



2016 Convocation

“Holy God, Holy Lives”

Staff Reports

Bishop	1
General Secretary	7
Assistant to the Bishop for Ministry and Ecumenism	13
Assistant to the Bishop for Mission	17
Communications Coordinator	21
Treasurer	23

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2016 North American Lutheran Church Convocation

Report of the Bishop

Grace and peace to you from God our Father and our Lord and Savior, Jesus Christ,

“But you are a chosen race, a royal priesthood, a holy nation, a people for his own possession, that you may proclaim the excellencies of him who called you out of darkness into his marvelous light.” (I Peter 2:9)

Holiness is God’s activity. God chooses and sets apart that which He devotes to Himself. This is the nature of God’s character, the nature of His love and His redemptive plan. We are set apart as God’s holy ones (saints) through faith in Jesus Christ. We are set apart, not to blend into the world but to point to Christ, to proclaim the One who called us out of darkness into the light. To the world we will always seem strange, odd, weird. In part, those words describe what it means to be “holy.”

While we speak boldly and consistently about justification, as we should, unfortunately many Lutherans often avoid the subject of holiness and sanctification. Sanctification forces us to deal with the nature and work of the Holy Spirit. Even the mention of the third person of the Trinity causes some to fear the lack of control when faith is pushed beyond the articulation of theological concepts into the realm of the transcendent presence of a Holy God.

I was once questioned by a Lutheran pastor regarding my understanding of the Holy Spirit. In response I simply said, “What is it we can do apart from the work of the Holy Spirit?” He immediately began to make a list. I interrupted to remind him that my question was rhetorical and asked about the last time he read Luther’s explanation to the third article of the Apostle’s Creed.

Luther writes, “I believe that I cannot by my own reason or strength believe in Jesus Christ, my Lord, or come to Him; but the Holy Spirit has called me by the Gospel, enlightened me with His gifts, sanctified and kept me in the true faith. In the same way He calls, gathers, enlightens, and sanctifies the whole Christian church on earth, and keeps it with Jesus Christ in the one true faith. In this Christian church He daily and richly forgives all my sins and the sins of all believers. On the Last Day He will raise me and all the dead, and give eternal life to me and all believers in Christ. This is most certainly true.”

While some resist the work of the Holy Spirit, fearing too little control, others resist discipleship fearing too much control, that it could become a self-made form of sanctification and works righteousness. For many it is easier to avoid both. Sin and human nature can pervert the purest doctrine and biblical instructions. (Bonhoeffer points out how easy it is to pervert the Grace of Jesus Christ into “cheap grace.”) Avoidance is not nearly as helpful as digging deeply into the Word of God and faithful interpretation of the Church throughout the ages.

Discipleship and the work of the Holy Spirit are intimately connected. Discipleship can only occur in the context of the communion of saints, the Christian Church. It is in the Church, the Body of Christ, that people come to faith, and their faith is nurtured through the preaching of the Gospel. Luther wrote, “Neither you nor I could ever know anything of Christ, or believe in him and take him as our Lord, unless these were first offered to us and bestowed on our hearts through the preaching of the Gospel by the Holy Spirit.” The life of following Christ can only occur in the Body of Christ. An individualized understanding of discipleship would preclude the work of the Holy Spirit.

The Church is the community of disciples whose lives are transformed by the holiness that comes to us through the purity of the Word of God that norm our faith and life. The faith of a disciple is more than intellectual assent to theological concepts. It is obedience to all that Christ commands. It is living as one set apart by Christ for His redemptive purposes. It is in this community of faith, the Church, that the confession of sins frees us from our past and the promise of forgiveness brings hope and new life. We experience this same holy purity through the sacraments. In Baptism we receive the Holy Spirit, new life, forgiveness and the promise of eternal life. We are drowned in the waters of Baptism and reborn children of God and heirs with Christ. Disciples of Jesus Christ live trusting these promises, daily accepting this Holy identity in Christ.

Perhaps more than any other place, at the table in Holy Communion the disciple of Jesus receives the ultimate source of holiness, the real presence of Christ, in, with and under the elements of bread and wine. In the gracious power of His abiding presence we are connected to the whole Church in heaven and on earth. Certain of eternal life in Christ, we are freed to live loving others, freed to live lives of self-denial and sacrificial service for the sake of the Gospel. We are freed to boldly proclaim Christ and lead others to follow Him as disciples in the community of His Holy Church.

In Christ, through His Word and these means of Grace, we grow daily, holding one another accountable even as the head of the body holds each part accountable for the sake of the whole body, nurturing in one another the faith we share. Through His Church, Christ accomplishes His mission of making disciples of all nations. To that end the North American Lutheran Church is clearly focused.

We press on in a world that, despite its overwhelming need for what only Christ can offer, seeks to restrict the religious freedom of Christians and marginalize His disciples. In a world that continues to tolerate the persecution and execution of Christians, we live holy lives devoted to Jesus. It is a world that seeks to redefine marriage, morality, sexual identity and is content to grow darker, making the contrast to the light even sharper. Even more tragic than the darkness is those who, in the name of Christ, are willing to compromise the light and embrace the darkness in order to consider themselves relevant and popular. Nothing could be more “unholy.”

In spite of these challenges I believe the world needs the witness of those who will continue to pursue all that it means to follow Christ as His disciples. In all my travels across the North American Lutheran Church, I see the evidence of this witness unfolding and shaping our identity. I see the difference it is making in our pastors, our laity, our congregations, our commitment to mission, and our witness to the world. This witness stands in sharp contrast to those who seek to avoid conflict with compromise, to appease the forces that would marginalize us by cooperating with them. Searching for an easier way can also lead to abandoning both Christ and the Gospel. The battles rage from within and without. This makes our witness even more critical in this culture and throughout the world.

