

LUTHERAN MEN IN MISSION
Chicago, Illinois

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
January 31, 2014 and 2013

Together with Independent Accountant's Review Report

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Independent Accountant's Review Report

Board of Directors
Lutheran Men in Mission
Chicago, Illinois:

We have reviewed the accompanying statements of financial position of Lutheran Men in Mission (LMM) as of January 31, 2014 and 2013 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we did not become aware of any material modifications that should be made to such information.

Seim Johnson, LLP

Omaha, Nebraska,
May 12, 2014.

**LUTHERAN MEN IN MISSION
STATEMENTS OF FINANCIAL POSITION
January 31, 2014 and 2013**

ASSETS

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 83,549	\$ 78,159
Contributions receivable	8,575	10,410
Grant receivable	50,000	-
Prepaid expenses	3,213	3,500
Consigned inventories	36,160	61,452
Due from Evangelical Lutheran Church in America	52,786	22,660
Investments	1,156,585	1,087,619
Beneficial interest in perpetual trusts	<u>298,696</u>	<u>295,967</u>
TOTAL ASSETS	<u>\$ 1,689,564</u>	<u>\$ 1,559,767</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued expenses and other liabilities	\$ 21,108	\$ 12,308
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NET ASSETS

Unrestricted	606,614	500,170
Temporarily restricted	9,500	-
Permanently restricted	<u>1,052,342</u>	<u>1,047,289</u>
Total net assets	<u>1,668,456</u>	<u>1,547,459</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,689,564</u>	<u>\$ 1,559,767</u>
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See independent accountant's review report and accompanying notes.

**LUTHERAN MEN IN MISSION
STATEMENTS OF ACTIVITIES
For the Year Ended January 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUES, GAINS, AND PUBLIC SUPPORT				
Contributions	\$ 297,412	\$ 20,000	\$ 2,324	\$ 319,736
Grant	75,000	-	-	75,000
Program service revenue - events	14,471	-	-	14,471
Bible and materials sales	23,919	-	-	23,919
Investment income	56,266	-	-	56,266
Realized and unrealized gains on investments, net	67,416	-	-	67,416
Change in value of beneficial interest in perpetual trusts	-	-	2,729	2,729
Net assets released from restrictions	10,500	(10,500)	-	-
	<u>544,984</u>	<u>9,500</u>	<u>5,053</u>	<u>559,537</u>
Total revenues, gains, and public support				
EXPENSES				
Cost of bibles and materials sold or distributed	24,485	-	-	24,485
Events	13,558	-	-	13,558
General and administrative	400,497	-	-	400,497
	<u>438,540</u>	<u>-</u>	<u>-</u>	<u>438,540</u>
Total expenses				
CHANGES IN NET ASSETS	106,444	9,500	5,053	120,997
NET ASSETS, BEGINNING OF PERIOD	<u>500,170</u>	<u>-</u>	<u>1,047,289</u>	<u>1,547,459</u>
NET ASSETS, END OF PERIOD	<u>\$ 606,614</u>	<u>\$ 9,500</u>	<u>\$ 1,052,342</u>	<u>\$ 1,668,456</u>

See independent accountant's review report and accompanying notes.

**LUTHERAN MEN IN MISSION
STATEMENTS OF ACTIVITIES
For the Year Ended January 31, 2013**

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions	\$ 309,569	\$ 286,707	\$ 596,276
Program service revenue - events	9,728	-	9,728
Bible and materials sales	24,100	-	24,100
Investment income	56,831	-	56,831
Realized and unrealized gains on investments, net	83,019	-	83,019
Change in value of beneficial interest in perpetual trusts	-	14,898	14,898
	<u>483,247</u>	<u>301,605</u>	<u>784,852</u>
Total revenues, gains, and public support			
EXPENSES			
Cost of bibles and materials sold or distributed	35,588	-	35,588
Events	5,730	-	5,730
General and Administrative	321,388	-	321,388
	<u>362,706</u>	<u>-</u>	<u>362,706</u>
Total expenses			
CHANGES IN NET ASSETS	120,541	301,605	422,146
NET ASSETS, BEGINNING OF YEAR	<u>379,629</u>	<u>745,684</u>	<u>1,125,313</u>
NET ASSETS, END OF YEAR	<u>\$ 500,170</u>	<u>\$ 1,047,289</u>	<u>\$ 1,547,459</u>

See independent accountant's review report and accompanying notes.

