

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2002

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2002 calendar year, or tax year beginning **2002**, and ending **20**

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

C Name of organization
Lutheran Partners in Global Ministry

Number and street (or P O box if mail is not delivered to street address) Room/suite
4100 Lyndale Avenue South

City or town state or country and ZIP + 4
Minneapolis MN 55409

D Employer identification number
41 1818525

E Telephone number
(612) 823-5058

F Accounting method Cash Accrual
 Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

- H and I are not applicable to section 527 organizations**
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates ▶ ---
- H(c)** Are all affiliates included? Yes No (If "No" attach a list See instructions)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site ▶ **www.lutheranpartners.org**

J Organization type (check only one) ▶ 501(c) () ◀ (insert no) 4947(a)(1) or 527

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Enter 4 digit GEN ▶

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **445,497**

M Check ▶ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

		1a		1b		1c		1d	
Revenue	1 Contributions, gifts, grants, and similar amounts received								
	a Direct public support								
	b Indirect public support								
	c Government contributions (grants)								
	d Total (add lines 1a through 1c) (cash \$ <u>442,889</u> noncash \$ <u>0</u>)							442,889	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)								
	3 Membership dues and assessments								
	4 Interest on savings and temporary cash investments							2,608	
	5 Dividends and interest from securities								
	6a Gross rents								
b Less rental expenses									
c Net rental income or (loss) (subtract line 6b from line 6a)									
7 Other investment income (describe ▶)									
8a Gross amount from sales of assets other than inventory	(A) Securities			(B) Other					
	8a								
	8b Less cost or other basis and sales expenses								
	8c Gain or (loss) (attach schedule)								
d Net gain or (loss) (combine line 8c, columns (A) and (B))									
9 Special events and activities (attach schedule)									
a Gross revenue (not including \$ _____ of contributions reported on line 1a)									
b Less direct expenses other than fundraising expenses									
c Net income or (loss) from special events (subtract line 9b from line 9a)									
10a Gross sales of inventory less returns and allowances									
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)									
11 Other revenue (from Part VII, line 103)									
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c and 11)							445,497		
Expenses	13 Program services (from line 44, column (B))							428,494	
	14 Management and general (from line 44, column (C))							32,883	
	15 Fundraising (from line 44, column (D))								
	16 Payments to affiliates (attach schedule)								
	17 Total expenses (add lines 16 and 44, column (A))							461,377	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)							(15,880)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))							163,665	
	20 Other changes in net assets or fund balances (attach explanation)								
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)							147,785	

SCANNED MAY 31 2003

MAILED 14 2003
OPEN UP

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ <u>398,297</u> noncash \$ _____)	398,297	398,297		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	21,300	13,845	7,455	
26	Other salaries and wages				
27	Pension plan contributions				
28	Other employee benefits	3,600		3,600	
29	Payroll taxes	1,630		1,630	
30	Professional fundraising fees				
31	Accounting fees	2,000		2,000	
32	Legal fees				
33	Supplies	622		622	
34	Telephone	924		924	
35	Postage and shipping	3,173		3,173	
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications	4,291	858	3,433	
39	Travel	6,084	4,036	2,048	
40	Conferences, conventions, and meetings	1,295		1,295	
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	2,623		2,623	
43	Other expenses not covered above (itemize): a Misc.	345		345	
b	Insurance	886		886	
c	Bank Charges/Check Fees	317		317	
d	Contract Labor	12,731	11,458	1,273	
e	Computer/Internet Expense	1,259		1,259	
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	461,377	428,494	32,883	

Joint Costs Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See page 24 of the instructions)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a Project Education India Sponsorship support of children in boarding homes in Tamil Nadu, India. Approximately 1200 children are educated and given room and board as well as medical attention. (Grants and allocations \$ 218,346)	233,892
b Anakatso Church in Madagascar Provided funds to construct a church building in this place. Nearly 500 people worship here now that there is a building in which to worship. (Grants and allocations \$ 40,000)	42,848
c Youth Encounter/Nagercoil Funds provided were used to build a boarding home in this place. There are now 100 children who have a place to live while attending school. (Grants and allocations \$ 39,607)	42,427
d Orkesumet, Tanzania A clinic is being built in this place that will serve the entire surrounding rural community. The numbers of lives that might be touched could reach several thousand. (Grants and allocations \$ 23,495)	25,168
e Other program services (attach schedule) (Grants and allocations \$ 76,849)	84,159
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	428,494