Throughout this past year I have encouraged other leaders to think about discipleship in the NALC by incorporating these three key concepts:

Catechesis – Teaching the Faith

Vocation – Living the Faith

Ecclesiology – Teaching the Faith and Living the faith in the context of mutually accountable and responsible relationships (The nature of the Body of Christ)

During this year we have also created our own NALC Leadership Team for Life-to-Life Discipleship. This team includes pastors and theologians from across the NALC who have a variety of experiences pursuing discipleship. This group will help lead and guide our efforts, insuring that each of our

discipleship initiatives are biblically and confessionally faithful. Both Dr. David Yeago and the Rev. Dr. Nathan Yoder have been most helpful in adding perspectives that bring clarity to our vision and strategy for discipleship in the NALC.

Because of the nature of the Church and the interdependent nature of the Body of Christ, it is deeply fulfilling to serve with other faithful leaders without whom I would be unable to fulfill this role. I give thanks for these members of the “royal priesthood” with whom I am privileged to serve.

Bishop Emeritus Paull Spring is a treasured friend, offering consistent wisdom and advice. He remains active, serving in a variety of capacities including the development of a new mission start in his hometown of State College, PA.

Other members of that “royal priesthood” also deserving of your appreciation and encouragement are our entire staff, who boldly proclaim the “excellencies” of Christ in word and deed. Please continue to pray for them as I do.

The Rev. Mark Chavez, General Secretary
The Rev. Gemechis Buba, Assistant to the Bishop for Mission
The Rev. David Wendel, Assistant to the Bishop for Ministry and Ecumenism
The Rev. Mark Ryman, Communications Coordinator
Becky Seifert, Administrative Assistant to the Executive Staff
Jenny Brockman, Administrative Assistant for Missions
Anne Gleason, Financial Administrator
Kathy Jacobson, Administrative Assistant
Maddie Benson, Receptionist

And it would not be right for us to forget our consultant for youth and family ministries, Gary Pecuch of faithwebbing.com in our showing of appreciation and encouragement, as well as in our prayers.

Others who are “a people of His own possession” are the members of your Executive Council. Along with providing oversight and strategic direction for the entire North American Lutheran Church, they continue to read, study and grow in their faith and encourage our pastors and laity by their own example. They give graciously of their time and commitment to serve Christ. Our witness is stronger because of their service that keeps us moving forward faithfully and efficiently between our convocations.

The office of the Bishop can only be implemented across the NALC through the work of the Deans from each Mission District. These faithful partners serve congregations, daily proclaiming the Gospel, “calling people out of darkness into His marvelous light.” Their congregations graciously provide them with the necessary time and opportunity to fulfill this important office. I depend on their leadership and am blessed by the gifts, wisdom and the encouragement they provide for our pastors and congregations. I encourage every congregation to pray for your Dean, even as you pray for me. The larger we grow the more difficult it is for our staff to adequately visit and provide the support and encouragement they need. The larger we grow the more we depend on our Deans.

There are other saints; “holy ones” who are helping us answer the question of who will fill the pastoral role in providing leadership for this “royal priesthood.” No one person in the North American Lutheran Seminary can recruit all the students we need to fulfill the needs of our congregations for the future. This is the responsibility of every pastor and lay leader of the NALC. I am amazed at the quality of students called by Christ into the service of this church. These leaders, along the Board of Regents, have been

serving us by preparing students for Word and Sacrament ministry in the NALC. Please pray for them and support them in their faithful service.

The Rev. Dr. Amy Schifrin, NALS President; Director, NALS Seminary Center at Trinity School for Ministry; and Associate Professor of Liturgy and Homiletics

Dr. David Yeago, Professor of Systematic Theology

The Rev. Dr. James Nestingen, Adjunct Faculty / Church History

The Rev. Dr. Nathan Yoder, Adjunct Faculty / Theology

Fara Pienkosky, Administrative Assistant/Registrar

The Rev. Dr. Mary Havens, Director, Lutheran House of Studies at Gordon-Conwell Theological Seminary

Throughout this year others have faithfully served as members of the priesthood on our committees, task forces and commissions. These include:

Board of Regents

Commission on Theology and Doctrine

Convocation

Disaster Response Task Force

Mission Teams

Task Force on Youth and Family Ministry

Candidacy

Communications

Court of Adjudication

Life-to-Life Discipleship Team

Task Force on Diaconal Ministry

Their work is helping us to advance our strategic objectives, supporting and strengthening the ministry of our congregations and pastors. Our strength for the future is in each of our congregations calling people from the darkness of our culture into the light of Christ through faith in Him. Our strength is in the power of the Holy Spirit at work in the life of every disciple of Jesus who is a part of the North American Lutheran Church.

The “Great Commission” (Matthew 28:18-20) still drives us forward in mission. While we continue to learn and grow in our understanding of all that it means to make disciples of all nations, we have learned many valuable lessons from the Navigators, who have been faithful ministry partners encouraging us and learning from us even as we have learned from them. While our journey together continues, it will change as we take greater ownership of this process and develop fully informed leaders capable of transforming the culture of our congregations into centers for both making and nurturing disciples. Our new leadership team will be providing consistent encouragement, creating and recommending resources even as they share their stories and model faithful discipleship in the NALC.

Throughout these years I have approached this call through my perspective as a parish pastor, deeply appreciating my time in our congregations, leading worship, preaching, celebrating the sacrament, participating in baptisms, confirmations, weddings and funerals. Anniversary celebrations, installations and ordinations also provide opportunities for celebrating our life together. As I spend time at Mission District convocations, I am encouraged by the commitment of our people to begin new mission starts and house churches. The excitement and mutual encouragement are profound. We are no longer just talking about discipleship; our congregations and Mission Districts are pursuing it. Pastors and congregations are talking about what they are doing. They are sharing their experiences and testimonies of how the pursuit of discipleship has affected their lives and ministry. There is not just one process or one resource for pursuing this quest, but a host of ideas and ways congregations and pastors are exploring the Great Commission as an obedient response to Christ’s command, the mission and priority of our life together.

This challenge to reach the entire world with the Gospel of Jesus Christ in word and deed is life-giving for our congregations.