**LUTHERAN MEN IN MISSION
STATEMENTS OF CASH FLOWS
For the Years Ended January 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 120,997	\$ 422,146
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from contributions restricted for investment in endowment	(2,324)	(5,638)
Net realized and unrealized (gains) and losses on investments, net	(67,416)	(83,019)
Contribution of perpetual trust	-	(281,069)
Change in value of beneficial interest in perpetual trusts	(2,729)	(14,898)
Effects of changes in operating assets and liabilities:		
Accounts receivable	-	1,583
Contributions receivable	1,835	(10,410)
Grant receivable	(50,000)	-
Prepaid expenses	287	878
Consigned inventories	25,292	(55,482)
Due from Evangelical Lutheran Church in America	(30,126)	32,626
Accrued expenses and other liabilities	<u>8,800</u>	<u>(2,923)</u>
Net cash provided by operating activities	<u>4,616</u>	<u>3,794</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of endowment investments	<u>(1,550)</u>	<u>(5,638)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from permanently restricted contributions	<u>2,324</u>	<u>5,638</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	5,390	3,794
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>78,159</u>	<u>74,365</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 83,549</u>	<u>\$ 78,159</u>

See independent accountant's review report and accompanying notes.

LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lutheran Men in Mission (LMM) is a not-for-profit evangelical organization formed to build men's faith, relationships and ministry through the men's events they produce, the resources they publish and the leaders they develop. LMM's purpose is to further the kingdom of God, to enrich the faith journey of the men of the Evangelical Lutheran Church in America (ELCA) and other denominations and to live out their faith in the Lord Jesus Christ. LMM was also formed to afford men opportunities for spiritual growth and development of an evangelical attitude through prayer and study of the Word, to invite men to faith in Christ and fuller involvement and participation in the life of the congregation, synod and the church-wide organization, and to enable men of the church to support the mission and ministries of ELCA through leadership development and an active organization of service and fellowship. LMM's fiscal year ends on January 31. Significant accounting policies are as follows.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

Method of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows GAAP for not-for-profit organizations. GAAP requires LMM to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets are generally reported as unrestricted unless assets are received from donors with explicit stipulations that limit the use of the asset.

Cash and Cash Equivalents

LMM considers all highly liquid investments including certificates of deposit with a maturity of three months or less when purchased to be cash equivalents. LMM cash balances are invested in the Mission Investment Fund, an entity affiliated with ELCA.

Consigned Inventories

Consigned inventories consist of bibles and other publications located at a warehouse operated by an independent third party. Inventories are valued at the lower of cost or market. Cost is determined on the first-in, first-out method.

**LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of shares of ELCA Endowment Fund Pooled Trust, which are carried at fair value. LMM has adopted investment policies which strive to provide a stable, quarterly stream of distributable investment income (comprised of interest, dividends and capital gains) that grows over time approximately in line with the expected long-term rate of inflation. To the extent consistent with this objective, LMM also seeks to provide long-term capital appreciation. Under this policy, the endowment assets are invested in a diversified portfolio consisting principally of domestic and foreign fixed income and equity securities, selected where feasible in accordance with criteria of social responsibility that are consistent with the values and programs of LMM. The mix of investments in the endowment portfolio will approximately reflect target asset allocations determined from time to time by LMM.

Investment income and realized and unrealized gains/losses resulting from investments are reported as unrestricted or temporarily restricted net assets, as designated by the donor.