Part IV Balance Sheets (See page 24 of the instructions)

Note		Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing		27,040	45	54,717
	46	Savings and temporary cash investments		131,163	46	90,136
	47a	Accounts receivable	47a			
	b	Less allowance for doubtful accounts	47b		47c	
	48a	Pledges receivable	48a			
	b	Less allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)	51a			
	b	Less allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		789	53	733
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54	
	55a	Investments—land buildings, and equipment basis	55a			
	b	Less accumulated depreciation (attach schedule)	55b		55c	
	56	Investments—other (attach schedule)			56	
	57a	Land, buildings, and equipment basis	57a			
	b	Less accumulated depreciation (attach schedule)	57b		57c	
58	Other assets (describe <input type="checkbox"/> Computer Hardware/Software)		8,066	58	7,130	
59	Total assets (add lines 45 through 58) (must equal line 74)		167,058	59	152,716	
Liabilities	60	Accounts payable and accrued expenses		3,393	60	4,931
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers directors trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe <input type="checkbox"/>)			65	
66	Total liabilities (add lines 60 through 65)		3,393	66	4,931	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		80,710	67	20,117
	68	Temporarily restricted		82,955	68	127,668
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		163,665	73	147,785
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)		167,058	74	152,716

Form 990 is available for public inspection and, for some people serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See page 27 of the instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	✓
b	If "Yes," enter the name of the organization _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✓
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	<i>501(c)(4), (5), or (6) organizations</i> a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	<i>501(c)(7) orgs</i> Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	<i>501(c)(12) orgs</i> Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	✓
89a	<i>501(c)(3) organizations</i> Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____		
b	<i>501(c)(3) and 501(c)(4) orgs</i> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	✓
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 _____		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization _____		
90a	List the states with which a copy of this return is filed: MINNESOTA		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	1
91	The books are in care of: Lutheran Partners in Global Ministry Telephone no: (612) 823-5058 Located at: 4100 Lyndale Avenue South, Minneapolis MN ZIP + 4: 55409-1447		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year: 92		

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	2,608	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				2,608	
105 Total (add line 104, columns (B) (D), and (E))					2,608

Note Line 105 plus line 1d, Part I should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	N/A

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Date **08 MAY 03**

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545 0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

LUTHERAN PARTNERS IN GLOBAL MINISTRY

Employer identification number

41 1818525

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		✓
2 During the year, has the organization either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)		✓
4 Do you have a section 403(b) annuity plan for your employees?		✓
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(ii). Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	442,889	363,428	231,285	83,900	1,121,502
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,608	4,060	2,672	1,084	10,424
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	445,497	367,488	233,957	84,984	1,131,926
24 Line 23 minus line 17	445,497	367,488	233,957	84,984	1,131,926
25 Enter 1% of line 23	4,455	3,675	2,340	850	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 22,639
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts					26b 0
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 1,131,926
d Add Amounts from column (e) for lines 18 10,424 19 0					26d 10,424
22 0 26b 0					26e 1,121,502
e Public support (line 26c minus line 26d total)					26e 1,121,502
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.07 %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person" prepare a list for your records to show the name of and total amounts received in each year from each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year				
(2001) (2000) (1999) (1998)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons") prepare a list for your records to show the name of and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2001) (2000) (1999) (1998)					
c Add Amounts from column (e) for lines 15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____					27d _____
d Add Line 27a total _____ and line 27b total _____					27e _____
e Public support (line 27c total minus line 27d total)					27f _____
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27g _____ %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures catalogues and other written communications with the public dealing with student admissions, programs and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe if "No," please explain (If you need more space attach a separate statement)		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues brochures announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to		
a	Students rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space attach a separate statement)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table—		
	If the amount on line 40 is—		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is—		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter 0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter 0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44 you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h)
- c** Media advertisements
- d** Mailings to members legislators, or the public
- e** Publications or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators their staffs government officials or a legislative body
- h** Rallies, demonstrations, seminars conventions, speeches lectures, or any other means
- i** Total lobbying expenditures (Add lines c through h)

If "Yes" to any of the above also attach a statement giving a detailed description of the lobbying activities

