

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2007

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

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TAIT, WELLER & BAKER LLP
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors
Lutheran Immigration and Refugee Service
Baltimore, Maryland**

We have audited the accompanying statements of financial position of Lutheran Immigration and Refugee Service as of December 31, 2007, and the related statements of activities and changes in net assets, and of cash flows for the year ended December 31, 2007. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from Lutheran Immigration and Refugee Service's 2006 financial statements and, in our report dated March 30, 2007, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lutheran Immigration and Refugee Service as of December 31, 2007, and the changes in its net assets, and its cash flows for the year ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
April 22, 2008**

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENTS OF FINANCIAL POSITION

December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 727,823	\$ 182,680
Investments, at market value <i>(Note 2)</i>	3,215,969	3,736,665
Accounts receivable		
U.S. Government	4,119,324	3,087,347
Miscellaneous	377,384	449,720
Loans receivable – refugees <i>(Note 3)</i>	102,416	118,256
Prepaid expenses and other assets	115,967	85,691
Investment in Lutheran Center Corporation <i>(Note 4)</i>	3,434,631	3,584,777
Funds held by trustee <i>(Note 5)</i>	<u>367,458</u>	<u>358,239</u>
	12,460,972	11,603,375
Furnishings and improvements, less accumulated depreciation and amortization of \$816,799 and \$757,849, respectively	<u>149,673</u>	<u>208,623</u>
Total assets	<u>\$12,610,645</u>	<u>\$11,811,998</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,056,955	\$ 2,863,390
Long-term debt <i>(Note 5)</i>	<u>2,972,930</u>	<u>2,805,198</u>
Total liabilities	<u>7,029,885</u>	<u>5,668,588</u>
NET ASSETS		
Unrestricted		
Undesignated	3,916,487	3,740,433
Designated	<u>1,294,517</u>	<u>2,019,484</u>
Total unrestricted net assets	<u>5,211,004</u>	<u>5,759,917</u>
Temporarily restricted <i>(Note 6)</i>	<u>369,756</u>	<u>383,493</u>
Total net assets	<u>5,580,760</u>	<u>6,143,410</u>
Total liabilities and net assets	<u>\$12,610,645</u>	<u>\$11,811,998</u>

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2007 with Summarized Information for 2006

	Unrestricted	Temporarily Restricted	Totals	
			2007	2006
Support and Revenue				
Participating Church Bodies				
Evangelical Lutheran Church in America	\$ 502,335	\$ 150,000	\$ 652,335	\$ 632,335
Lutheran Church – Missouri Synod	175,000	75,000	250,000	175,000
Latvian Evangelical Lutheran Church in America	3,000	-	3,000	3,000
	<u>680,335</u>	<u>225,000</u>	<u>905,335</u>	<u>810,335</u>
Other Support				
Foundations and other grants	24,000	54,002	78,002	78,909
Other contributions	206,665	500	207,165	229,691
	<u>230,665</u>	<u>54,502</u>	<u>285,167</u>	<u>308,600</u>
U.S. Government and State	<u>21,739,728</u>	<u>-</u>	<u>21,739,728</u>	<u>18,678,424</u>
Total support	<u>22,650,728</u>	<u>279,502</u>	<u>22,930,230</u>	<u>19,797,359</u>
Revenue				
Investment earnings (Note 2)	106,022	-	106,022	226,036
Loan servicing fees (Note 3)	776,557	7,965	784,522	836,859
Miscellaneous	110,782	-	110,782	65,035
Total revenue	<u>993,361</u>	<u>7,965</u>	<u>1,001,326</u>	<u>1,127,930</u>
Net assets released from restrictions (Note 6)	<u>301,204</u>	<u>(301,204)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>23,945,293</u>	<u>(13,737)</u>	<u>23,931,556</u>	<u>20,925,289</u>
Expenses				
Program Services				
U.S. Government funded activities	19,846,024	-	19,846,024	17,032,703
Other program activities	1,939,700	-	1,939,700	2,071,869
Total program services	<u>21,785,724</u>	<u>-</u>	<u>21,785,724</u>	<u>19,104,572</u>
Supporting Services				
Administrative	2,188,077	-	2,188,077	1,924,433
Fund-raising	223,661	-	223,661	234,878
Total supporting services	<u>2,411,738</u>	<u>-</u>	<u>2,411,738</u>	<u>2,159,311</u>
Total expenses	<u>24,197,462</u>	<u>-</u>	<u>24,197,462</u>	<u>21,263,883</u>
Excess expenses over revenue	(252,169)	(13,737)	(265,906)	(338,594)
Other Changes				
Loss on early retirement of debt (Note 5)	(296,744)	-	(296,744)	-
Change in net assets	(548,913)	(13,737)	(562,650)	(338,594)
Net Assets				
Beginning of year	5,759,917	383,493	6,143,410	6,482,004
End of year	<u>\$ 5,211,004</u>	<u>\$ 369,756</u>	<u>\$ 5,580,760</u>	<u>\$ 6,143,410</u>

