

MICHIGAN DISTRICT ANNUAL REPORT

Year Ending January 31, 2005

Dear Fellow Redeemed:

Greetings in the name of our Lord and Savior Jesus Christ.

It is a joy to share with you the **year end accounting** of the mission and ministry of the Michigan District, Lutheran Church-Missouri Synod. This accounting comes with thanksgiving for the gifts that our faithful God grants us. **Thank you** for the gift you are as a part of God's people, as members of the congregations of the district. Thank you for your part in enabling accomplishment of God's purposes in a dying world via your offerings to do His work throughout the Michigan District, Synod and beyond.

In organizing the ministries of the Michigan District, we strive to achieve **four major outcomes**. An accounting of their accomplishment is shared in this report. The major outcomes of the District are: "Outreach Mindset," "Professional Church Workers," "Relationship Building" and "Resourcing Congregations." All that is done in District ministry must support one or more of these four outcomes. These outcomes are achievable because of your understanding that there are ministries that can best be accomplished by our **working together**. Other District ministry involves District staff serving congregations and congregational leaders.

As you read and reflect upon our mutual ministry, please do so with a deep awareness of our appreciation for you and your support in accomplishing our Lord's will. May our mutual desire to serve together be heightened as we note your gracious response in meeting the great need of **people hungering for the Gospel**. May God bless you and bless us together in our shared ministry in this part of His Kingdom, the Michigan District of The Lutheran Church-Missouri Synod.

In Him with you,

✠ *C. William Hoesman*
C. William Hoesman, President
The Michigan District



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Michigan District Ministry Achievements According to Outcomes

I. Outreach Mindset

Michigan District congregations are sensitive to the lost within their communities and beyond and actively share Christ's love with them, striving to integrate them into the Body of Christ.

During the fiscal year, the Michigan District provided financial assistance to approximately 12 established missions and also began funding for three new mission starts: Family of Christ-Imlay City, served by Rev. Lynn Witt, St. Paul International-Pontiac, served by Deacon Tim Minor and Living Water-Green

Oak Township, served by Vicar Dan Flynn. Living Water is a satellite congregation being supported in partnership with St. Luke, Ann Arbor. The District looks forward to three new starts in 2005: Alpine Township/Comstock Park (Rev. Mark Bowditch), Byron Center (Rev. Robert Barber), and New Baltimore/Chesterfield Township (Rev. Paul Werner).



Future Site of congregation in Byron Center.



One of the many WiNGS trips

The District has also continued its World Mission efforts through the WiNGS (Work-

ing in Nations as God's Servants) short-term mission program, sending 10 trips and 154 workers in 2004. In support of its partnership with LCMS World Missions and the Venezuelan Lutheran Church, the District secured a grant for the funding of Clint Souigny to coordinate volunteer efforts in Venezuela.

Other outreach mindset ministries supported by congregations through their contributions include: Deaf Ministry, Campus Ministry, Hospital and Prison Chaplaincy, Hispanic Ministry, and other Cross Cultural Ministry to the Muslim, Hmong, Afghan and South Asian, Arabic, Sudanese, and Asian Indian communities in Michigan.

II. Professional Church Workers

The Michigan District has an abundance of professional church workers and church work students filled with integrity and joy, well respected, and supported financially.

Michigan District Congregation Ministry Facilitators and School Executives continue to affirm and encourage professional church workers' particular missions and ministry by offering counsel and serving in an advisory role in assisting congregations to handle conflict in a healthy manner.

The Michigan District Board of Directors voted mid-year to double the 2004 student aid budget for traditional students. The funding level will continue at the increased level in 2005. The Michigan District Endowment Fund for Student Aid continues to be promoted and funded in order to meet the future demands of student aid for students studying to enter professional church work. Students going into the pastoral ministry through alternate routes to ordination are also supported by the Michigan District.

This includes in excess of 16 students among the DELTO program, EIIT, and POBLO track.

Professional Church Workers are encouraged to participate in Continuing Education opportunities sponsored by the Michigan District throughout the year. The 2004 annual Snow Tire conference enabled 80 principals and 45 Early Childhood Directors to be equipped for evangelism. Other Church Worker opportunities include Beginning Teachers in the Fall and Family Life workers who gather three times a year for growth and encouragement.



