Missouri Synod as of December 31, 2020 and 2019, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Mangis Accounting, PC

Billings, Montana
August 4, 2021

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
Billings, Montana

STATEMENTS OF FINANCIAL POSITION
December 31

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 697,891	\$ 593,200
Restricted cash	57,683	28,930
Accounts receivable	-	652
Total Current Assets	<u>755,574</u>	<u>622,782</u>
<u>Property and Equipment</u>		
Land	31,382	31,382
Buildings and improvements	135,219	135,219
Office equipment	6,596	6,596
Vehicles	26,399	26,399
Total Property and Equipment	199,596	199,596
Less: Accumulated Depreciation	(131,203)	(126,441)
Net Property and Equipment	<u>68,393</u>	<u>73,155</u>
<u>Other Assets</u>		
Other investments	1,243,674	1,337,008
Total Assets	<u>\$ 2,067,641</u>	<u>\$ 2,032,945</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 15,421	\$ 13,786
Accrued compensation expense	14	15
Total Current Liabilities	<u>15,435</u>	<u>13,801</u>
<u>Net Assets</u>		
Without donor restrictions		
Investments in land, buildings, and equipment	68,393	73,155
Board designated	1,189,812	1,136,153
Undesignated	479,529	511,056
Total Without Donor Restrictions	1,737,734	1,720,364
With donor restrictions	314,472	298,780
Total Net Assets	<u>2,052,206</u>	<u>2,019,144</u>
Total Liabilities and Net Assets	<u>\$ 2,067,641</u>	<u>\$ 2,032,945</u>

See accompanying notes to financial statements

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
 Billings, Montana

STATEMENT OF ACTIVITIES AND
CHANGE IN NET ASSETS
 December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>			
District Congregations' contributions	\$ 569,504	\$ -	\$ 569,504
Individual donations and other contributions	14,966	42,420	57,386
Fees and assessments	26,129	-	26,129
In-kind donations	273	-	273
Investment return, net	123,397	-	123,397
Gain on sale of asset	-	-	-
Net assets released from restrictions	26,728	(26,728)	-
Total Revenues, Gains, and Other Support	<u>760,997</u>	<u>15,692</u>	<u>776,689</u>
<u>EXPENSE</u>			
Program Services	476,539	-	476,539
Support Services	266,597	-	266,597
Fundraising	491	-	491
Total Expense	<u>743,627</u>	<u>-</u>	<u>743,627</u>
Change in Net Assets - Increase	<u>17,370</u>	<u>15,692</u>	<u>33,062</u>
Net Assets - Beginning	<u>1,720,364</u>	<u>298,780</u>	<u>2,019,144</u>
Net Assets - Ending	<u>\$ 1,737,734</u>	<u>\$ 314,472</u>	<u>\$ 2,052,206</u>

See accompanying notes to financial statements

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
 Billings, Montana

STATEMENT OF ACTIVITIES AND
CHANGE IN NET ASSETS
 December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>			
District Congregations' contributions	\$ 600,960	\$ -	\$ 600,960
Individual donations and other contributions	47,430	10,914	58,344
Fees and assessments	26,300	-	26,300
In-kind donations	1,433	-	1,433
Investment return, net	203,057	-	203,057
Gain on sale of asset	409	-	409
Net assets released from restrictions	48,083	(48,083)	-
Total Revenue, Gains, and Other Support	<u>927,672</u>	<u>(37,169)</u>	<u>890,503</u>
<u>EXPENSE</u>			
Program Services	487,315	-	487,315
Support Services	273,542	-	273,542
Fundraising	114	-	114
Total Expense	<u>760,971</u>	<u>-</u>	<u>760,971</u>
Change in Net Assets - Increase (Decrease)	<u>166,701</u>	<u>(37,169)</u>	<u>129,532</u>
Net Assets - Beginning	<u>1,553,663</u>	<u>335,949</u>	<u>1,889,612</u>
Net Assets - Ending	<u>\$ 1,720,364</u>	<u>\$ 298,780</u>	<u>\$ 2,019,144</u>