Beneficial Interest in Perpetual Trusts

LMM has a beneficial interest in two perpetual trusts and annually receives income from these trusts. The beneficial interest is recorded at fair value and the income from the trusts is reported as investment income in the statement of activities and changes in net assets (see Note 3). Changes in the value of the beneficial interest in the perpetual trusts are included in permanently restricted net assets.

Net Assets

Permanently restricted net assets include contributions that donors have specified must be maintained in perpetuity.

Temporarily restricted net assets are comprised of funds that are restricted by donors for specific purposes or time periods.

Permanently restricted net assets of LMM are made up of the following at January 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Endowments	\$ 753,646	\$ 751,322
Perpetual trusts	<u>298,696</u>	<u>295,967</u>
Total	<u>\$ 1,052,342</u>	<u>\$ 1,047,289</u>

Temporarily restricted net assets of LMM are made up of the following at January 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Men's ministry advocate	<u>\$ 9,500</u>	<u>\$ --</u>

LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted net assets represent funds that are fully available at the discretion of the Board of Directors for LMM to utilize in any of its programs or supporting services. Investment income distributed from the permanently restricted net assets and net unrealized gains and losses on permanently restricted net assets are included in the unrestricted net asset funds unless otherwise restricted by donors.

Contributions

LMM receives a significant portion of its operating funds from grants and contributions.

Unconditional promises to give cash and other assets to LMM are reported at fair value at the date the promise is received or given. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using an interest rate commensurate with risk applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Donated property is recorded at fair market value on the date it is received or pledged. It is then carried at the lower of donated or current market value.

Contributed Services

A number of volunteers have donated various amounts of their time to LMM and its programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Income Taxes

LMM is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, LMM qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). There is no obligation for unrelated business income tax for the years ended January 31, 2014 and 2013. In accordance with IRS regulations, LMM is not recognized to file an income tax return.

Subsequent Events

LMM considered events occurring through May 12, 2014 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

**LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013**

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, LMM uses various valuation approaches within the fair value measurement framework of GAAP. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. The measurement framework defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

Pooled trust – The fair value of LMM’s investment in the ELCA Endowment Fund Pooled Trust – Fund A is the reported ownership percentage of the underlying assets within the pooled trust as valued based on observable quoted market prices, and is classified as Level 2.

Beneficial interest in perpetual trusts – The fair value of the beneficial interest in perpetual trusts is classified as Level 3 as the beneficial interests have no active market and LMM will never receive the perpetual trusts’ assets. A majority of the trusts’ underlying assets are cash and cash equivalents, taxable and non-taxable bonds, and stocks.

For the fiscal years ended January 31, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Fair Value on a Recurring Basis

The table below presents the balances of assets measured at fair value on a recurring basis.

	2014			
	Level 1	Level 2	Level 3	Total
Pooled trust	\$ -	1,156,585	-	1,156,585
Beneficial interest in perpetual trusts	-	-	298,696	298,696
	<u>\$ -</u>	<u>1,156,585</u>	<u>298,696</u>	<u>1,455,281</u>

**LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013**

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	2013			
	Level 1	Level 2	Level 3	Total
Pooled trust	\$ -	1,087,619	-	1,087,619
Beneficial interest in perpetual trusts	-	-	295,967	295,967
	<u>\$ -</u>	<u>1,087,619</u>	<u>295,967</u>	<u>1,383,586</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended January 31, 2013 and 2014:

Beneficial interest in perpetual trusts

Balance, January 31, 2012	\$ 281,069
Change in value of beneficial interest in perpetual trust	14,989
Balance, January 31, 2013	\$ 295,967
Change in value of beneficial interest in perpetual trust	2,729
Balance, January 31, 2014	<u>\$ 298,696</u>

NOTE 3 – INVESTMENTS AND ENDOWMENTS

Investments consist of shares of ELCA Endowment Fund Pooled Trust. The fair value of these shares totaled \$1,156,585 and \$1,087,619 as of January 31, 2014 and 2013, respectively. Cost information is not available.

The net unrestricted unrealized gain was \$67,416 and \$83,019 for the years ended January 31, 2014 and 2013, respectively.