While I have sensed the excitement, I also know this is not an easy task. It requires adjusting our vision, values and behaviors. It is important for leaders to move together in harmony with the congregation and equally important for the congregation to embrace a clear vision to pursue discipleship, remembering that keeping everything the same as it has always been will only guarantee the same results. We cannot expect to have any impact on the larger culture without life-giving transformation in the culture of our congregations. The strength of community in the local congregation is essential, as disciples need a nurturing community in order to grow and mature into those who can disciple others. While our congregations have not been without struggles and conflicts, working through difficulties are ways in which we come to depend even more on Christ and His love that reconciles and restores us in our relationships with Him and one another.

While the travel in fulfilling this role is a challenge, it is overcome by the joy of being in your presence, listening to your stories and celebrating the mission and ministry we share in the NALC. When I am privileged to represent you in the presence of other church bodies and organizations I do so with both pride and joy in serving as your Bishop. Your witness continues to bring encouragement to many more people than you may ever see or know.

It is impossible to accept every invitation to be with you, but there is always time to pray for you. Our pastors and congregations are always part of both my daily prayers of thanksgiving and intercessory prayers.

Below is a list of some of the most significant ways I have used my time in serving you and discharging my responsibilities.

- More than 35 weekends with congregations in the US and Canada
- Ordinations and installations (7)
- Work with the Commission on Theology and Doctrine
- Trip to Slovakia working with Lutherans committed to renewal and discipleship
- Meeting with Mission District Deans
- Mission Conference Presenter
- Mission District Convocations (7)
- Board of Regents
- NALC Pastor's Conference
- Ecumenical efforts:
 - Meetings with leaders of the Anglican Church of North America
 - Meetings with Lutheran Church—Missouri Synod leaders
 - Association for Church Renewal (now Common Ground Christian Network)
 - Meeting with ELCA and ELCiC leaders
 - Catholic Conference of Bishops meetings concerning marriage and religious freedom
 - Meeting with LCMC leaders
- Staff meetings
- Canadian Rockies Theological Conference
- Executive Council meetings
- Candidacy Committee
- Visits to our Hispanic congregations (including San Juan, Puerto Rico)
- Haiti mission trip
- Greece and Turkey trip
- Ran the Philadelphia Marathon

By now it must be apparent that my passion is pursuing discipleship, all that it means to follow Christ Jesus. It is everything, all there is for me. For that reason, I am deeply grateful for the opportunity you give me to pursue that passion serving with you in Word and Sacrament ministry. I am honored by the trust and confidence you have placed in me by re-electing me to serve as the Bishop of the North American Lutheran Church. I rely of your prayers for the grace and strength to represent Christ and each of you faithfully.

As this new term serving as your Bishop begins to unfold, it is my prayer that we live in the power of the Holy Spirit who makes us holy, accepting the challenge and identity as disciples of Christ Jesus, “a royal priesthood, a holy nation, a people of his own possession, proclaiming the excellencies of him who called you out of darkness into his marvelous light.”

As we continue this journey together, be assured of my love and prayers for you.

It is good to be with you following Christ,

A handwritten signature in cursive script, appearing to read "John".

Bishop John F. Bradosky

2016 North American Lutheran Church Convocation

Report of the General Secretary

NALC Staff and Offices

We welcomed two new members to our staff this year, Pr. Mark Ryman as Communications Coordinator, and Madeline “Maddie” Benson as Receptionist and Administrative Assistant. We said farewell to Stephanie Kallestad, who worked in the Minnesota office and decided to be a stay-at-home mom after the birth of her son, Joseph, in September. We moved Stephanie’s position to Ohio this spring when Maddie joined our staff. It is a privilege and a joy for me to work with our dedicated and gifted staff.

We are in the midst of implementing our new office configuration. The goals are:

- Position the office configuration and staffing so that they support the NALC to be a disciple-making movement as opposed to a churchly institution
- Test the feasibility of a decentralized staff for a church that spans North America
- Keep the office structure easily flexible and adaptable to the growth of the NALC
- Minimize the long-term costs of overhead structural expenses
- Increase the efficiency of the NALC staff

Here are the details of the new configuration. Maddie works in the front area of the current NALC office at Upper Arlington Lutheran Church (UALC). The other three offices and the conference room have been returned to UALC, which has agreed to allow the NALC to use the conference room upon request. The Minnesota staff, Anne Gleason and Kathy Jacobson, will move to smaller rented office space that will include phone, internet and office equipment. They will continue to receive all donations to the NALC and all financial correspondence in Minnesota. The rest of the staff — administrative, program and executive — will work from home offices.

Maddie receives all incoming calls for the NALC on our toll-free number and connects callers with the appropriate staff member. She also distributes incoming mail in Ohio, and has general clerical and administrative responsibilities in support of the rest of the staff.

We have always used vendors for all major printings and mailings, but now may outsource additional services. The goal is to set the administrative staff free to devote most of its time to the responsibilities that can only be done by the staff.

With this configuration, online meeting technology will be used with greater regularity for good communication and coordination. The executive staff has used online meetings for several years. Last year the administrative staff began meeting online monthly, and this year has begun meeting with me two to three times each month. The entire staff is now meeting in person three times per year.

The majority of the hard copy records and documents for the NALC are currently in the Minnesota office. The records there and in the Ohio office will all be scanned and placed in the cloud so they can be accessed by the staff as needed. The Minnesota office has hard copies of records and documents for the renewal and reform movements that preceded the formation of the NALC — the WordAlone Network, Solid Rock Lutherans and Lutheran CORE. These historical records will all be scanned and placed in the cloud. Any hard copy documents that must be retained permanently will be stored in Minnesota.

We will review and evaluate this reconfiguration for its feasibility and effectiveness quarterly, making adjustments as needed.

