

Lutheran Partners in Global Ministry, Inc.
Minneapolis, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2023 and 2022



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lutheran Partners in Global Ministry, Inc.
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Lutheran Partners in Global Ministry, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lutheran Partners in Global Ministry, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lutheran Partners in Global Ministry, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lutheran Partners in Global Ministry, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lutheran Partner in Global Ministry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lutheran Partner in Global Ministry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cooper Ent and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
March 21, 2024

EXHIBIT A

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | | 2022 | | Total |
|--|----------------------------|-------------------------|----------------------------|-------------------------|------------|
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions | |
| Support and Revenue: | | | | | |
| Contributions of Financial Assets | \$ 338,683 | \$ 724,348 | \$ 295,105 | \$ 654,924 | \$ 950,029 |
| Contributions of Nonfinancial Assets | 43,888 | - | 42,480 | - | 42,480 |
| Investment Income (Loss) | 19,501 | - | (3,464) | - | (3,464) |
| Net Assets Released from Restrictions: | | | | | |
| Satisfaction of Purpose Restrictions | 579,992 | (579,992) | 667,579 | (667,579) | - |
| Total Support and Revenue | 982,064 | 144,356 | 1,001,700 | (12,655) | 989,045 |
| Expense: | | | | | |
| Program Services | 724,257 | - | 790,656 | - | 790,656 |
| Support Services: | | | | | |
| Management and General | 122,372 | - | 122,292 | - | 122,292 |
| Fundraising | 136,033 | - | 116,151 | - | 116,151 |
| Total Support Services | 258,405 | - | 238,443 | - | 238,443 |
| Total Expense | 982,662 | - | 1,029,099 | - | 1,029,099 |
| Change in Net Assets | (598) | 144,356 | (27,399) | (12,655) | (40,054) |
| Net Assets - Beginning of Year | 707,762 | 105,012 | 735,161 | 117,667 | 852,828 |
| Net Assets - End of Year | \$ 707,164 | \$ 249,368 | \$ 707,762 | \$ 105,012 | \$ 812,774 |

The accompanying Notes to Financial Statements are an integral part of these statements.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
 STATEMENT OF FUNCTIONAL EXPENSE
 FOR THE YEAR ENDED DECEMBER 31, 2023
 WITH COMPARATIVE TOTALS FOR 2022

| | 2023 | | | | 2022 | |
|-----------------------------------|------------------|----------------------|--------------|------------------------|--------------------|--------------------|
| | Program Services | Management & General | Fund-raising | Total Support Services | Total All Services | Total All Services |
| Salaries | \$ 135,771 | \$ 62,946 | \$ 83,552 | \$ 146,498 | \$ 282,269 | \$ 274,040 |
| Payroll Taxes | 10,058 | 4,664 | 6,189 | 10,853 | 20,911 | 20,206 |
| Employee Benefits | 11,786 | 4,921 | 3,722 | 8,643 | 20,429 | 24,577 |
| Total Personnel Expense | 157,615 | 72,531 | 93,463 | 165,994 | 323,609 | 318,823 |
| Project Expenses | 556,691 | - | - | - | 556,691 | 633,985 |
| Professional Services | 525 | 11,248 | 23,396 | 34,644 | 35,169 | 17,578 |
| Bank and Credit Card Fees | 5,249 | 2,200 | 7,209 | 9,409 | 14,658 | 11,714 |
| Rent | - | 14,096 | - | 14,096 | 14,096 | 14,096 |
| Printing, Copying and Newsletters | 971 | 4,508 | 3,925 | 8,433 | 9,404 | 11,454 |
| Travel | 1,848 | 4,803 | 2,658 | 7,461 | 9,309 | 1,712 |
| Postage | 300 | 2,946 | 2,664 | 5,610 | 5,910 | 6,573 |
| Supplies and Maintenance | - | 3,502 | 692 | 4,194 | 4,194 | 2,892 |
| Insurance | - | 2,993 | - | 2,993 | 2,993 | 2,877 |
| Conferences and Meetings | - | 1,294 | 1,305 | 2,599 | 2,599 | 1,824 |
| Telephone and Internet Access | 1,058 | 490 | 651 | 1,141 | 2,199 | 2,279 |
| Website | - | 1,549 | 70 | 1,619 | 1,619 | 131 |
| Miscellaneous | - | 212 | - | 212 | 212 | 3,161 |
| Total Expense | \$ 724,257 | \$ 122,372 | \$ 136,033 | \$ 258,405 | \$ 982,662 | \$ 1,029,099 |