Quarterly distributions of investment income received totaled \$41,367 and \$42,030 from the ELCA Endowment Fund Pooled Trust during the years ended January 31, 2014 and 2013, respectively.

LMM's endowments consist of funds established to support LMM's mission. As required by GAAP, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

LMM's interpretation of the laws governing restrictions on net appreciation of donor-restricted endowments is based on the Uniform Prudent Management of Institutional Funds Act. Consequently, net appreciation is temporarily restricted if investment income is temporarily restricted; permanently restricted if investment income is permanently restricted; and unrestricted if investment income is unrestricted.

LMM has elected to deposit all endowment fund monies into the Endowment Fund "A" (Fund A) of the ELCA Endowment Fund Pooled Trust, administered by the ELCA Foundation with the ELCA Board of Pensions, doing business as Portico Benefit Services, an affiliated corporation of the Church, acting as investment advisor.

LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013

NOTE 3 – INVESTMENTS AND ENDOWMENTS (continued)

The changes in endowment net assets for the years ended January 31, 2014 and 2013 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, January 31, 2012	\$ 253,278	\$ 745,684	\$ 998,962
Investment return:			
Investment income	42,030	-	42,030
Net unrealized gain	<u>83,019</u>	<u>-</u>	<u>83,019</u>
Total investment return	<u>125,049</u>	<u>-</u>	<u>125,049</u>
Contributions	<u>-</u>	<u>5,638</u>	<u>5,638</u>
Appropriation of endowment assets for expenditure	<u>(42,030)</u>	<u>-</u>	<u>(42,030)</u>
Net assets, January 31, 2013	336,297	751,322	1,087,619
Investment return:			
Investment income	41,367	-	41,367
Net unrealized gain	<u>67,416</u>	<u>-</u>	<u>67,416</u>
Total investment return	<u>108,783</u>	<u>-</u>	<u>108,783</u>
Contributions	<u>-</u>	<u>2,324</u>	<u>2,324</u>
Appropriation of endowment assets for expenditure	<u>(41,367)</u>	<u>-</u>	<u>(41,367)</u>
Net assets, January 31, 2014	<u>\$ 403,713</u>	<u>\$ 753,646</u>	<u>\$ 1,157,359</u>

LMM has a policy of the board determining when income, if any, will be allocated from the endowment fund, to fund LMM's programs. At the present time, other than the quarterly distributions of investment income, it is the board's policy to grow the endowment fund and not allocate any of the funds. LMM's policy as it relates to the long-term investment fund is to generate income that will remain in the fund. The board may at any time approve other transfers of funds from the endowment account, but no such transfers have been authorized at this time.

Return Objectives and Risk Parameters – Fund A is structured to provide participants with a stable, quarterly stream of distributable investment income (comprised of interest, dividends and capital gains realized by the Fund) that grows over time approximately in line with the expected long-term rate of inflation. The Fund also seeks to provide participants with long-term capital appreciation. Fund A's target asset allocation is 50% U.S. equity, 15% non-U.S. equity, 20% investment grade fixed income, 10% high yield fixed income, and 5% real estate securities.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate of return objectives, Fund A relies on a total return strategy in which investment return are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Fund A targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

LUTHERAN MEN IN MISSION
NOTES TO FINANCIAL STATEMENTS
January 31, 2014 and 2013

NOTE 3 – INVESTMENTS AND ENDOWMENTS (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy – Fund A has a policy of appropriating for distribution each year of up to 4.25% of its endowment fund's average fair value over the prior five years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, Fund A considered the long-term expected return on its endowment. Accordingly, over the long-term, Fund A expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with Fund A's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 4 – BENEFICIAL INTEREST IN PERPETUAL TRUSTS

LMM has beneficial interests in the Clarence E. Carlson Trust B and the Irene M. Carlson Trust B which are perpetual (Trusts). The Trusts provide income distributions to LMM by the Trusts' executors with no corresponding transfer of trust assets to LMM. Distributions from the Trusts to LMM amounted to \$14,244 and \$14,062 for the years ended January 31, 2014 and 2013, respectively, and are included in investment income in the statements of activities. The assets of the Trusts, comprised primarily of stocks and bonds, are held in trust in perpetuity. Accordingly, LMM has recorded its beneficial interest in the fair market value of the Trusts in the accompanying consolidated financial statements.