Youth and Family Ministry Congregational Coach

If you have not had an opportunity to connect with Gary Pecuch, our consultant who serves as the Youth and Family Ministry Congregational Coach for NALC congregations, I encourage you to do so as soon as you are able. Gary and his wife, Laurie, are doing amazing ministry in support of our congregations. They focus their ministry in two areas: 1) Faith webbing – wrapping children and youth in a web of intergenerational relationships within their congregations; and 2) Outcome-based youth ministry – developing a list of faith skills for youth so that with their parents' involvement they can put together a personal ministry plan that supports them in our Lord's call for their life and discipleship.

Gary and Laurie are at this Convocation with a ministry display and are leading a workshop on Friday. You may also connect with them online at faithwebbing.com. Gary is offering occasional webinars that are recorded and accessible on faithwebbing.com. He also welcomes invitations from Mission Districts and congregations to lead training events. We are very grateful to the Pecuches for offering their insights, wisdom and experience to our congregations.

Communications Team

Our Communications Team grew this year with the addition of Pr. Mark Ryman to our staff. Pr. Bill Maki also joined our team. The other members are Pr. David Baer, Donna Evans, David Hahn, Pr. Scott Ness and Ryan Schwarz. Kathy Jacobson in our Minnesota office provides incredible support for all our communications, digital and print, by carefully proofreading everything. She also helps update the website.

Pr. Baer, who serves his parish in Whitewood, SD, fulltime and as Dean of the Western Dakotas, Montana and Wyoming Mission District, continues to do a great job of editing the monthly newsletter. Again, I encourage you to send him stories about your congregational ministry and mission.

Pr. Ryman, as Communications Coordinator, is at the hub of all communications (website, NALC Network, Facebook, newsletter, and email). He works with the Communications team to develop and implement communications and marketing strategies to support overall NALC goals and messages. Please read his report to this Convocation for more information about our Communications Team.

Canada Section of the NALC

The growth and progress of the Canada Section is evident at this Convocation with the first election of the four Canadian Directors for the governing board for the Canada Section. The Canadian Mission District wanted the NALC Convocation to elect its nominees to the Canada Section. The three American members will be appointed by the Bishop. Please read Pr. Phil Gagnon's report on the Canada Section to this Convocation.

Discipline Procedures

Once again we have not used our formal discipline procedures in the past year, and pray for the same in the coming year. Thanks to the members of our Inquiry Panel who have volunteered to serve should we have to use the discipline process: Rev. Jim Bangsund, Rev. K. Glen Johnson, Rev. Ralph Kempinski, Mr. Vic Stevens and Rev. Solveig Zamzow.

Legal Resources

We have called upon our lead attorney, Martin Nussbaum, and his assistant, Joan Rennekamp, at Lewis Roca Rothgerber LLP in Colorado Springs, CO, for just personnel matters in the past year. Their

assistance is always prompt and very helpful. I strongly encourage your congregation to work with Ms. Rennekamp to get a tailored employee handbook if you have not already done so. Contact our Minnesota office at 651-633-6004 to get a handbook for your congregation. I also thank the law firm of Trimble and Associates, LTD, in Minneapolis, MN, for assisting us in all the legal matters associated with the NALC's 501(c)(3) status.

Our volunteer team of legal experts have been busy this past year. Thanks to James Gale, Pr. Ron Hoyum, Matt Burkhart and Ryan Schwarz who have helped develop new resources for congregations to deal with the increasing challenges to religious liberty. This team has put together a document entitled "Marriage Law and the Protection of Religious Liberty: Implications for Congregational Policies and Practices." It contains: 1) template for a marriage doctrine statement; 2) general principles; 3) template for policies governing employees, elected leaders, and other congregational leaders; 4) template for facilities use policies; and 5) template for parochial school policies. This new document will be made available at this Convocation and sent to all our congregations.

The legal team's next project is to develop guidance for congregational practices on baptism, communion and membership, and guidance for congregations working with outside ministries and other community organizations.

Common Ground Christian Network

The biannual meetings of the Common Ground Christian Network (CGCN), an organization of Anglican, Lutheran, Methodist, Presbyterian and other Reformed leaders, continue to be focused on religious liberty issues. Threats to religious liberty are on the rise in North America and around the world. In the U.S. the trend line for the courts and federal government is not favorable, and the same is true in Canada.

Disaster Response and Training

Please look at Pr. David McGettigan's report to this Convocation on the work of our disaster response team. They do fine work in coordinating responses to disasters and offering training programs for congregations to be better prepared in advance of a disaster. Thank you to all in the NALC who contribute to the disaster response fund so that funds are on hand for immediate use following a disaster.

Lutheran Benefits

We are indebted to Verlyn and Kelly Hahn and the Hahn Financial Group in Sioux Falls, SD, for their care for the NALC's health and retirement needs. Their service and personal attention to our members' needs is excellent and much appreciated. The retirement plan in our Lutheran Benefits continues to grow and perform well. The health insurance, as always, is the more challenging part of the plan. The cost of health insurance in the U.S. continues to rise steeply. The cost of our insurance compares favorably to other church health insurance plans, but the rising cost for our congregations is a major concern.

I thank James Hansen, Pr. Paul Larson, and our Treasurer, Ryan Schwarz, for serving on the review committee that works with the Hahn Financial Group to improve our Lutheran Benefits. Verlyn Hahn will be reporting at this Convocation, so I will let him say more about the health insurance. He will also be leading a workshop on Friday, and will be available throughout the Convocation to meet with individuals.