Yes	No	Amount

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

LA FAYETTE & FAIRCHILD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

LA FAYETTE & FAIRCHILD, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

6625 Lyndale Avenue South
Minneapolis, Minnesota 55423-2396

Roy H LaFayette, CPA
Tricia Fairchild Maddox CPA
David P Leonidas CPA

Telephone (612) 861-8366
Fax (612) 861-8377

INDEPENDENT AUDITORS' REPORT

Lutheran Partners in Global Ministry, Inc.
Attn Board of Directors and Mr Gordon Olson
4100 Lyndale Avenue South
Minneapolis, MN 55409

We have audited the accompanying statement of financial position of Lutheran Partners In Global Ministry, Inc , as of December 31, 2002 and the related statements of activities and of cash flows for the years then ended 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 comparative information has been derived from Lutheran Partners in Global Ministry, Inc 's 2001 financial statements and in our report dated February 15, 2002, 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 Partners In Global Ministry, Inc as of December 31, 2002 and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America



Certified Public Accountants

Minneapolis, Minnesota
March 17, 2003

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2002

WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current Assets		
Petty cash	\$ 100	\$ 100
Cash in bank - checking	54,617	26,940
Cash in bank - savings	40,136	131,163
Certificate of deposit	50,000	-
Prepaid expenses	<u>733</u>	<u>789</u>
Total Current Assets	<u>145,586</u>	<u>158,992</u>
Equipment, at cost	14,727	13,039
Less accumulated depreciation	<u>(7,597)</u>	<u>(4,973)</u>
	<u>7,130</u>	<u>8,066</u>
TOTAL ASSETS	<u>\$ 152,716</u>	<u>\$ 167,058</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	\$ 4,665	\$ 2,636
Accrued payroll taxes	<u>266</u>	<u>757</u>
Total Current Liabilities	<u>4,931</u>	<u>3,393</u>
Net Assets		
Unrestricted	20,117	80,710
Temporarily restricted	<u>127,668</u>	<u>82,955</u>
Total Net Assets	<u>147,785</u>	<u>163,665</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 152,716</u>	<u>\$ 167,058</u>

See accompanying notes to financial statements

IRS FORM 990: PART III
EIN 41-1818525
RETURN FOR 2002

E.

#1	Argentina: Hymnal/Evangelism Projects	9,899.00
#2	General Outreach	18,019.00
#3	India. ALC Projects	12,149.00
#4	India: D.M Hospital	5,400 00
#4	India: Lebanon Home	6,727 00
#5	India Panruti Project	6,350.00
#6	Madagascar: Mananjary Project	2,570.00
#7	Tanzania. Mwangaza Soul	2,000 00
#8	USA: AAL Education Project	13,735.00
		76,849.00

IRS Form 990: Part V • EIN 41-1818525 • RETURN FOR 2002

Key Employee/ Board Member	Average Weekly Hours	Compensation
Gordon Olson, PRESIDENT 5217 Woodlawn Blvd Minneapolis MN 55417	20-25	\$21,300/Annually
Donna Anderson, SECRETARY 1658 Jefferson Ave St Paul MN 55105	Less than 5	Zero
Sandra Anderson 7112 Willow Lane Minneapolis MN 55430	Less than 5	Zero
Poul Bertelsen 16329 Lake Street Ext Minnetonka MN 55345	Less than 5	Zero
Lorens Brynestad, VICE PRES 5713 Grace Terrace Edina MN 55439	Less than 5	Zero
Shelly Franz 1191 Pike Lake Drive New Brighton MN 55112	Less than 5	Zero
James Donicht 18755 Minnetonka Blvd Deephaven MN 55391	Less than 5	Zero
Herb Morgenthaler 3851 Beard Ave S Minneapolis MN 55410	5-10	Zero
David Olson 5920 Loring St Minnetrista MN 55364	Less 5	Zero
Betty Olson 5217 Woodlawn Blvd Minneapolis MN 55417	5-10	Zero
Naomi Staruch, TREASURER 5016 York Ave S Minneapolis MN 55410	5-10	Zero