NOTE 5 - MANAGEMENT AGREEMENT

LMM has a Service Level Agreement (SLA) with ELCA to manage selected operations. ELCA provides reasonable and necessary human resources, accounting processing, information technology and facilities services to LMM. A total \$15,000 and \$14,000 was paid to ELCA relative to this SLA during the years ending January 31, 2014 and 2013, respectively.

Amounts due from ELCA of \$52,786 and \$22,660 as of January 31, 2014 and 2013, respectively, represent net amounts resulting from revenues and public support received by the ELCA and net of expenses paid by ELCA on behalf of LMM.

SUPPLEMENTARY INFORMATION

LUTHERAN MEN IN MISSION
STATEMENT OF ACTIVITIES – DETAILED
Years Ended January 31, 2014 and 2013

	Year Ending January 31, 2014			Year Ended	Actual Differences
	Actual	Approved	Difference Over (Under)	January 31, 2013 Actual	
REVENUES, GAINS, AND PUBLIC SUPPORT					
Contributions	\$ 292,677	\$ 375,000	\$ (82,323)	\$ 306,514	\$ (13,837)
Thrivent Choice	4,735	1,000	3,735	3,055	1,680
Grant	75,000	10,000	65,000	-	75,000
Program service revenue-events	14,471	-	14,471	9,728	4,743
Bible and Materials Sales	23,919	24,000	(81)	24,100	(181)
Investment Income					
Carlson Trust Funds	14,244	15,000	(756)	14,062	182
Endowment	41,367	44,000	(2,633)	42,030	(663)
Mission Investment Fund	655	900	(245)	739	(84)
Realized and unrealized gain on investments, net	67,416	-	67,416	83,019	(15,603)
Net assets released from restrictions	10,500	-	10,500	-	10,500
	<u>544,984</u>	<u>469,900</u>	<u>75,084</u>	<u>483,247</u>	<u>61,737</u>
EXPENSES					
Personnel					
Staff Salaries	120,723	119,500	1,223	117,041	3,682
Benefits	46,449	47,200	(751)	46,531	(82)
Program Manager Salary & Benefits	56,511	85,000	(28,489)	-	56,511
HR Services-ELCA	4,250	5,100	(850)	3,400	850
Travel	13,439	10,000	3,439	9,915	3,524
Total Personnel	<u>241,373</u>	<u>266,800</u>	<u>(25,427)</u>	<u>176,887</u>	<u>64,486</u>
Office					
Space Rental-ELCA	7,083	8,500	(1,417)	8,366	(1,283)
IT/Phone	-	1,500	(1,500)	-	-
Office Supplies	5,919	6,000	(81)	4,429	1,490
Postage	3,155	3,800	(645)	3,186	(31)
Ecumenical Relationships	-	200	(200)	-	-
Miscellaneous	669	1,000	(331)	982	(313)
Total Office	<u>16,826</u>	<u>21,000</u>	<u>(4,174)</u>	<u>16,963</u>	<u>(137)</u>
Financial Services					
Accounting	3,900	4,000	(100)	4,022	(122)
Financial Services-ELCA					
Gift Processing	1,667	2,000	(333)	834	833
Expense Processing	2,000	2,400	(400)	1,400	600
Legal	-	1,000	(1,000)	-	-
Liability Insurance	1,163	1,200	(37)	1,178	(15)
Total Financial Services	<u>8,730</u>	<u>10,600</u>	<u>(1,870)</u>	<u>7,434</u>	<u>1,296</u>
Board					
Consultant	-	2,000	(2,000)	-	-
Travel	22,988	30,000	(7,012)	16,812	6,176
Supplies	533	3,000	(2,467)	1,182	(649)
Total Board	<u>23,521</u>	<u>35,000</u>	<u>(11,479)</u>	<u>17,994</u>	<u>5,527</u>

See independent accountant's review report.