The accompanying Notes to Financial Statements are an integral part of this statement.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
 STATEMENT OF FUNCTIONAL EXPENSE
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | Support Services | | | | Total All Services |
|-----------------------------------|---------------------|-------------------------|------------------|------------------------------|--------------------------|
| | Program Services | Management & General | Fund- raising | Total Support Services | |
| Salaries | \$ 127,894 | \$ 57,412 | \$ 88,734 | \$ 146,146 | \$ 274,040 |
| Payroll Taxes | 9,430 | 4,233 | 6,543 | 10,776 | 20,206 |
| Employee Benefits | 11,129 | 9,196 | 4,252 | 13,448 | 24,577 |
| Total Personnel Expense | 148,453 | 70,841 | 99,529 | 170,370 | 318,823 |
| Project Expenses | 633,985 | - | - | - | 633,985 |
| Professional Services | 201 | 11,458 | 5,919 | 17,377 | 17,578 |
| Bank and Credit Card Fees | 5,195 | 1,916 | 4,603 | 6,519 | 11,714 |
| Rent | - | 14,096 | - | 14,096 | 14,096 |
| Printing, Copying and Newsletters | 1,290 | 7,898 | 2,266 | 10,164 | 11,454 |
| Travel | 120 | 993 | 599 | 1,592 | 1,712 |
| Postage | 300 | 5,392 | 881 | 6,273 | 6,573 |
| Supplies and Maintenance | 48 | 2,263 | 581 | 2,844 | 2,892 |
| Insurance | - | 2,877 | - | 2,877 | 2,877 |
| Conferences and Meetings | - | 1,130 | 694 | 1,824 | 1,824 |
| Telephone and Internet Access | 1,064 | 477 | 738 | 1,215 | 2,279 |
| Website | - | 131 | - | 131 | 131 |
| Miscellaneous | - | 2,820 | 341 | 3,161 | 3,161 |
| Total Expense | \$ 790,656 | \$ 122,292 | \$ 116,151 | \$ 238,443 | \$ 1,029,099 |

The accompanying Notes to Financial Statements
 are an integral part of this statement.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

EXHIBIT D

| <u>ASSETS</u> | <u>2023</u> | <u>2022</u> |
|---|--------------|-------------|
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 188,561 | \$ 186,343 |
| Prepaid Expenses | 9,112 | 13,278 |
| Total Current Assets | 197,673 | 199,621 |
| Investments | 781,655 | 639,663 |
| Right of Use Assets | 44,933 | 60,127 |
| Lease Deposit | 1,100 | 1,100 |
| TOTAL ASSETS | \$ 1,025,361 | \$ 900,511 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 20,647 | \$ 24,267 |
| Operating Lease Liabilities | 16,658 | 15,288 |
| Total Current Liabilities | 37,305 | 39,555 |
| Operating Lease Liabilities- Non-Current | 31,524 | 48,182 |
| Total Liabilities | 68,829 | 87,737 |
| Net Assets: | | |
| Without Donor Restrictions: | | |
| Undesignated | 60,004 | 56,362 |
| Board Designated | 647,160 | 651,400 |
| Total Net Assets without Donor Restrictions | 707,164 | 707,762 |
| With Donor Restrictions | 249,368 | 105,012 |
| Total Net Assets | 956,532 | 812,774 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,025,361 | \$ 900,511 |

The accompanying Notes to Financial Statements
are an integral part of these statements.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