Here is a brief summary of the current status of Lutheran Benefits as of the end of July 2016:

The Lutheran Benefits Health Plan

- 172 individuals (145 congregations) currently enrolled in health plan
- 80 individuals (61 congregations) currently enrolled only in the ancillary (non-health) package

The Lutheran Benefits 403b Retirement Plan

Employees

- Total number of employees enrolled in the plan: 423
- Total number of active participants (with an account balance): 358 (84.6%)

Employers

- Total number of enrolled churches: 251
- Total number of churches enrolled actively submitting dollars: 177 (70.5%)

Transfers

26 new transfers have been processed in the last year (August 1, 2015, to July 29, 2016) totaling \$3,673,74.00. This brings the total transfers since inception to: 379

Plan Assets

Total plan funds under management – \$61,113,345.00

Here is how the above figures compare with previous years:

Lutheran Benefits Trends

YEAR	2013	2014	2015	2016
HEALTH PLAN				
Individuals	282	250	176	172
Congregations	181	178	152	145
ANCILLARY PLAN				
Individuals	18	50	76	80
Congregations	8	24	62	61
RETIREMENT				
Total individuals	302	343	398	423.
Active individuals	n/a	n/a	364	358
Congregations	181	216	236	251
Active congregations	155	n/a	186	177
Total plan funds	\$45,478,322	\$56,222,976	\$60,730,854	\$61,113,345

Certification of Pastors

There has always been steady interest in serving in the NALC by pastors in other Lutheran churches and even by non-Lutheran pastors. However, in 2016 the number of inquiries has picked up. I thank the Mission District Deans, who conduct most of the certification interviews. Their service is critical.

An increasing number of inquiries are from pastors not known by our staff and our pastors. For that reason, and also because we want to receive pastors who will serve our congregations well, Pr. David Wendel has developed a more careful, detailed certification process for us. We will ask up front for most of the information that would be needed if we were to recommend a pastor to be interviewed by a call

committee. Additionally, a panel of volunteers will help me vet all pastors more thoroughly. I thank Pastors Ron Deck, Ron Hoyum, Heidi Punt and Solveig Zamzow for agreeing to serve on this new vetting panel. We will begin using this new process in September.

Congregational Reports

Last year the Mission District Deans suggested we divide the reports into two parts — a short part with the basic statistical information, which could be completed relatively quickly, and a longer part with most of the text input. The hope was that this might encourage a better response. It did not. We are still trying to get part one from most of our congregations. We will send out part two in the fall.

I am often asked if the NALC is growing, and most who ask the question are seeking statistical information. All I can say with confidence is that the total number of congregations and pastors in the NALC continues to grow. We surpassed the 400 mark for congregations in the past year and more are in the process of voting to join. There are a number of possibilities for new mission starts.

However, without a better response from congregations sending in their reports, I honestly do not know if, on average, NALC congregations are growing, statistically or in terms of making disciples. The NALC may well be like the other Protestant denominations in North America, in which the average congregation is declining and the membership is aging. I hope that is not the case. I hope that on average our congregations are growing numerically and spiritually.

If your congregation has not been completing the annual report, please do so. The information requested in the report would be very helpful for mission planning and strengthening the NALC's congregationally-focused priority. In order to support congregations more effectively, the staff, the Deans and the Missions Team need to know more about the ministry context of all our congregations.

With the incomplete data available, below is what I can report. The statistics are based on information in our database gathered by other means, in addition to the information reported in annual congregational reports:

Total number of congregations: 407
Total baptized membership: 141,000
Geographic Setting of NALC congregations
 Farming area: 67
 Small town or rural: 229
 Suburb of large city: 61
 Metropolitan area: 50

Total clergy: 586
Candidates approved for ordination: 11
 David Abuya, Jonathan Aicken, Jonathan Alexanian, Jonna Bohigian, Randell Drafts, Orrey McFarland, Brian McGee, Christopher Metze, Mark Metze, Dawn Rister, Brian Zaas
Deaths of pastors: 4
 Rev Darrol W Heggen – 11/8/15
 Rev Emery L Barnett – 11/16/15
 Rev Henry S G Sheppard – 2/9/16
 Rev Mary Chadburn Cobb – 5/1/16

I also want to report that there are now 82 dual NALC/LCMC congregations and 151 dual NALC/LCMC pastors. Both of those numbers are steadily growing and will do so for the foreseeable future.

Here is how some of the above figures compare with previous years:

Year	2012	2013	2014	2015	2016
Congregations	330	364	384	393	407
Baptized membership	125,000	136,00	137,000	140,000	141,000
Dual LCMC/NALC congregations	39	34	71	76	82

Respectfully submitted,



The Rev. Mark C. Chavez
General Secretary

2016 North American Lutheran Church Convocation

Report of the Assistant to the Bishop for Ministry and Ecumenism

Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all that I have commanded you...

We pray that we will never tire of hearing the Great Commission, our Lord's command for us to be disciples and to make disciples! It is at the heart of who we are as followers of Jesus and the NALC. In every aspect of our ministry together, let us reduce or eliminate barriers and hindrances to this commission we share, while striving to improve our relationships, leadership, structures and strategies to facilitate faithful living out of Christ's command that we go, make disciples, baptize and teach!

I have now had several opportunities to write reports for the NALC Convocation explaining the breadth and scope of my service as assistant to Bishop Bradosky for ministry and ecumenism. You can find those reports archived on the NALC website, www.thenalc.org. This year, I would like to share some aspects of my work through which we seek to strengthen and improve ministry within the NALC as a whole, for the sake of our response to the Great Commission.

First, I would like to share with you that we continue to improve the call process within the NALC. Because there was an increase in the number of pastoral vacancies with less response from pastors already in the call process, we began emailing the NALC vacancy list to all 500-plus pastors, in addition to the email distribution of the list to those already in the call process. We have also begun posting the vacancy list on the NALC website, and announcing in the NALC newsletter that pastors may find the list on the website. This is aimed at encouraging more pastors to prayerfully consider our vacancies, hoping to shorten the length of our congregational call processes.

Second, as I work with pastors and congregations, it has become clear that we have work to do with regard to preparing congregations for calling a "new" pastor. Most congregations with a vacancy believe they are ready to move forward with calling a new pastor as soon as the previous pastor has turned in his or her church keys and would like to expedite the process. When an intentional interim is in place during the transition, often this pastor assists the congregation in working through issues and concerns to better prepare the field for the call process and new pastor. Most congregations, however, do not have the benefit of an intentional interim and the good work interims can facilitate.