**LUTHERAN MEN IN MISSION
SCHEDULE OF SPENDING PLAN (CONTINUED)
Years Ended January 31, 2014 and 2013**

	Year Ending January 31, 2014			Year Ended	Actual Differences
	Actual	Approved	Difference Over (Under)	January 31, 2013 Actual	
EXPENSES-continued					
Development Council					
Consultant	13,000	13,700	(700)	12,000	1,000
Travel	5,975	3,000	2,975	5,217	758
Contributions Solicitations-A Team		12,000	(12,000)	-	-
Contributions Recognition	-	4,000	(4,000)	237	(237)
Printing & Postage	2,321	5,000	(2,679)	10,711	(8,390)
Donor Contact Software	2,850	5,000	(2,150)	-	2,850
LMM History Video	4,460	-	4,460	-	4,460
Total Development Council	<u>28,606</u>	<u>42,700</u>	<u>(14,094)</u>	<u>28,165</u>	<u>441</u>
Young Men's Ministry					
Council-Travel	6,017	3,000	3,017	3,453	2,564
YMC Staff	10,185	10,000	185	8,148	2,037
Resources/Events	-	5,000	(5,000)	4,435	(4,435)
Total Young Men's Ministry	<u>16,202</u>	<u>18,000</u>	<u>(1,798)</u>	<u>16,036</u>	<u>166</u>
Events, Retreats, Workshops					
Events Subsidy	-	10,000	(10,000)	-	-
One Year to Live Bibles	807	2,500	(1,693)	1,871	(1,064)
Expenses	13,558	-	13,558	5,730	7,828
Men's Ministry Advocate	10,500	-	10,500	-	10,500
Supplies	-	-	-	1,541	(1,541)
Travel	-	5,000	(5,000)	-	-
Total Events, Retreats, Workshops	<u>24,865</u>	<u>17,500</u>	<u>7,365</u>	<u>9,142</u>	<u>15,723</u>
Leadership Development					
Resources/Events	-	5,000	(5,000)	12	(12)
Ministry Specialist Program	-	5,000	(5,000)	-	-
Seminary Bibles	-	3,000	(3,000)	-	-
Total Leadership Development	<u>-</u>	<u>13,000</u>	<u>(13,000)</u>	<u>12</u>	<u>(12)</u>
Resources-Printed Materials					
Cost of Bibles and Materials Sold and Distributed	24,485	22,500	1,985	35,588	(11,103)
Printing	-	1,000	(1,000)	1,028	(1,028)
Postage/Shipping	-	600	(600)	324	(324)
Warehousing/Storage	986	500	486	986	-
Total Resources-Printed Materials	<u>25,471</u>	<u>24,600</u>	<u>871</u>	<u>37,926</u>	<u>(12,455)</u>
Communications					
Newsletter Editor	7,200	8,000	(800)	7,700	(500)
Newsletter Design/Layout	8,500	10,000	(1,500)	8,500	-
Printing	20,232	20,000	232	19,537	695
Postage/Shipping	17,015	15,000	2,015	16,410	605
IT Support-ELCA	-	5,400	(5,400)	-	-
Web Site Support	-	2,500	(2,500)	-	-
Total Communications	<u>52,947</u>	<u>60,900</u>	<u>(7,953)</u>	<u>52,147</u>	<u>800</u>
Total Expenses	<u>438,540</u>	<u>510,100</u>	<u>(71,560)</u>	<u>362,706</u>	<u>75,834</u>
Excess Revenues over Expenses (Expenses over Revenues)	<u>\$ 106,444</u>	<u>\$ (40,200)</u>	<u>\$ 146,644</u>	<u>\$ 120,541</u>	<u>\$ (14,097)</u>

See independent accountant's review report.