EXHIBIT E

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| <u>Increase (Decrease) in Cash and Cash Equivalents</u> | | |
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$ 143,758 | \$ (40,054) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Realized and Unrealized (Gain) Loss on Investments | (5,760) | 6,449 |
| Net Change in Operating Lease Activities | (1,464) | 12,154 |
| Increases (Decreases) in Liabilities: | | |
| Accounts Payable | (3,620) | 16,578 |
| Lease Liabilities | 1,370 | (11,758) |
| (Increases) Decreases in Assets: | | |
| Prepaid Expenses | 4,166 | (9,731) |
| Net Cash Provided (Used) by Operating Activities | <u>138,450</u> | <u>(26,362)</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of Investments | (336,232) | (307,404) |
| Proceeds from Sale of Investments | 200,000 | 354,689 |
| Net Cash Provided (Used) by Investing Activities | <u>(136,232)</u> | <u>47,285</u> |
| Cash Flows from Financing Activities: | | |
| None | <u>-</u> | <u>-</u> |
| Net Increase in Cash | 2,218 | 20,923 |
| Cash and Cash Equivalents - Beginning of Year | <u>186,343</u> | <u>165,420</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 188,561</u> | <u>\$ 186,343</u> |

The accompanying Notes to Financial Statements
are an integral part of these statements.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. Summary of Significant Accounting Policies

Organizational Purpose

Lutheran Partners in Global Ministry, Inc. (the Organization) is organized as a Minnesota non-profit corporation to engage individuals and communities in transformational partnerships across the globe; to increase access to education for children in developing countries; to economically empower women and children; to raise the level of awareness of mission within congregations through education, travel and engagement; to raise funds, supply needs, encourage, stimulate and inspire stewardship for mission. The Organization currently supports programs in the Central African Republic, Guatemala, India and Tanzania.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a Mission Development Fund.

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. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

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

Investments

The Organization carries its investments at fair market value.

Property and Equipment

All major expenditures for property and equipment over \$500 are capitalized at cost. Depreciation is provided through the use of the straight-line method. The Organization has \$30,118 of fully depreciated furniture and equipment as of December 31, 2023 and 2022.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization records contributions of nonfinancial assets at fair market value at date of donation. The Organization's policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist.

Grants Receivable

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

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 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.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through March 21, 2024, which is the date financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The Organization receives grants and contributions primarily from Minnesota residents and institutions.

3. Contributions of Nonfinancial Assets

The Organization records contributions of nonfinancial assets at fair market value at date of donation. Contributions of Nonfinancial Assets include the following as of:

| | <u>December 31,</u> | |
|---------------------|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Discounted Services | <u>\$ 43,888</u> | <u>\$ 42,480</u> |

Contributions of Nonfinancial Assets were utilized for programming during the years ended December 31, 2023 and 2022, and had no donor restrictions. Values were used based on the current market rates the Organization would have paid for the items if they were not donated.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

4. Investments

The Organization held the following investments as of:

| | December 31, | | | |
|--------------------|--------------|--------------|------------|--------------|
| | 2023 | | 2022 | |
| | Cost | Market Value | Cost | Market Value |
| Corporate Bonds | \$ 379,850 | \$ 375,460 | \$ 99,901 | \$ 89,700 |
| Money Market Funds | 406,195 | 406,195 | 549,963 | 549,963 |
| | \$ 786,045 | \$ 781,655 | \$ 649,864 | \$ 639,663 |

Investment income was as follows as of:

| | December 31, | |
|-------------------------------------|--------------|------------|
| | 2023 | 2022 |
| Interest and Dividends | \$ 13,741 | \$ 2,985 |
| Unrealized and Realized Gain (Loss) | 5,760 | (6,449) |
| | \$ 19,501 | \$ (3,464) |

5. Retirement Plan

The Organization provides retirement benefits to its employees through a SIMPLE IRA plan covering all eligible employees. The Organization contributes matches up to three percent of gross wages. Contributions to the plan during the years ended December 31, 2023 and 2022, were \$8,201 and \$7,924, respectively.