See accompanying notes to financial statements

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
Billings, Montana

STATEMENT OF FUNCTIONAL EXPENSE
Year ended December 31, 2020

	Program Services		Support Services			Total
	National/ International Mission	MT District Mission	Synodical General Fund	Management and General	Fundraising	2020
	\$	\$	\$	\$	\$	\$
Board of directors expense	-	58,388	-	1,279	-	59,667
Congregational resources	-	639	-	-	-	639
Convention expenses	-	-	-	-	-	-
Depreciation	-	-	-	4,762	-	4,762
Ecclesiastical services	4,857	12,959	-	650	-	18,466
Employee benefits	4,322	11,208	-	14,698	36	30,264
Grants and support	-	322,322	142,376	-	-	464,698
Insurance	-	-	-	4,846	-	4,846
Ministry boards and committees	-	11,049	-	1,239	-	12,288
Miscellaneous	210	197	-	131	-	538
Office expense	-	-	-	4,166	37	4,203
Payroll taxes	7	323	-	3,746	34	4,110
Professional fees	-	-	-	7,931	-	7,931
Real estate taxes	-	-	-	350	-	350
Repairs and maintenance	-	-	-	266	-	266
Salaries and wages	13,112	36,946	-	77,077	384	127,519
Utilities	-	-	-	3,080	-	3,080
Total Expense	\$ 22,508	\$ 454,031	\$ 142,376	\$ 124,221	\$ 491	\$ 743,627

See accompanying notes to financial statements

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
Billings, Montana

STATEMENT OF FUNCTIONAL EXPENSE
Year ended December 31, 2019

	Program Services		Support Services			Total
	National/ International Mission	MT District Mission	Synodical General Fund	Management and General	Fundraising	2019
	\$	\$	\$	\$	\$	\$
Board of directors expense	320	7,110	-	5,799	-	13,229
Congregational resources	-	-	-	163	-	163
Convention expenses	25,361	457	-	-	-	25,818
Depreciation	-	-	-	6,040	-	6,040
Ecclesiastical services	970	24,933	-	1,809	-	27,712
Employee benefits	3,923	10,189	-	13,550	9	27,671
Grants and support	-	355,601	150,240	-	-	505,841
Insurance	-	-	-	4,156	-	4,156
Ministry boards and committees	-	13,990	-	-	-	13,990
Miscellaneous	-	-	-	161	-	161
Office expense	-	-	-	5,577	-	5,577
Payroll taxes	7	278	-	3,589	7	3,881
Professional fees	-	-	-	8,183	-	8,183
Real estate taxes	-	-	-	335	-	335
Repairs and maintenance	-	-	-	315	-	315
Salaries and wages	11,487	32,689	-	70,605	98	114,879
Utilities	-	-	-	3,020	-	3,020
Total Expense	\$ 42,068	\$ 445,247	\$ 150,240	\$ 123,302	\$ 114	\$ 760,971

See accompanying notes to financial statements

MONTANA DISTRICT OF THE
LUTHERAN CHURCH - MISSOURI SYNOD
Billings, Montana

STATEMENTS OF CASH FLOWS
December 31

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Assets Increase	\$ 33,062	\$ 129,532
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	4,762	6,040
Accounts receivable - (increase) decrease	652	(452)
Accounts payable - increase	1,635	585
Accrued compensation expense - (decrease)	(1)	(1,656)
(Gain) on sale of asset	-	(409)
Realized and unrealized (gains) losses on investments	(79,610)	(152,787)
Net Cash (Used) by Operating Activities	<u>(39,500)</u>	<u>(19,147)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Improvements	-	(11,718)
Proceeds from sale of vehicle	-	2,279
Insurance proceeds received for damage to vehicle	-	11,308
Vehicle - (purchased)	-	(26,399)
Other investments - proceeds	193,994	133,735
Other investments - (purchases)	(21,050)	(68,555)
Net Cash Provided by Investing Activities	<u>172,944</u>	<u>40,650</u>
 Net Increase in Cash, Cash Equivalents, and Restricted Cash	 133,444	 21,503
 Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	 <u>622,130</u>	 <u>600,627</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 755,574</u>	<u>\$ 622,130</u>
 Supplemental Disclosures:		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1 ORGANIZATION

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), encompassing 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 statements of activities and change in net assets, the total support from the District Congregations was \$569,504 and \$600,960 for the years ended December 31, 2020 and 2019, respectively.

2 SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with professional standards and are stated on the accrual basis of accounting. Accordingly, revenue is recognized when pledged and expenses are recognized when incurred rather than when the obligation is paid. The significant accounting policies described below are to enhance the usefulness of the financial statements to the reader.

- a. Contributions - Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions depending on the existence or nature of any donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

- b. Cash and Cash Equivalents - For purposes of the financial statements, the Montana District considers all cash and investments that mature within 90 days to be the same as cash. At times throughout the year, the cash and cash equivalent balances may exceed the federally insured limits. The Lutheran Church Extension Fund (LCEF), is a religious organization, therefore amounts held by them are not insured by the FDIC. The balances with LCEF at December 31, 2020 and 2019 were \$560,894 and \$426,051, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Cash and Cash Equivalents (continued) - The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same amounts shown in the statements of cash flows at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 697,891	\$ 593,200
Restricted cash	<u>57,683</u>	<u>28,930</u>
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	<u>\$ 755,574</u>	<u>\$ 622,130</u>

- c. Property and Equipment - The Montana District capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date received. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Property and equipment are depreciated using the straight-line method over the estimated useful life of each item; automobiles and equipment 5-10 years, building and improvements 10-30 years.

Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

- d. Income Taxes - The Montana District of the Lutheran Church – Missouri Synod is a non-profit 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). As of December 31, 2020 and 2019, the Montana District had no uncertain tax positions that would qualify for recognition or disclosure in the financial statements.
- e. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- f. Investments and Fair Value Measurements - The organization has adopted standards for investment recognition whereby investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The organization recognizes all contributed financial assets at their fair value as defined as the price representing the amount that would be received to sell an asset. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- f. Investments and Fair Value Measurements (continued) - As a basis for considering assumptions, the organization adheres to the establishment of a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs such as quoted prices in an active market;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions based on reasonable and commonly accepted assertions

- g. Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include ecclesiastical services, employee benefits, grants and support, ministry boards and committees, miscellaneous, office expense, payroll taxes, and salaries and wages which are allocated on the basis of estimates of time and effort.
- h. Prior year amounts - Certain amounts from the prior year have been reclassified to be more comparable with the current year presentation.

3 ACCOUNTS RECEIVABLE - CONGREGATION ASSESSMENTS

Each congregation of the Montana District is sent an annual assessment invoice in February of each year. These assessments are used to cover the costs of the tri-annual District and Synod conventions and the annual District Pastor and regional Pastor Conferences. The convention assessment (set annually by the Board of Directors) was \$2.20 per communicant member per year for the years ending December 31, 2020 and 2019. The Pastor Conference assessment for 2020 and 2019 was \$35 or \$70 per Pastor to cover the two conferences each Pastor is required to attend each year. All congregation assessments were paid as of December 31, 2020 and 2019.

4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Montana District investment amounts of \$1,177,669 and \$1,271,605 at December 31, 2020 and 2019, respectively, are held by the Lutheran Church Missouri Synod Foundation. Those amounts consist of both net assets with donor restrictions and net assets without donor restrictions. The amounts with donor restrictions at December 31, 2020 and 2019 are \$236,755 and \$253,850, respectively. The amounts without donor restrictions at December 31, 2020 and 2019 are \$940,914 and \$1,017,755, respectively. The certificates of deposit held by the Lutheran Church Extension Fund at December 31, 2020 in the amount of \$66,005 consist of \$20,035 of net assets with donor restrictions and \$45,970 of net assets without donor restrictions. The certificates of deposit held by the Lutheran Church Extension Fund at December 31, 2019 in the amount of \$65,403 consist of \$16,000 of net assets with donor restrictions and \$49,403 of net assets without donor restrictions.

The LCEF investments include a 2-year certificate of deposit at an interest rate of 2% per year, maturing in April of 2021, and a 40-month certificate of deposit at a fixed rate of 4%, maturing in February of 2022. The LCMS Foundation investment is in the Standard Fund Account-Moderate Balanced Fund. This is a blended portfolio that holds both fixed income and equity securities, providing modest income generation and potential for growth. This fund is jointly managed by NEPC under contract with the LCMS Foundation board.

MONTANA DISTRICT OF THE
LUTHERAN CHURCH – MISSOURI SYNOD
Billings, Montana

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Investments are valued using level 1 and level 2 inputs and stated at fair value.

December 31, 2020					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total	Cost	Unrealized Appreciation Gain (Loss)
Certificates of deposit	\$ -	\$ 66,005	\$ 66,005	\$ 66,005	\$ -
Mutual funds	1,177,669	-	1,177,669	1,008,950	168,719
	<u>\$ 1,177,669</u>	<u>\$ 66,005</u>	<u>\$ 1,243,674</u>	<u>\$ 1,074,955</u>	<u>\$ 168,719</u>
December 31, 2019					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total	Cost	Unrealized Appreciation Gain (Loss)
Certificates of deposit	\$ -	\$ 65,403	\$ 65,403	\$ 65,403	\$ -
Mutual funds	1,271,605	-	1,271,605	1,171,739	99,866
	<u>\$ 1,271,605</u>	<u>\$ 65,403</u>	<u>\$ 1,337,008</u>	<u>\$ 1,237,142</u>	<u>\$ 99,866</u>

Investment return is summarized as follows at December 31:

	2020	2019
Interest and dividend income	\$ 50,030	\$ 56,937
Investment management fees	(6,243)	(6,669)
Realized gains (losses)	10,757	4,652
Unrealized gains (losses)	68,853	148,137
Total investment return, net	<u>\$ 123,397</u>	<u>\$ 203,057</u>