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2002

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2002 Total</u>	<u>2001 Total</u>
Changes in Net Assets				
Support and Revenue				
Contributions	\$ 35,036	\$ 407,853	442,889	\$ 363,428
Interest	<u>2,608</u>	<u>-</u>	<u>2,608</u>	<u>4,060</u>
Total Revenues	<u>37,644</u>	<u>407,853</u>	<u>445,497</u>	<u>367,488</u>
Expenses				
Postage	3,173	-	3,173	2,800
Copying/printing	733	-	733	871
Letterhead/envelopes	1,081	-	1,081	1,743
Newsletters	2,477	-	2,477	1,482
Registrations/conferences	884	-	884	715
Travel	6,084	-	6,084	1,190
General insurance	886	-	886	465
Salary	21,300	-	21,300	20,675
Contract labor	12,731	-	12,731	8,282
Payroll taxes	1,630	-	1,630	1,582
Health insurance	3,600	-	3,600	3,600
Bank charges/check printing	317	-	317	913
Office supplies	622	-	622	2,003
Phone	924	-	924	919
Computer expense and internet	1,259	-	1,259	1,016
Books and resource materials	371	-	371	64
Display expenses	40	-	40	15
Depreciation	2,623	-	2,623	1,810
Audit	2,000	-	2,000	-
Miscellaneous expenses	345	-	345	1,357
Program expense	<u>398,297</u>	<u>-</u>	<u>398,297</u>	<u>306,785</u>
Total Expenses	<u>461,377</u>	<u>-</u>	<u>461,377</u>	<u>358,287</u>
(Decrease) increase in net assets	(423,733)	407,853	(15,880)	9,201
Net assets released from restrictions	363,140	(363,140)	-	-
Net assets, beginning of year	<u>80,710</u>	<u>82,955</u>	<u>163,665</u>	<u>154,464</u>
Net assets, end of year	<u>\$ 20,117</u>	<u>\$ 127,668</u>	<u>\$ 147,785</u>	<u>\$ 163,665</u>

See accompanying notes to financial statements.

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2002

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities		
Cash received from contributions	\$ 442,889	\$ 363,428
Cash paid out for expenses	(457,160)	(355,868)
Interest received	<u>2,608</u>	<u>4,060</u>
Net cash (used in) provided by operating activities	<u>(11,663)</u>	<u>11,620</u>
Cash flows from investing activities		
Purchase of equipment	(1,687)	(7,455)
Net purchase of certificate of deposit	<u>(50,000)</u>	<u>-</u>
Cash (used in) investing activities	<u>(51,687)</u>	<u>(7,455)</u>
Net (decrease) increase in cash	<u>(63,350)</u>	<u>4,165</u>
Cash, beginning of year	<u>158,203</u>	<u>154,038</u>
Cash, end of year	<u>\$ 94,853</u>	<u>\$ 158,203</u>

Reconciliation of Change in Net Assets
to Net Cash (Used In) Provided By Operating Activities

	<u>2002</u>	<u>2001</u>
Change in net assets	\$ (15,880)	\$ 9,201
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,623	1,810
Increase in accrued expenses	2,029	641
(Decrease) increase in accrued payroll taxes	(491)	757
Decrease (increase) in prepaid expenses	<u>56</u>	<u>(789)</u>
Net cash (used in) provided by operating activities	<u>\$ (11,663)</u>	<u>\$ 11,620</u>

See accompanying notes to financial statements

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization conform to generally accepted accounting principles in the United States of America. The following is a summary of the significant accounting policies.

Organization and Nature of Activities

Lutheran Partners in Global Ministry, Inc (LPGM) was incorporated in 1995 as a non-profit organization under the laws of the State of Minnesota. LPGM was formed as a global mission advocacy organization and is committed to build relationships within the Lutheran church here and abroad, to raise the level of awareness of mission within congregations through education, to improve communication within the mission elements of the Church and between congregations and global counterparts, and to raise funds, supply needs, encourage, stimulate, excite and inspire stewardship for mission.

Method of Accounting

The financial statements of LPGM have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No 117, "Financial Statements of Not-for-Profit Organizations " Under SFAS No 117, the Organization is required 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. In addition, the Organization is required to present a statement of cash flows.

Contributions Revenue

The Organization has also adopted SFAS No 116, "Accounting for Contributions Received and Contributions Made " Contributions revenue is recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a temporary restriction expires, temporarily restricted net assets will be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

LUTHERAN PARTNERS IN GLOBAL MINISTRY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

Contributions, including unconditional promises to give, are recorded as revenue when the promise is received from the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates.

Income Tax Status

LPGM is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Estimates

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

NOTE 2: DONATED SERVICES

LPGM receives donated services from unpaid volunteers. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 3. EQUIPMENT

Equipment is carried at cost. Depreciation is computed using primarily the straight-line method.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in bonds and highly liquid investments with maturity dates of less than three (3) months. The carrying value of cash and cash equivalents approximates face value because of the short maturities of those financial instruments.