III. Relationship Building

Michigan District congregations and professional church workers demonstrate respect, trust, and support for each other as they engage in interdependent ministries.

In 2004, a process of conflict management, involving both the Congregation Ministry Facilitator and Circuit Counselor, was developed and utilized by several Michigan District congregations.

Two codes of ethics, one for Professional Church Workers and one for congregations, are being developed to strengthen relationships among Professional Church Workers and between congregations and their workers.



IV. Resourced Congregations

Michigan District congregations recognize, use and share innovative, effective resources the Spirit grants to His church for service to Christ and to people.

The Michigan District continues its efforts of resourcing congregations through the Congregation Ministry Facilitators as they work with congregations through consultations, vacancy studies, and goal setting.

The Education Executives assist Lutheran schools and teachers through workshops, conferences, and one-on-one consultation. Workshops for Boards of Christian Education continue to be tailored to the local congregational needs. The Michigan District was involved in the Synodical pilot of the Portal Project, which involves technology that equips, informs, and networks Lutheran school administrators and teachers.

The District sponsors other conferences and gatherings throughout the year such as a training seminar that was held for 104 senior pastors and congregational chairmen to train them to understand and manage change in the parish. Other special

events during 2004 included the Junior High Gathering, Special Friends Camp, Adult Gathering, and outreach convocations.

Other resources available to Michigan District congregations include call lists for vacant church worker positions, the new Family Friendly Partners Network, and the District's lending library with video and print materials. In addition, the District provides both news and feature resources through its communication avenues of *Michigan In Touch* and the Michigan District E-bulletin.



Synodical Remittance for National and International Synodical Work

The Michigan District, for the sixth straight year, sent 50% of its unrestricted general contributions from congregations to do national and international work. Per the 2004/2005 Program Budget Summary of the national Synod, about 67% of the \$2,893,938 remitted to the national office is used for the program boards of Synod including approxi-

mately 22% to the Missions Board and 38% for Higher Education and Seminaries. The balance of the remittance provides support for Ecclesiastical services and commissions, Synodical constitutional officers and administration, and general and administrative services.



Michigan District of the Lutheran Church - Missouri Synod

Statement of Financial Position January 31, 2005 (With Comparative Totals for 2004)

	Michigan District of the Lutheran Church - Missouri Synod				Detroit Urban Lutheran Schools	Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		January 31, 2005	January 31, 2004
Assets							
Cash and cash equivalents	\$ 571,991	\$ 165,761	\$ -	\$ 737,752	\$ 29,883	\$ 767,635	\$ 843,871
Investments	4,360,434	212,258	1,064,019	5,636,711	-	5,636,711	5,441,226
Accounts receivable	45,784	-	-	45,784	10,488	56,272	35,909
Contributions receivable	-	3,932,255	-	3,932,255	-	3,932,255	3,663,964
Prepaid expenses	63,016	-	-	63,016	7,014	70,030	59,928
Notes and loans receivable	2,092,262	-	-	2,092,262	324,071	2,416,333	2,391,890
Deferred gifts	-	9,655	6,444	16,099	-	16,099	27,470
Funds held in custody by others	-	-	171,952	171,952	-	171,952	167,931
Property and equipment	2,556,366	-	-	2,556,366	283,672	2,840,038	2,995,136
Total assets	\$ 9,689,853	\$ 4,319,929	\$ 1,242,415	\$ 15,252,197	\$ 655,128	\$ 15,907,325	\$ 15,627,325
Liabilities and Net Assets							
Liabilities							
Accounts payable	\$ 506,018	\$ -	\$ -	\$ 506,018	\$ 80,250	\$ 586,268	\$ 614,372
Deferred revenue	221,368	-	-	221,368	53,710	275,078	171,248
Synodical pledge	2,800,000	-	-	2,800,000	-	2,800,000	2,900,000
Grants payable	77,526	-	-	77,526	-	77,526	237,923
Notes payable	2,004,843	-	-	2,004,843	649,463	2,654,306	2,486,352
Total liabilities	5,609,755	-	-	5,609,755	783,423	6,393,178	6,409,895
Net Assets							
Unrestricted							
Undesignated	1,248,921	-	-	1,248,921	(414,536)	834,385	1,123,026
Property and equipment	2,556,366	-	-	2,556,366	283,672	2,840,038	2,995,136
Board designated	3,074,811	-	-	3,074,811	-	3,074,811	2,708,404
Synodical budget	(2,800,000)	-	-	(2,800,000)	-	(2,800,000)	(2,900,000)
Temporarily restricted	-	4,319,929	-	4,319,929	2,569	4,322,498	4,024,676
Permanently restricted	-	-	1,242,415	1,242,415	-	1,242,415	1,266,188
Total net assets	4,080,098	4,319,929	1,242,415	9,642,442	(128,295)	9,514,147	9,217,430
Total liabilities and net assets	\$ 9,689,853	\$ 4,319,929	\$ 1,242,415	\$ 15,252,197	\$ 655,128	\$ 15,907,325	\$ 15,627,325