5 RESTRICTIONS ON NET ASSETS

Net assets without donor restrictions (Board designated) are comprised of the following categories at December 31:

	2020	2019
Mission and Ministry Fund	\$ 445,217	\$ 571,620
Building Fund	105,000	-
Convention Assessments	70,025	41,689
District Schools Scholarship	13,134	15,634
Scholarship Fund	392,058	329,485
District Schools Fund	139,507	124,605
Pastor/Teacher Conference	456	-
Pastors Wives Retreat	162	127
Student Loan Repayment Fund	-	37,740
Technology Replacement Fund	4,065	2,065
Car Replacement Fund	20,188	13,188
Total Board Designated Funds	<u>\$ 1,189,812</u>	<u>\$ 1,136,153</u>

MONTANA DISTRICT OF THE
LUTHERAN CHURCH – MISSOURI SYNOD
Billings, Montana

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

5 RESTRICTIONS ON NET ASSETS (continued)

Net assets with donor restrictions that time or use restrictions expired include the following at December 31:

	<u>2020</u>	<u>2019</u>
Anaconda Mission	\$ 88	\$ 276
Campus Ministry Support	374	-
Circle of Life Lutheran Ministries	1,039	427
Crow Lutheran Ministry	889	276
District School Scholarships	-	2,000
Emmaus Lutheran Mission	3,354	3,705
Indian Ministry	45	140
Mercy Fund	1,843	4,463
Church Worker Scholarship Fund	14,711	30,000
Youth Ministry	1,950	-
MT District School Grants	2,435	6,796
Total Net Assets Released from Restrictions	<u>\$ 26,728</u>	<u>\$ 48,083</u>

Net assets with donor restrictions that are available are comprised of the following at December 31:

	<u>2020</u>	<u>2019</u>
Campus Ministry	\$ 1,146	\$ 1,520
Disaster Relief	160	-
District School Scholarships	1,000	-
Mercy Fund	46,362	42,860
Church Worker Scholarship Fund	231,315	245,526
SOTC-Covid-19	28,500	-
Youth Ministry	50	500
MT District School Grants	5,939	8,374
Total Net Assets with Donor Restrictions	<u>\$ 314,472</u>	<u>\$ 298,780</u>

6 ENDOWMENT TRUST INCOME

The Montana District receives 25 percent of the Meinhardt Endowment income and 10 percent of the Wegner Endowment income from these perpetual endowments owned by the LCMS Foundation, of which only the income, as defined by the agreement, may be distributed and the principal is held in perpetuity. This income without donor restrictions is included in contributions on the statements of activities and change in net assets. The Montana District also benefits from the Schreibeis Endowment, a term-of-years endowment, of which the income will reinvest until November 2026 after which distributions will be made to provide seminary student aid to eligible Montana District students.

7 DONATED FACILITIES, SERVICES, AND SUPPLIES

The organization records in-kind support, including donated facilities, services and supplies. The amounts recorded for 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Goods and services	<u>\$ 273</u>	<u>\$ 1,433</u>

The Montana District receives donated services from a variety of unpaid volunteers assisting in the organization's activities. No amounts have been recognized in the accompanying statements of activities and change in net assets because the criteria for recognition of such volunteer effort has not been satisfied.

The organization recognizes contributed services if the services received create or enhance long lived assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be paid for if not donated.

MONTANA DISTRICT OF THE
LUTHERAN CHURCH – MISSOURI SYNOD
Billings, Montana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

8 LIQUIDITY AND AVAILABILITY

The Montana District of the LCMS regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The organization 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 of the LCMS must maintain sufficient resources to meet those responsibilities to its donors. As of December 31, 2020 and 2019, the following table reflects the organization's total financial assets, and the total financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures. At the direction of the governing board, the Montana District of the LCMS could draw upon its board designated funds if necessary.

Financial assets at year-end:	<u>2020</u>	<u>2019</u>
Cash, cash equivalents, and restricted cash	\$ 755,574	\$ 622,130
Accounts receivable	-	652
Other investments	<u>1,243,674</u>	<u>1,337,008</u>
Total financial assets at year-end	<u>1,999,248</u>	<u>1,959,790</u>
Less amounts with donor restrictions	(314,472)	(298,780)
Less amounts with Board designations	(1,189,812)	(1,136,153)
Donor restricted funds expected to be released within one year	75,350	46,820
Board designated funds expected to be released within one year	<u>313,180</u>	<u>198,089</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 883,494</u>	<u>\$ 769,766</u>

9 SUBSEQUENT EVENTS

The Montana District has evaluated subsequent events through August 4, 2021, the date which the financial statements were available to be issued.