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENTS OF CASH FLOWS

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
INCREASE (DECREASE) IN CASH		
<i>Net change in net assets</i>	\$ (562,650)	\$ (338,594)
<i>Adjustments to reconcile the net change in net assets to net cash (used for) provided by operating activities</i>		
Depreciation	58,950	59,125
Amortization	6,271	3,777
Allowance for doubtful accounts	-	(15,491)
Realized/unrealized (gains) losses on investments	43,889	(38,574)
Equity in loss in Lutheran Center Corporation	142,681	95,092
(Increase) decrease in		
Accounts receivable		
U.S. Government	(1,031,977)	1,075,594
Miscellaneous	72,336	(5,619)
Loans receivable – refugees	15,840	66,016
Prepaid expenses and deposits	2,732	160,874
Funds held by trustee	(9,219)	(8,576)
Increase (decrease) in		
Accounts payable and accrued expenses	<u>1,193,565</u>	<u>(1,491,955)</u>
Net cash used for operating activities	<u>(67,582)</u>	<u>(438,331)</u>
<i>Cash flows from investing activities</i>		
Investment in Lutheran Center Corporation, net	7,465	(41,233)
Purchases of investments	(2,946,429)	(2,541,847)
Sales of investments	<u>3,423,236</u>	<u>2,852,666</u>
Net cash provided by investing activities	<u>484,272</u>	<u>269,586</u>
<i>Cash flows from financing activities</i>		
Issuance of long-term debt	2,902,500	-
Repayment of long-term debt	(2,820,000)	(47,500)
Premium and deferred loan costs paid in conjunction with issuance of long-term debt	(44,333)	-
Write-off of discount and deferred loan costs in connection with early retirement of long-term debt	<u>90,286</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>128,453</u>	<u>(47,500)</u>
Net increase (decrease) in cash	545,143	(216,245)
<i>Cash</i>		
Beginning of year	<u>182,680</u>	<u>398,925</u>
End of year	<u>\$ 727,823</u>	<u>\$ 182,680</u>

NOTE: Cash paid for interest was \$165,049 and \$205,202, in 2007 and 2006, respectively.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Lutheran Immigration and Refugee Service ("**LIRS**") is incorporated pursuant to the provisions of the Minnesota Non-profit Corporation Act. As a Section 501(c)(3) non-profit organization, it is exempt from federal, state and city corporate income taxes.

The primary purpose of LIRS, as an agent of its participating church bodies, is to welcome the stranger, bringing new hope and new life through ministries of service and justice.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with generally accepted accounting principles management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

LIRS occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 107 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

CONTRIBUTIONS

LIRS reports gifts of cash and other assets as 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 restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

NET ASSETS

LIRS classifies its resources into two net asset categories according to externally (donor) imposed restrictions as follows:

Unrestricted net assets include the revenues and expenses associated with the principal mission of LIRS.