Statement of Activities For the Year Ended January 31, 2005 (With Comparative Totals for 2004)

	Michigan District of the Lutheran Church - Missouri Synod				Detroit Urban Lutheran Schools	Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		January 31, 2003	January 31, 2002
Support, Revenues and Gains							
Support							
District congregation - District and Synod	\$ 1,354,185	\$ 4,716,928	\$ -	\$ 6,071,113	\$ -	\$ 6,071,113	\$ 5,803,048
District congregation - District only	45,250	196,323	-	241,573	-	241,573	213,179
Other gifts and grants	88,460	311,877	2,300	402,637	-	402,637	694,592
Revenues and gains							
Publications	109,118	-	-	109,118	-	109,118	109,307
Program fees	414,134	-	-	414,134	-	414,134	353,488
Convention registration and assessment	278,948	-	-	278,948	-	278,948	234,013
Investment income	203,936	40,214	6,210	250,360	-	250,360	286,518
Detroit Urban Lutheran Schools	-	-	-	-	1,415,836	1,415,836	1,325,662
Gain (loss) on sale of assets	(8,659)	-	-	(8,659)	-	(8,659)	(25,860)
Other	57,275	-	-	57,275	-	57,275	57,750
Net assets released from restrictions	4,997,372	(4,965,089)	(32,283)	-	-	-	-
Total support, revenues and gains	7,540,019	300,253	(23,773)	7,816,499	1,415,836	9,232,335	9,051,697
Expenses							
Synodical budget							
Program services:	2,793,938	-	-	2,793,938	-	2,793,938	2,815,094
Missions	1,238,289	-	-	1,238,289	-	1,238,289	1,048,213
Congregation Ministry Facilitators	629,063	-	-	629,063	-	629,063	682,517
Christian Care	115,566	-	-	115,566	-	115,566	101,045
Lutheran Schools	419,479	-	-	419,479	-	419,479	412,117
Youth Ministry	99,435	-	-	99,435	-	99,435	65,161
Camp Mahn-Go-Tah-See	32,753	-	-	32,753	-	32,753	276,942
Other Congregation Program Services	159,931	-	-	159,931	-	159,931	123,178
Communications	252,821	-	-	252,821	-	252,821	228,005
Student Aid	105,993	-	-	105,993	-	105,993	46,641
Planned Giving	170,294	-	-	170,294	-	170,294	138,590
Worker Care	259,194	-	-	259,194	-	259,194	294,529
Detroit Urban Lutheran Schools	-	-	-	-	1,513,074	1,513,074	1,409,439
Ecclesiastical and program administration:							
Administration	589,169	-	-	589,169	-	589,169	543,792
Convention	265,738	-	-	265,738	-	265,738	142,068
District properties and depreciation	290,881	-	-	290,881	-	290,881	278,475
Total expenses	7,422,544	-	-	7,422,544	1,513,074	8,935,618	8,605,806
Change in net assets	117,475	300,253	(23,773)	393,955	(97,238)	296,717	445,891
Net assets - beginning of year	3,962,623	4,019,676	1,266,188	9,248,487	(31,057)	9,217,430	8,771,539
Net assets - end of year	\$ 4,080,098	\$ 4,319,929	\$ 1,242,415	\$ 9,642,442	\$ (128,295)	\$ 9,514,147	\$ 9,217,430

These statements are taken from the audited financial statements of the Michigan District. The statement of cash flows and the notes are an integral part of the financial statements, but are not presented here. A complete copy of the financial statements is available from the District office (888) 225-2111.