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LUTHERAN ASSOCIATION OF MISSIONARIES AND PILOTS U.S., INC. D/B/A LUTHERAN INDIAN MINISTRIES
Brookfield, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended August 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lutheran Association of Missionaries and Pilots U.S., Inc.
d/b/a Lutheran Indian Ministries
Brookfield, Wisconsin

Opinion

We have audited the accompanying financial statements of Lutheran Association of Missionaries and Pilots U.S., Inc. d/b/a Lutheran Indian Ministries ("LIM") (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 LIM as of August 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LIM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 LIM's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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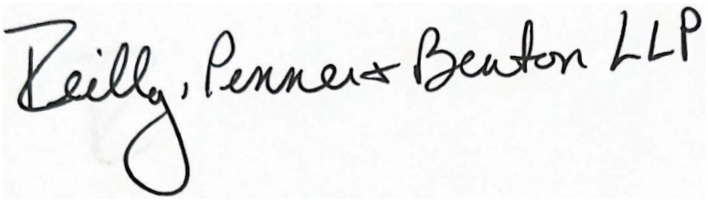
Auditors' Responsibilities for the Audit of the Financial Statements

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 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 LIM'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 LIM'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.



December 3, 2025
Milwaukee, Wisconsin

LUTHERAN ASSOCIATION OF MISSIONARIES & PILOTS U.S., INC.
D/B/A LUTHERAN INDIAN MINISTRIES
Brookfield, Wisconsin

Statement of Financial Position
August 31, 2025

ASSETS

Current Assets:		
Cash and cash equivalents	$	1,489,940
Promises to give, net		3,000
Investments		1,272,591
Prepaid expenses		35,525
Total current assets		2,801,056
Property and equipment, net		1,814,302
Total assets	$	4,615,358

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$	68,408
Accrued payroll		18,413
Notes payable		27,100
Current portion of mortgage payable		530,712
Total current liabilities		644,633
Net Assets:		
Without donor restrictions		3,784,710
With donor restrictions		186,015
Total net assets		3,970,725
Total liabilities and net assets	$	4,615,358

The accompanying notes to financial statements
are an integral part of these statements.

LUTHERAN ASSOCIATION OF MISSIONARIES & PILOTS U.S., INC.
D/B/A LUTHERAN INDIAN MINISTRIES
Brookfield, Wisconsin

Statement of Activities
Year Ended August 31, 2025

	Without Donor Restriction	With Donor Restriction	Total
Revenues:			
Nonexchange transactions:			
Donations	$ 1,895,866	$ 5,000	$ 1,900,866
Contributed nonfinancial assets	1,250	-	1,250
Total nonexchange transactions	1,897,116	5,000	1,902,116
Investment return:			
Interest	111,496	-	111,496
Unrealized loss on investments	(6,717)	-	(6,717)
Net investment return	104,779	-	104,779
Net assets released from restrictions	3,000	(3,000)	-
Total operating revenues	2,004,895	2,000	2,006,895
Expenses:			
Program services	1,245,623	-	1,245,623
Management and general	339,087	-	339,087
Fundraising	635,013	-	635,013
Total expenses	2,219,723	-	2,219,723
Change in net assets from operations	(214,828)	2,000	(212,828)
Non-operating revenues:			
Gain on sale of property and equipment	2,000	-	2,000
Change in net assets	(212,828)	2,000	(210,828)
Net Assets, beginning of year	3,997,538	184,015	4,181,553
Net Assets, end of year	$ 3,784,710	$ 186,015	$ 3,970,725

The accompanying notes to financial statements
are an integral part of these statements.

LUTHERAN ASSOCIATION OF MISSIONARIES & PILOTS U.S., INC.
D/B/A LUTHERAN INDIAN MINISTRIES
Brookfield, Wisconsin

Statement of Functional Expenses
Year Ended August 31, 2025

	Program	Management & General	Fundraising	Total
Expenses:				
Salaries and benefits	$ 820,713	$ 176,218	$ 114,296	$ 1,111,227
Communication	12,058	4,156	395,834	412,048
Administration	148,468	146,289	85,475	380,232
Transportation	45,457	380	28,865	74,702
U.S. programs	181,384	2,373	872	184,629
Depreciation	37,543	9,671	9,671	56,885
Total expenses	$ 1,245,623	$ 339,087	$ 635,013	$ 2,219,723

The accompanying notes to financial statements
are an integral part of these statements.