Temporarily restricted net assets include gifts and contributions for which donor-imposed restrictions have not been met.

U.S. GOVERNMENT AWARDS

LIRS receives grant awards from the U.S. Government for the resettlement of and other services to refugees and to other migrants in federal custody. LIRS records revenues under these contracts as expenses are incurred.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

INVESTMENTS

LIRS applies SFAS No. 124, “*Accounting For Certain Investments Held By Not-For-Profit Organizations.*” SFAS No. 124 established standards for accounting for certain investments held by not-for-profit organizations and required that investments in securities be recorded at fair market value with the resulting gains and losses reported in the statement of activity.

The fair market value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

As part of its investment policy, LIRS follows prohibitions to investing in specific companies practiced by the two primary supporting Church bodies to the extent such prohibitions are communicated to LIRS.

ALLOCATION OF EXPENSES

The expenses for staff personnel, facilities and related costs incurred in the operations are allocated to the various programs and contracts based on regularly established tests of the level of activity in the respective programs.

FURNISHINGS AND IMPROVEMENTS

Furnishings and improvements have been recorded at cost. Depreciation is provided on the straight-line method over five and eight years, the estimated useful lives of the assets. At the termination of the program any property subject to the provisions of the Office of Management and Budget Circulars A-110 or A-122 shall be offered without cost to the government of the United States, subject to such acceptance, rejection or any other disposal by the government. Leasehold improvement costs are amortized over the lives of the leases.

PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the LIRS’s audited financial statements for the year ended December 31, 2006, from which the summarized information was derived.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(2) INVESTMENTS

At December 31, 2007 and 2006, investments consisted of the following:

	2007		2006	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Fixed Income				
Money Market, Certificates of Deposit and Church Mission Certificates	\$1,600,713	\$1,589,193	\$1,858,119	\$1,842,332
U.S. Treasury Bills, Notes and Mutual Funds	43,000	43,000	42,897	42,897
Corporate Bonds	179,071	186,916	238,313	249,184
Equities				
Socially Conscious Mutual Funds	545,525	594,202	510,346	540,499
Church – Body Investment Pools	600,585	637,403	547,997	604,688
Common Stock	207,070	165,255	398,743	405,565
Preferred Stock	-	-	36,889	51,500
	<u>\$3,175,964</u>	<u>\$3,215,969</u>	<u>\$3,633,304</u>	<u>\$3,736,665</u>

At December 31, 2007 and 2006, investments had unrealized gains of \$40,005 and \$103,361, respectively.

Investment earnings for the years ended December 31, 2007 and 2006 are comprised of the following:

	2007	2006
Interest and dividends	\$149,911	\$187,462
Realized gains (losses)	19,467	(23,100)
Unrealized gains (losses)	<u>(63,356)</u>	<u>61,674</u>
	<u>\$106,022</u>	<u>\$226,036</u>

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(3) LOANS RECEIVABLE – REFUGEES

LIRS LOAN PROGRAMS

The loans receivable – refugees consist of the following as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Guam Refugee Loans	\$ 6,119	\$ 16,739
Refugee Loans – Other	<u>166,297</u>	<u>171,517</u>
	172,416	188,256
Less: Allowance for doubtful accounts	<u>(70,000)</u>	<u>(70,000)</u>
	<u>\$102,416</u>	<u>\$118,256</u>

TRANSPORTATION LOANS – IOM PROGRAM

LIRS acts as an agent for the collection of transportation loans for refugee resettlement through the International Organization for Migration (“*IOM*”). Collections are remitted to IOM net of servicing fees earned which are 25% of loan collections. These loans are not included in the statement of financial position as they are not loans of LIRS. The activity for the transportation loans was as follows:

	<u>2007</u>	<u>2006</u>
Balance outstanding at beginning year	\$13,316,342	\$12,476,193
New loans, net of loans returned to IOM	4,179,649	4,797,660
Loan payments	(3,253,336)	(3,461,923)
Write-offs	<u>(915,027)</u>	<u>(495,588)</u>
Balance outstanding at end of year	<u>\$13,327,628</u>	<u>\$13,316,342</u>

(4) INVESTMENT IN LUTHERAN CENTER CORPORATION

LIRS occupies approximately 56% of the office space and common space in the Lutheran Center owned by Lutheran Center Corporation (“*LCC*”). LCC, a non-profit organization, was organized to construct and operate the office building which LIRS, Lutheran World Relief (“*LWR*”) and other organizations occupy. LIRS has a 50% interest in LCC and as such, carries its investment in LCC on the equity method. LIRS, LWR and other tenants are providing monthly payments to LCC under a partial cost sharing agreement which provides for reimbursement of costs, including interest and depreciation, in operating the building based upon space occupied. The Agreement is for 30 years commencing September 1, 1999 through August 31, 2029 with six renewal options of 10 years each. For the years ended December 31, 2007 and 2006, LIRS has recorded occupancy expense of, approximately \$681,700 and \$662,900, respectively, based upon its proportionate share of LCC’s costs. The recording of depreciation expense as part of the cost share reduces the investment in LCC since LIRS has previously provided equity investments in LCC. At December 31, 2007 and 2006, LIRS’ equity in LCC was \$3,434,631 and \$3,584,777, respectively. At December 31, 2007, LCC assets consisted principally of the building. The building is subject to a ground lease which provides for LCC to pay rent of \$1 per year for the next 50 years, with four optional ten-year extensions.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(5) DEBT

On July 26, 2007, LIRS and LWR borrowed \$5,805,000 through the issuance of Economic Development Revenue Bonds, Series 2007, (“2007 Bonds”) through the Maryland Economic Development Corporation. The 2007 Bonds were issued to advance refund the Maryland Economic Development Revenue Bonds, Series 2000 (“2000 Bonds”) issued by the Maryland Economic Development Corporation. In addition, proceeds of the 2007 Bonds were used to pay a portion of the issuance costs of the 2007 Bonds. LIRS and LWR are jointly and severally liable for the 2007 Bonds and as such, each has recorded 50% of the outstanding debt and related issue costs. In the event that LIRS is unable to payoff their portion of the outstanding debt, LWR will be liable. LCC, as owner of Lutheran Center, has guaranteed the repayment of the debt. LIRS and LWR must maintain a joint leverage ratio (cash and investments to annual debt service) of 5 to 1 or approximately \$2,500,000 in required cash and investments.

The 2007 Bonds were issued as Serial Bonds maturing April 1 in the years 2008 through 2029 and have annual mandatory sinking fund provisions which begin in 2008. The 2007 Bonds bear interest at 5.25% per annum. Deferred loan costs in the amount of \$226,212 were incurred in connection with the issuance of the 2007 Bonds and LIRS capitalized 50% of these costs which are being amortized on a straight-line basis over the life of the bonds. Long-term debt on the 2007 Bonds at December 31, 2007 is shown on the statement of financial position including unamortized bond premium of \$70,430. Long-term debt on the 2000 Bonds at December 31, 2006 is shown on the statement of financial position net of unamortized bond discount of \$14,802.

In conjunction with the issuance of the 2007 Bonds, a Debt Service Reserve Fund was created in the amount of \$449,138 and LIRS has recorded 50% of these funds as Funds held by Trustee. Funds in the Debt Service Reserve Fund may be withdrawn by the Trustee to make the principal or interest payments of the 2007 Bonds in the event that the other funds available for the purpose are inadequate.