To assist congregations, we have developed a new "Congregational Workshop in Preparation for the Call Process." This workshop may be led by the local Mission District dean, or members of the dean's "Pastoral Care and Transition Team" (P-CAT Team—more on that later). The goal of the workshop is to facilitate congregational reflection on the Scriptural understanding of "call"; reflection on leadership, decision-making and conflict; congregational awareness and participation in the NALC's strategy for discipleship and discipling; leading finally to congregational input into the actual Congregational Vacancy Profile. At this time, only a few congregations have utilized the workshop format, but response has been positive. Our prayer is that this will, in time, strengthen and improve pastor/congregation relationships and ministry.

Third, as we have become aware of some of the ongoing tensions and struggles between pastors and congregations, we have intentionally expanded the Congregational Vacancy Profile, as well as the Profile of a Pastor Available for Call. Both of these profiles now ask for much more information that will assist in the interview/decision-making process for congregations and pastors. We now ask about leadership/decision-making styles, past relationships between pastor and congregation, etc. It is clear that more information for pastors and call committees in the call process is helpful.

Fourth, we have developed a new protocol for vetting and certification of any pastor interested in certifying in the NALC. Our reality was that at the beginning, most pastors certifying in the NALC were familiar with one another, often through involvement in Lutheran CORE. The interview and certification process was simple, brief and relatively quick. However, as the NALC has grown and matured, we have many more clergy from a variety of backgrounds interested in certification, many of whom are completely unknown to the Executive Staff, deans or current NALC pastors. For these reasons, we have created an NALC Vetting Panel, involving four experienced NALC pastors who have long been involved in vetting, candidacy, and certification of Lutheran clergy. They bring a wealth of experience in the wider Lutheran community, and will serve under the office of the General Secretary of the NALC to evaluate, assess and sometimes dig deeper into the background and experience of any pastor seeking NALC certification. We hope that by the time of our 2016 convocation, this panel will be in place and actively involved in our vetting and certification process. This does mean that, at times, we may be slowing down our vetting and certification process, becoming more intentional and careful. This is not to say we weren't intentional and careful previously; rather, it is to say that we are faced with requests for certification of clergy from a wider range of backgrounds, requiring more time and assessment. We trust that all in the NALC will appreciate these changes and our goal of having only faithful, obedient and competent confessional Lutheran pastors serving in our congregations.

Fifth, because of the difficulties, issues and transitions which sometimes arise within congregations, we are forming "Pastoral Care and Transition Teams" within each Mission District, or districts that choose to form teams together. In addition to serving as facilitators of the congregational workshops previously mentioned, these teams may be requested by the dean or bishop's office, to assist congregations when there is a need for a quick response for pastoral care, healing, leadership training or other situations when it would be helpful to have skilled, objective pastoral outsiders ready to assist a congregation and pastor. These teams are currently being formed, and training webinars have been scheduled to prepare these teams for their important work.

Finally, with regard to my work as assistant for ministry in the NALC, I hope that you have taken note of the series I am offering in the NALC newsletter Ministry Matters articles on "What is a Pastor and What is Pastoral Leadership." As already mentioned, we have work to do in Lutheranism to improve the formation and understanding of pastors and the pastoral call, as well as helping all pastors, congregations and congregational leaders to better communicate, cooperate and serve our Lord and His Church. We have all too much conflict in our congregations, too little understanding of how to effectively and faithfully manage such conflict, and too much push and pull between pastors and congregational leaders with regard to power and control. I have dedicated my 2016 newsletter articles to offering simple, straightforward, easily implemented insight and strategies aimed at helping, in some small ways, to strengthen and encourage our congregational leadership teams, to reduce the impediments to mission and ministry, in order that discipleship and discipling may be our focus — as we seek to fully live out the Great Commission of our Lord in Matthew 28.

Let me now briefly mention our work in ecumenism and inter-Lutheran relations in the NALC. Here's a summary of primary efforts:

+ We continue to pray for and be blessed by our only full-communion partner, the Ethiopian Evangelical Church Mekane Yesus. Our goal is to encourage relationships and connections between local congregations, pastors and Mission Districts, as well as relations between denominational leaders. EECMY was involved in our first Global Confessional and Missional Lutheran Forum last August and I trust that we will have representation from Ethiopia again this year. We had committed to traveling to Ethiopia every other year to foster and strengthen this relationship, so we are anticipating an ecumenical trip to Addis Ababa this year or early 2017.

+ We continue to seek ways to deepen our relationship with the Evangelical Lutheran Church in Tanzania, with whom we have a Memorandum of Understanding. They have elected a new presiding bishop since our last Convocation, and we anticipate a visit to Tanzania in the near future to initiate a relationship between Bishop Bradosky and their new Presiding Bishop, the Rt. Rev. Dr. Fredrick Onael Shoo, previously serving as bishop of the Northern Diocese of ELCT and professor of theology at Makumira Seminary in Arusha.

+ We continue to have a cordial and fraternal relationship with the Roman Catholic Church, meeting for an annual update and conversation with the ecumenical officer, Fr. John Crossin, of the United States Catholic Conference of Bishops. We also are participants in our common work in defense of marriage and religious freedom.

+ We meet twice a year with representatives of the Anglican Church in North America, where we are currently working on four statements hoped to be included in a short study booklet for our churches. The four topics are “Jesus Christ, the Gospel and Justification,” Baptism, Holy Communion and Holy Scripture. The intention is to have these released in 2017 with study guides, to be used by joint study groups (ACNA/NALC), as well as congregational educational contexts.

+ We meet twice a year with representatives of the Lutheran Church-Missouri Synod and the Lutheran Church-Canada, providing updates regarding our ministries and discussing areas of common concern. These include marriage, sexuality, religious freedom, the sanctity of all human life and, of course, the truth and authority of Scripture and our shared commitment to the Lutheran Confessions. The consultation completed a joint statement on Holy Scripture titled, “God’s Word forever shall abide,” A Guiding Statement on the Character and Proper Use of the Sacred Scriptures. The participants understand this as an important step in developing trust and respect with one another, as we seek to work together on the important issues stated above.