LUTHERAN ASSOCIATION OF MISSIONARIES & PILOTS U.S., INC.
D/B/A LUTHREAN INDIAN MINISTRIES
Brookfield, Wisconsin

Statement of Cash Flows
Year Ended August 31, 2025

Cash Flows from Operating Activities:		
Change in net assets	$	(210,828)
Adjustment to reconcile change in net assets to net cash and cash equivalents used by operating activities:		
Depreciation		56,885
Note payable forgiveness		(3,000)
Unrealized loss on investments		6,717
Gain on sale of property and equipment		(2,000)
Changes in assets and liabilities:		
Prepaid expenses		20,935
Accounts payable		31,083
Accrued payroll		4,891
Total adjustments		115,511
Net cash and cash equivalents used by operating activities		(95,317)
Cash Flows from Investing Activities:		
Additions to property and equipment		(57,185)
Purchase of investments		(122,671)
Proceeds from sale of investments		1,599,114
Proceeds from sale of property and equipment		2,000
Net cash and cash equivalents provided by investing activities		1,421,258
Cash Flows from Financing Activities:		
Payments on mortgage payable		(25,986)
Net change in cash and cash equivalents		1,299,955
Cash and cash equivalents, beginning of year		189,985
Cash and cash equivalents, end of year	$	1,489,940
Supplemental disclosures:		
Interest paid	$	18,258

The accompanying notes to financial statements
are an integral part of these statements.

LUTHERAN ASSOCIATION OF MISSIONARIES AND PILOTS U.S., INC.
D/B/A LUTHERAN INDIAN MINISTRIES
Brookfield, Wisconsin

Notes to Financial Statements
August 31, 2025

1. Organization and Nature of Operations

Organization

Lutheran Association of Missionaries and Pilots U.S., Inc. d/b/a Lutheran Indian Ministries ("LIM") is a Wisconsin nonprofit corporation.

Nature of Operations

Lutheran Association of Missionaries and Pilots, US (also known as Lutheran Indian Ministries) shares the Gospel of Jesus Christ with Native American people, encouraging them to proclaim Christ's Kingdom to their own and to others.

Under the leadership of our Executive Director, Robert Heffle, (Iñupiat Eskimo), the staff of LIM envisions a day when all Nations walk together in Christian fellowship.

PROCLAIM

To achieve the Mission and Vision of LIM, the Gospel is shared in a manner that acknowledges local culture, customs, missionary history, and social challenges that exist in Native communities. Sharing the Gospel while addressing the high rates of domestic violence, child abuse, substance use, historical trauma, incarceration rates and suicide demonstrates how the Gospel heals and restores individuals, families, and communities. LIM partners with churches that serve Native people and supports Lutheran churches as appropriate.

DISCIPLE

LIM identifies, mentors, and supports the development of American Indian/Native Alaskan leaders so they can replicate programs, or share the of the Gospel within their community. Examples include training, mentoring, and facilitation of targeted learning experiences. LIM also encourages Native leaders to consider professional church work and will assist through connections with the Lutheran Seminaries.

LIM's ministry staff cultivates relationships with Native leaders and provides discipleship training opportunities to share the Gospel message within their community. Discipling of Native people enables LIM, by the power of the Holy Spirit, to bring programming and the Gospel message of hope to more families and communities.

HEAL

By providing programming where Native people can explore life experiences that may include abuse and addiction, Biblical stories and principals are used so Native people can begin to heal. This initial step is critical so Native people hear the Gospel message, begin to learn of God's grace, and that he will accept them exactly as they are. LIM also equips, trains, supports, and encourages existing faith communities to better serve Native people.