Principal payments under the terms of the 2007 Bond indenture are as follows:

<u>Date</u>	<u>LWR Portion</u>	<u>LIRS Portion</u>	<u>Total</u>
April 1, 2008	\$ 117,500	\$ 117,500	\$ 235,000
April 1, 2009	77,500	77,500	155,000
April 1, 2010	80,000	80,000	160,000
April 1, 2011	82,500	82,500	165,000
April 1, 2012	87,500	87,500	175,000
April 1, 2013 and thereafter	<u>2,457,500</u>	<u>2,457,500</u>	<u>4,915,000</u>
	<u>\$2,902,500</u>	<u>\$2,902,500</u>	<u>\$5,805,000</u>

Interest on the 2007 Bonds for the year ended December 31, 2007 amounted to \$68,568. Interest on the 2000 Bonds for the years ended December 31, 2007 and 2006 amounted to \$114,565 and \$204,349, respectively. Payments of principal and interest are partially funded by other tenants in the Lutheran Center through allocation of building costs based upon space occupied (See Note 5). In connection with the extinguishment of the 2000 Bonds in the amount of \$2,767,500, LIRS incurred a loss of \$296,744, relating to the write-off of the unamortized deferred loan costs and bond discount and other refunding costs.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(6) NET ASSETS

Temporarily restricted net assets at December 31, 2007 and 2006 were available for the following purposes:

	<u>2007</u>	<u>2006</u>
First Asylum	\$ 130,628	\$ 114,024
Burmese Loan Fund	15,025	85,926
The Swanson Fund	99,996	109,436
Synod District Initiative	100,000	50,000
Other	<u>24,107</u>	<u>24,107</u>
	<u>\$369,756</u>	<u>\$383,493</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

First Asylum	\$162,431
Burmese Loan Fund	78,866
Good Samaritan Fund	50,467
The Swanson Fund	<u>9,440</u>
	<u>\$301,204</u>

(7) PENSION PLAN

Substantially all employees of LIRS are enrolled in the defined contribution pension plan made available and administered by the Board of Pensions of the Evangelical Lutheran Church in America. Contributions to this plan are based upon earnings for all eligible employees and are accrued and funded on a current basis. Pension expense was approximately \$279,000 and \$314,000, respectively, for the years 2007 and 2006.

SUPPLEMENTAL INFORMATION

TAIT, WELLER & BAKER LLP

Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

**Board of Directors
Lutheran Immigration and Refugee Service
Baltimore, Maryland**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Lutheran Immigration and Refugee Service as of and for the year ended December 31, 2007, taken as a whole, which are presented in the preceding section of this report. The accompanying supplemental information for revenue, expenses and changes in U.S. Government net assets by contract, functional expenses, and changes in net assets, pages 12 to 17, is presented for purposes of additional analysis and is not a required part of the basic 2007 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 2007 financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic 2007 financial statements taken as a whole.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
April 22, 2008**

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN U.S. GOVERNMENT NET ASSETS BY CONTRACT

Year ended December 31, 2007

Contract Award Fiscal Year	Refugee Resettlement		Detained Torture Survivors		Matching Grant	
	SPRMC007CA007 2007*	SPRMC008CA009 2008	90ZI0057/01 2007	90ZI0057/02 2008	90RV0030/03 2006	90RV0044/01 2007
Revenue						
U.S. Government grants	\$5,653,089	\$1,776,184	\$287,872	\$82,614	\$695,373	\$6,767,550
Expenses						
Program						
Personnel costs	648,542	180,811	66,542	17,789	-	233,673
Office operations	322,660	59,852	26,778	7,289	158	59,053
Travel and meetings	75,057	4,666	15,316	493	-	39,668
Supporting services – field operations	1,993,224	741,226	155,344	49,409	662,264	5,834,430
Refugee aid and other grants	2,061,167	673,009	-	-	-	-
Depreciation	6,840	2,844	924	329	-	2,319
Total program expenses	<u>5,107,490</u>	<u>1,662,408</u>	<u>264,904</u>	<u>75,309</u>	<u>662,422</u>	<u>6,169,143</u>
Management and General						
Administrative allocation and charges	495,427	161,253	25,696	7,305	63,416	598,407
Total expenses	<u>5,602,917</u>	<u>1,823,661</u>	<u>290,600</u>	<u>82,614</u>	<u>725,838</u>	<u>6,767,550</u>
Excess (deficiency) of revenue over expenses	50,172	(47,477)	(2,728)	-	(30,465)	-
Net assets – beginning	-	-	-	-	-	-
Transfers	(50,172)	47,477	2,728	-	30,465	-
Net assets – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Carryover amounts of \$489,434 for affiliate operating expenses and cash grants were transferred to the Refugee Resettlement 2008 contract.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN U.S. GOVERNMENT NET ASSETS BY CONTRACT – (Continued)