+ We participate in the Common Ground Christian Network, a group of leaders from various Christian bodies committed to reform and renewal among mainline denominations and Protestant communities in North America. Look for more information in the report of Pastor Mark Chavez, who has been one of the leaders of this network.

+ We are sponsoring the second Global Confessional and Missional Lutheran Forum August 13-14, in conjunction with the 2016 Lutheran Week. This invitation-only gathering brings together Lutheran reform leaders within existing national church-bodies, such as the International Christian Network (IKBG), the Swedish Mission Province and similar groups in Europe and Scandinavia. Also invited are leaders of EECMY and ELCT, so that reform groups may network with leaders of the largest Lutheran churches in the world. The participants have prepared and approved the “Dallas Proposal” and a Statement of Faith, which will be the focus of the forum in Anaheim.

+ Regarding our application for full membership in the Lutheran World Federation, a meeting with NALC staff and representatives of the Evangelical Lutheran Church in America and the Evangelical Lutheran Church in Canada took place March 21, 2016, to discuss issues related to our three church bodies. NALC participants were Bishop Bradosky, Pastor Mark Chavez and myself. Our application remains “pending” within LWF.

+ I would also like to share that, from the formation of the NALC, there have been conversations about the International Lutheran Council, originally formed as an international council involving LCMS and their partner churches, although today there are church bodies not in formal partnership with LCMS. There have been ongoing internal discussions within ILC regarding the shape and nature of this council. We have explored the possibility of visiting ILC gatherings as observers, to learn more about the council, but we have been awaiting word from ILC. We recently were informed ILC would welcome the NALC as observers, as we seek to discern whether involvement in this organization would well-serve the greater mission and ministry of the NALC. We expect to participate as observers at an ILC event in the near future.

+ We continue to relate informally to a number of pastors, congregations and ministries internationally through our various congregations and Mission Districts, as well as through our Office for Missions.

Again this year, let me offer my appreciation for the opportunity to serve with Bishop Bradosky, Bishop Emeritus Spring, my colleagues Mark and Gemechis, the NALC support staff, and all our pastors and congregations. What a blessing it is to serve together in this particular corner of the one holy catholic and apostolic Church of Jesus Christ. May we each find joy in the serving, as we seek to go, make disciples, baptize and teach!

Respectfully submitted in Christ,



Dr. David M. Wendel

2016 North American Lutheran Church Convocation

Report of the Assistant to the Bishop for Mission

I. Called to Mission

As baptized disciples of Jesus Christ, living members of His body, our “mission” is to share the good news of His saving death and resurrection with those living in darkness, fear and godlessness, bringing the kingdom — His risen presence — near, so that through God’s Word and Holy Spirit they may become his followers, baptized into His Church, disciples, — with us — in the Kingdom of God. ***Mission is sharing the good news of Jesus’ death and resurrection, bringing the kingdom near, making disciples, together, following all that Jesus has commanded us.***

I have been preparing for this year’s convocation and reflecting deeply on the theme “Holy God Holy Lives” from 1 Peter 1:16: “You should be holy for I am holy,” and the connecting Mission Festival theme, “Faith is Made Whole in Community.” Both themes lift up the many times our Father calls us to be in community and provides that community for us. We are never alone as long as we are in the Scriptures. At the first sending out of the disciples, Jesus did not send them out alone; He sent them two by two. We are not alone, and we are not called to do ministry alone.

The NALC is a Christ-Centered church. Jesus reminds us at His ascension that He is with us always, even to the end of the age. We are a Mission-Driven church. Mission cannot be done in isolation. It is about relationships and building strategic mission networks. We are Traditionally Grounded, which binds us to our brothers and sisters in history and today around the world. We are Congregationally Focused and organized to make strong mission centers to serve locally. All this is done in community. The work is strengthened by a dedicated mission team. The harvest is plentiful but the workers are few. We cannot do this alone.

II. Organized for Mission



The NALC Mission Office has a primary focus of mobilizing congregations, leaders, and mission districts for mission. In order to achieve this, systematic organization for mission is critically important. Therefore, the NALC Mission Office has spent the last year working to implement the “teamwork” approach as presented last year. Significant steps were taken forward, but it is critical in order to mobilize the whole denomination that we continue to work in three categories of teams:

1. National Mission Teams (NMT)
2. District Mission Teams (DMT)
3. Congregational Mission Teams (CMT)

As we continue to train, equip, and resource these teams, this will help us to awaken, mobilize, and equip our mission workers nationwide at every level. These mission teams are responsible being advocates, ambassadors, leaders, and resource people for the works of mission in their own areas.

1. National Mission Teams (NMT) — As we continue to acknowledge that the DNA in the NALC is creating a different culture, we recognize that the NALC must not be “staff driven” but “mission driven.” This requires identifying different gifts and callings, and using them within the Body of Christ together for the building up of His Church. What a blessing that we are not called to do mission alone! Rather, we are like living stones who are being built up as a spiritual house whose chief architect and cornerstone is Christ Jesus, our Lord. For we, as those who sojourn and are exiles, have been chosen to proclaim the glory of Him who has called us out of darkness and into His marvelous light (I Peter 2).

The NALC is abundantly blessed with teachers, leaders, pastors, and servants. Without them and the selfless gifts of their congregations in sharing these people’s time, none of this would be possible. I would like to take a moment to personally thank all of the people who have been so generous in sharing the gifts that God has given to them for the building up of His church. The blessing is that there is no retirement in the kingdom of God, and so, as roles may change, we will always be blessed to serve together in Christ Jesus, our Lord. We continue to gather together to meet annually for a time of visioning and planning. Teams then continue to meet monthly to pursue specific project areas and work together for our unified vision as we strive to provide the necessary resources. As these teams have been far exceeding all goals, their reports are too long to be included here. Please see the Mission Festival booklet for details on each NMT.

2. District Mission Teams (DMT) — The purpose of the District Mission Teams is to help congregations engage in the Great Commission by discipling faith communities grounded in the Lutheran tradition, developing relationships with local, domestic and global partners, and planting churches and new mission starts.