6. Donor Restricted and Board Designated Net Assets

Board designated net assets consisted of amounts for the following as of:

| | December 31, | |
|--------------------------|--------------|------------|
| | 2023 | 2022 |
| Mission Development Fund | \$ 647,160 | \$ 651,400 |

Net assets with donor restrictions consisted of amounts for the following as of:

| | December 31, | |
|----------------------------------|--------------|------------|
| | 2023 | 2022 |
| India Program | \$ 213,761 | \$ 74,246 |
| Transformational Travel | 6,678 | 15,385 |
| Central African Republic Program | 16,502 | 6,657 |
| Guatemala | 12,427 | 8,724 |
| | \$ 249,368 | \$ 105,012 |

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

7. Fair Value

Fair value is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. Three-tier hierarchy of input establishes a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2023:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------|-------------------|----------------|----------------|-------------------|
| Money Market Funds | \$ 406,195 | \$ - | \$ - | \$ 406,195 |
| Corporate Bonds | 375,460 | - | - | 375,460 |
| Total | <u>\$ 781,655</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 781,655</u> |

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2022:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------|-------------------|----------------|----------------|-------------------|
| Money Market Funds | \$ 549,963 | \$ - | \$ - | \$ 549,963 |
| Corporate Bonds | 89,700 | - | - | 89,700 |
| Total | <u>\$ 639,663</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 639,663</u> |

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

8. Liquidity and Availability

The following represents the Organization's financial assets as of:

| | December 31, | |
|---|--------------|------------|
| | 2023 | 2022 |
| Financial Assets: | | |
| Cash and Cash Equivalents | \$ 188,561 | \$ 186,343 |
| Less assets not available to be used within one year: | | |
| Net Assets with Donor Restrictions | 249,368 | 105,012 |
| Net Assets with Restrictions to be met within a year | (249,368) | (105,012) |
| Total assets not available to be used within one year | - | - |
| Financial assets available for general expenditures within one year | \$ 188,561 | \$ 185,168 |

The Organization does not consider their investments to be a financial asset available for use within one year because it is intended to be held for long-term purposes. If liquidity needs required, the Organization could use the investment funds.

The amount recorded as net assets with donor restrictions are not subtracted from financial assets available for general expenditures within one year because they are restricted for purposes that are met during the normal operation of the Organization within one year.

As part of the Organization's liquidity policy, they invest excess cash into an interest bearing money market savings account.

9. Operating Leases

The Organization has operating leases for office space and equipment. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of:

| | December 31, | |
|--|--------------|-----------|
| | 2023 | 2022 |
| Operating Leases: | | |
| Operating Lease Right of Use Assets | \$ 44,933 | \$ 60,127 |
| Operating Lease Liabilities - Current | \$ 16,658 | \$ 15,288 |
| Operating Lease Liabilities - Noncurrent | 31,524 | 48,182 |
| Total Operating Lease Liabilities | \$ 48,182 | \$ 63,470 |

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. Operating Leases (continued)

The following summarizes the weighted average remaining lease term and discount rate as of:

| | <u>December 31,</u> | |
|--|---------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Weighted Average Remaining Lease Term: | | |
| Operating Leases | 2.85 years | 3.83 years |
| Weighted Average Discount Rate: | | |
| Operating Leases | 3.6% | 3.6% |

Maturities of lease liabilities as of December 31, 2023 were as follows:

| | |
|------------------------------------|------------------|
| In the Year Ending December 31: | |
| 2024 | \$ 18,060 |
| 2025 | 18,660 |
| 2026 | 10,950 |
| 2027 | <u>3,060</u> |
| Total Lease Payments | 50,730 |
| Less Present Value Discount | <u>2,548</u> |
| Present Value of Lease Liabilities | <u>\$ 48,182</u> |

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended:

| | <u>December 31,</u> | |
|--|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Operating lease expense included in Rent and Printing, Copying and Newsletters. | <u>\$ 17,156</u> | <u>\$ 14,096</u> |

The following summarizes cash flow information related to leases for the year ended:

| | <u>December 31,</u> | |
|--|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Cash paid for amounts included in the measurement of Lease liabilities: | | |
| Operating cash flows from operating leases | <u>\$ 16,760</u> | <u>\$ 13,700</u> |