Year ended December 31, 2007

Contract Award Fiscal Year	Preferred Communities 90RP0039/03		Employment Services Technical Assistance 90RB0024/01		Alien Unaccompanied Minors Program 90ZU0031/02	
	2007	2008	2007	2008	2007	2008
Revenue						
U.S. Government grants	\$584,501	\$62,960	\$225,621	\$61,060	\$2,276,868	\$740,430
Expenses						
Program						
Personnel costs	40,813	10,562	152,187	40,101	405,303	154,000
Office operations	10,285	2,608	23,005	15,117	219,783	45,744
Travel and meetings	457	-	29,374	(129)	30,532	1,239
Supporting services – field operations	480,853	44,089	-	-	1,415,634	471,996
Refugee aid and other grants	-	-	-	-	-	-
Depreciation	410	134	1,105	572	4,289	1,980
Total program expenses	<u>532,818</u>	<u>57,393</u>	<u>205,671</u>	<u>55,661</u>	<u>2,075,541</u>	<u>674,959</u>
Management and General						
Administrative allocation and charges	51,683	5,567	19,950	5,399	201,327	65,471
Total expenses	<u>584,501</u>	<u>62,960</u>	<u>225,621</u>	<u>61,060</u>	<u>2,276,868</u>	<u>740,430</u>
Excess (deficiency) of revenue over expenses	-	-	-	-	-	-
Net assets – beginning	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Net assets – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN U.S. GOVERNMENT NET ASSETS BY CONTRACT – (Continued)

Year ended December 31, 2007

Contract Award	Children Capacity Development, Assessment		Executive Office For Immigration Review	
Fiscal Year	90XR0007/05	HSSP23320082901YC	EOIR-LOP-VERA(1)	EOIR-LOP-PIRC(1)
2007	2007	2008	2007	2008
Revenue				
U.S. Government grants	\$957,982	\$578,262	\$279,105	\$1,085
Expenses				
Program				
Personnel costs	650,155	417,805	9,948	786
Office operations	117,105	84,659	2,484	193
Travel and meetings	104,555	23,533	1,278	-
Supporting services – field operations	-	-	240,624	-
Refugee aid and other grants	-	-	-	-
Depreciation	1,459	1,134	112	10
Total program expenses	873,274	527,131	254,446	989
Management and General				
Administrative allocation and charges	84,708	51,131	24,681	96
Total expenses	957,982	578,262	279,127	1,085
Excess (deficiency) of revenue over expenses	-	-	(22)	-
Net assets – beginning	-	-	-	-
Transfers	-	-	22	-
Net assets – ending	\$ -	\$ -	\$ -	\$ -

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN U.S. GOVERNMENT NET ASSETS BY CONTRACT – (Continued)