Program Service Accomplishments

LIM accomplishes it's mission by focusing efforts in three primary areas. See below for descriptions and total program expenses for the year ended August 31, 2025:

Pastoral Care: Worship, Administer Sacraments, Bible Study, Counsel - $249,125

Healing Ministry: Equip and train local Native Leaders to address grief, abuse, suicide, addiction etc. - $622,811

Youth/Campus Ministry: Youth Bible Studies/Camp experience - $311,406

Other: $62,281

1. Organization and Nature of Operations (Continued)

Nature of Operations (Continued)

LIM anticipates gathering on the Last Day when we shall see "a great multitude that no one can count, from every nation, tribe, people, and language, standing before the throne and before the Lamb." (Revelation 7:9)

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) 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 donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. LIM does not have any restrictions that are required to be held in perpetuity.

Revenue Recognition

LIM recognizes revenue based on the existence or absence of an exchange transaction. LIM recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. LIM did not generate any revenue from exchange transactions for the year ended August 31, 2025.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue from non-exchange transactions consist of the following:

- **Contributions and promises to give** – gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-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 statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized at prime interest rate and is reported as contribution revenue. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. LIM does not have any conditional promises to give as of August 31, 2025.

Contributed Nonfinancial Assets

Contributions of non-cash goods and services are stated at their fair value in the period received. Donated goods and services meeting recognition criteria under U.S. GAAP are recorded as support and an expense or additions to property and equipment, prepaid expense, or supplies inventory. LIM does not monetize any contributed nonfinancial assets unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

Income Taxes

LIM is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. LIM is not considered a private foundation by the Internal Revenue Service. LIM does not consider any of its support and revenues to be unrelated business income, and accordingly, no provision for income taxes has been provided in the accompanying financial statements.

LIM has implemented accounting for uncertainty in income taxes in accordance with U.S. GAAP. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. Management of LIM evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. LIM recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

In management's opinion, LIM has not taken any uncertain tax positions, and accordingly, has not reported a corresponding liability in the financial statements.

Functional Expenses

LIM classifies expenses into two functions: program services and supporting services. The program services function includes all expenses directly related to LIM’s activities and programs for ministry work. These expenses have been allocated to the various activities and programs based on employee hours incurred and hours of services provided to ministry work. The supporting services functions include fundraising expenses and management and general expenses not directly associated with activities and programs.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, LIM considers checking, savings and money market accounts, and all non-donor restricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Included in cash and cash equivalents are like balances that are part of LIM's investment portfolio accounts.

Investment Valuation and Income Recognition

U.S. GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that LIM has the ability to access.

Level 2 – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes LIM's gains and losses on investments bought and sold as well as held during the year. Realized gains and losses and unrealized appreciation and depreciation of LIM's assets are reported in the statements of activities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2025 and 2024.

US Government Fixed Income: Valued using quoted prices for similar securities in active markets or other observable inputs such as benchmark yields and yield curves.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although LIM believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost or fair market value at time of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. It is the policy of LIM to capitalize property and equipment costing over $2,500. Estimated useful lives are as follows:

Office equipment	3-10 years
Furniture and fixtures	7 years
Automobiles	5 years
Building and building improvements	15-40 years

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be issued (December 3, 2025). See note 8 for a subsequent event that requires disclosure. Besides this subsequent event, there were no other subsequent events that required recognition or disclosure.

3. Liquidity and Availability

The following table reflects LIM's financial assets, reduced by amounts that are not available to meet general expenditures and other contractual obligations within one year of the statement of financial position date because of contractual restrictions, certain donor restrictions, or internal board designations as of August 31, 2025:

Financial assets:	
Cash and cash equivalents	$ 1,489,940
Promises to give, net	3,000
Investments	1,272,591
Total financial assets	2,765,531
Less amounts not available to be used within one year for general expenditures:	
Net assets with donor restrictions	(186,015)
Add: Promises to give, net	3,000
Financial assets available to meet general expenditures within one year	$ 2,582,516

In addition to financial assets available to meet general expenditures and other contractual obligations over the next 12 months, LIM operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures and other contractual obligations not covered by donor-restricted resources.

4. Investments

The following summarizes the classification of investments at fair value as of August 31, 2025 by classification and method of valuation in accordance with the requirements of U.S. GAAP:

Description	Total	Level 1	Level 2	Level 3	Exempt from Disclosure
US government fixed income	$ 1,272,591	$ ---	$ 1,272,591	$ ---	$ ---

5. Promises to Give

Promises to give are included in the financial statements as revenue of the appropriate category. Promises to give are recorded after discounting to the present value of the future cash flows using the five-year United States Treasury rate. Promises to give as of August 31, 2025 are all considered current, therefore no discount has been applied. Promises to give as of August 31, 2025 consisted of the following:

Due within one year	$ 3,000

Management believes that based on past history and the composition of the donors that all accounts are collectible. Therefore, no allowance is considered necessary.

6. Property and Equipment

Property and equipment consist of the following as of August 31, 2025:

Land	$ 261,093
Building	1,823,694
Automobiles	41,000
Furniture and fixtures	22,799
Equipment	31,616
Total property and equipment	2,180,202
Less: Accumulated depreciation	(365,900)
Net property and equipment	$ 1,814,302

Depreciation expense for the year ended August 31, 2025 amounted to $56,885.

7. Notes Payable

Notes payable consisted of the following as of August 31, 2025:

Notes payable from donors, interest free, various due dates or due Within 30 days of donor's request	$ 27,100

8. Mortgage Payable

During 2020, LIM entered into a $650,000 mortgage note payable agreement with the State Bank of Chilton. The note carries a 3.25% fixed interest rate and calls for 59 monthly payments of principal and interest of $3,687, with a balloon payment of all remaining principal and interest due October 9, 2025. The mortgage is secured by the property and the general business assets. The balance on the mortgage payable as of August 31, 2025 amounted to $530,712.

Interest expense on the mortgage payable amounted to $18,258 for the year ended August 31, 2025.

Subsequent to year end, on October 6, 2025, the mortgage payable was paid off in full.

9. Net Assets With Donor Restriction

The balances of net assets with donor restrictions consisted of the following as of August 31, 2025:

Subject to expenditure for specified purpose:		
Native Training	$	30,000
Haskell Facility		153,015
Total purpose		183,015
Subject to the passage of time only:		
Promises to give, net		3,000
Total net assets with donor restriction	$	186,015

10. Contributed Nonfinancial Assets

Contributed nonfinancial assets of non-cash supplies and services are recorded as revenue and expenses at their fair value. Contributed services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed nonfinancial assets are offset by like amounts included in expenses or as additions to property and equipment. The statement of activities includes the following contributed nonfinancial assets recognized by category for the year ended August 31, 2025:

Type		**Utilization in Program/Activities**
Supplies	$ 1,250	Program supplies

LIM used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

Supplies – Valued at the estimated fair value based on retail rates for similar goods.

There were no donor restrictions on any of the contributed nonfinancial assets received, nor was there contributed property and equipment, during the year ended August 31, 2025.

10. Contributed Nonfinancial Assets (Continued)

LIM also received contributed services for its various programs from volunteers which do not meet the recognition criteria described above. No amounts have been reflected in the financial statements for these contributed services.

11. Retirement Plan

Eligible clergy and staff may participate in the defined-contribution pension plans available. LIM's contributions for the year ended August 31, 2025 amounted to $71,780.

12. Commitments

LIM has a commitment for outsourced financial and human resources services through November 30, 2027. The total commitment for these professional services amounted to $192,201 as of August 31, 2025. In addition, LIM has commitments totaling $106,000 for consulting services and for support of a ministry partner to be paid during the year ended August 31, 2026.

13. Concentration of Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. LIM has never experienced any losses related to these balances. Insurance coverage is $250,000 per depositor at each financial institution.

14. Risks and Uncertainties

LIM invests in various investment securities. Investment securities are exposed to various risks of loss such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the statement of financial position.