Year ended December 31, 2007

Contract Award Fiscal Year	Refugee Family Enrichment 90ZF0046/01 2007	Women's Empowerment 90RP0045/01 2007	90RP0045/02 2008	Grand Total
Revenue				
U.S. Government grants	\$363,019	\$260,798	\$85,355	\$21,739,728
Expenses				
Program				
Personnel costs	66,529	34,435	9,943	3,139,924
Office operations	22,984	7,899	2,520	1,030,176
Travel and meetings	15,180	2,545	916	344,680
Supporting services field operations	225,552	192,517	64,301	12,571,463
Refugee aid and other grants	-	-	-	2,734,176
Depreciation	675	341	128	25,605
Total program expenses	<u>330,920</u>	<u>237,737</u>	<u>77,808</u>	<u>19,846,024</u>
Management and General				
Administrative allocation and charges	32,099	23,061	7,547	1,924,224
Total expenses	<u>363,019</u>	<u>260,798</u>	<u>85,355</u>	<u>21,770,248</u>
Excess (deficiency) of revenue over expenses	-	-	-	(30,520)
Net assets – beginning	-	-	-	-
Transfers	-	-	-	30,520
Net assets – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) LIRS is a subrecipient of federal awards under these contracts.

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

SCHEDULE OF FUNCTIONAL EXPENSES

Year ended December 31, 2007 with Summarized Information for 2006

	Program Services			Supporting Services			Totals	
	U.S. Government Sponsored Refugee Resettlement Activities	Other Program Activities	Total Program Services	Management And General	Fund- Raising	Total Support Services	2007	2006
Personnel costs	\$ 3,139,924	\$1,199,882	\$ 4,339,806	\$1,354,402	\$147,341	\$1,501,743	\$ 5,841,549	\$ 5,040,529
Office operations	1,030,176	406,172	1,436,348	751,133	73,870	825,003	2,261,351	1,924,043
Travel and meetings	344,680	70,509	415,189	64,753	705	65,458	480,647	471,567
Supporting services – field operations	12,571,463	-	12,571,463	-	-	-	12,571,463	10,929,844
Refugee aid and other grants	2,734,176	252,548	2,986,724	200	-	200	2,986,924	2,838,473
Depreciation and amortization	25,605	10,589	36,194	17,589	1,745	19,334	55,528	59,427
	<u>\$19,846,024</u>	<u>\$1,939,700</u>	<u>\$21,785,724</u>	<u>\$2,188,077</u>	<u>\$223,661</u>	<u>\$2,411,738</u>	<u>\$24,197,462</u>	<u>\$21,263,883</u>

LUTHERAN IMMIGRATION AND REFUGEE SERVICE

SUMMARY OF CHANGES IN NET ASSETS

Year ended December 31, 2007

	<u>Balance, December 31, 2006</u>	<u>Additions (Including Inter-Fund Transfers)</u>	<u>Deductions</u>	<u>Balance, December 31, 2007</u>
Unrestricted Net Assets				
Undesignated, available for general activities	\$3,740,433	\$23,393,430	\$23,217,376	\$3,916,487
Designated				
Capital Reserve	591,003	-	-	591,003
Agency Stabilization Fund	430,063	40,835	14,775	456,123
Friends of Refugees	789,185	206,666	960,851	35,000
Functioning as Endowment	209,233	3,158	-	212,391
	<u>2,019,484</u>	<u>250,659</u>	<u>975,626</u>	<u>1,294,517</u>
Total unrestricted net assets	<u>\$5,759,917</u>	<u>\$23,644,089</u>	<u>\$24,193,002</u>	<u>\$5,211,004</u>
Temporarily Restricted Net Assets				
First Asylum	\$ 114,024	\$ 179,035	\$ 162,431	\$ 130,628
Burmese Loan Fund	85,926	7,965	78,866	15,025
Good Samaritan Fund	-	50,467	50,467	-
The Swanson Fund	109,436	-	9,440	99,996
Synod District Initiative	50,000	50,000	-	100,000
Other	24,107	-	-	24,107
Total temporarily restricted net assets	<u>\$ 383,493</u>	<u>\$ 287,467</u>	<u>\$ 301,204</u>	<u>\$ 369,756</u>