Mission needs strategic mission networks. To that end, the Great Commission Society’s primary goal for 2016 has been to assist each Mission District in forming its own DMT (or mission network). Each Mission District is unique and so too will be the shape and function of its mission networks. The ways to encourage your Mission District and its congregations to be **mission driven** are as varied as the Mission Districts across the NALC. Each Mission District needs to evaluate its own culture, strengths and weaknesses, structures, and needs before designing a mission network approach that fits it. But it is important to note that each approach is united in building a mission-driven culture.

Three C's of a mission network

- **Commitment** to prayer in all needs, but specifically in the area of missions;
- **Connect** people and congregations to resources and tools for missions;
- **Cultivate** the soil for mission planting through communicating news of mission efforts and stories, and helping coordinate mission events to excite and engage.

Each Mission District Dean received a personal invitation and request to send a representative to GCS' Workshop that will be taking place over the lunch hour on Friday. It is imperative that we take this next step to continue the journey together to resource our Mission Districts and congregations.

3. Congregational Mission Teams (CMT) — Congregational Mission Teams will have a greater focus to enhance mission work in their congregations through in-reach and outreach work, in order to renew and mobilize people for mission. An initial training was the focus of Mission Driven! in Dallas last summer, the Mission Festival in November 2015. Additional training will be provided at this year's Mission Festival that will be occurring during Lutheran Week. Feedback provided through last year's SWOT analysis will be the basis for training that will be taking place this year. If the NALC is truly "Congregationally-Focused," it might seem interesting that this portion of the report (as well as DMT) is shorter than all others. The good news is that, as DMTs and CMTs have been forming across the NALC, there are too many stories and updates to publish in my report. Instead, a weekly update is being provided through MissionConnect as we continue to live on mission together, telling His story. For more information, please see a later section of this report.

In this approach every congregation in the Mission District takes responsibility for mission. As one body, every congregation communicates and prays together, creates relationships among congregations (finds mission partners for any/all missions within the District, usually informally in a small group). All take responsibility for training and promoting a mission focus in the Mission District.

III. Equipping for Mission

- **Discipleship Moment Videos** — This weekly video blog provides short reflections on what the word "discipleship" really means. The vision for the NALC, and what it means to be "mission driven," are just a few of the many topics. To connect, visit: <http://nalcnetwork.com/good-news/goodnews-media>
- **Mission Connect, Drops from the Well and Drops in Focus** — We are evaluating the texting of these stories of congregational renewal and scriptural verses with the goal of a wider and more efficient distribution across the NALC. Those who have been receiving these texts are asked to respond to forthcoming requests for information and preference for receiving these messages going forward. Those who have not been receiving them will also be asked for feedback and interest in participation.
- **GOODNEWS!** — This weekly staff blog from the Mission Office shares stories, travels and updates from life on the road. As we journey together as the Body of Christ, this allows for continued prayer requests, shared creative ideas and increased communication. To connect, please visit: <http://nalcnetwork.com/good-news>
- **Mission Resources on NALC Website** — Designed specifically to connect pastors, leaders and congregations to requested resources. Includes video teaching, "how to" and other administrative documents, past training events and more at: <http://thenalc.org/mission-resources/>

IV. Resourcing for Mission

- **Mission Grants** — The NALC continues to offer grants for congregational missions, missionary support and international mission projects. This support comes from the NALC Great Commission Fund. We invite you to join as a member today. Your membership enables these amazing projects and missions to start as they form the relationships that will sustain in the long run. If you wish to become a member, or you already are and are interested in becoming a partner with one of our many approved missions or missionaries, visit the GCS website: www.thenalc.org/great-commission-society or speak to a member of the team at Convocation to assist you in joining or forming a long sustaining relationship.
- **International Mission** — The NALC continues to build relationships, provide training and grow together with mission societies all over the world. This year we have visited and have been working specifically with: South Africa, Dubai, India (www.indiatransformed.org), EECMY (Ethiopia, www.eecmy.org), Slovakia (www.eemn.org), Tanzania, Kenya, Norway, Sweden, Denmark, Germany and many others.

Thank you for the continued gift of being called to serve in the North American Lutheran Church. It is a continued blessing to both me and my family, as we strive together to proclaim the Gospel!

Blessings,

A handwritten signature in cursive script that reads "Gemechis D. Buba". The signature is written in dark ink and is positioned above the typed name.

Dr. Gemechis D. Buba

2016 North American Lutheran Church Convocation

Report of the Communications Coordinator

The major focus of our communications so far this year has been the development of devotions that are based on the readings from the Daily Lectionary. The purpose of these devotions falls along two major ideas.

First, to spread the Gospel in such a way that we are mindful of our core values. The North American Lutheran Church is “Christ-Centered.” Our NALC Daily Devotions from the Daily Lectionary affirm the authority of the Scriptures, while giving our people a way to witness to others. Not only are the devotions posted each day on thenalc.org, but on Facebook, Twitter, Google+, and the NALC Network. People, both in the NALC and from a surprising range of denominations, share these devotions daily, especially on Facebook and Twitter. We encourage you to share them with friends and family, too.

We are “Mission-Driven.” The NALC Daily Devotions assist us in the spread of the Gospel, as well as providing a day-to-day focus in the Word of God, assisting in the shaping of disciples. We are “Traditionally-Grounded.” By using the Daily Lectionary found in the Lutheran Book of Worship as the basis for our devotions, we keep our people rooted in Lutheran practices, while exposing those outside of Lutheran churches to our ancient tradition.

Over 80 of our pastors write these devotions, giving the NALC a larger look, both to those visiting thenalc.org, as well as to our own churches, by exposing our congregations to more NALC pastors.

Second, these devotions are “Congregationally-Focused.” The goal from the outset has been to tie the devotions to each of the congregational websites developed by the NALC Network. One of the advantages of these church websites is that the devotions, including the Scripture graphics, are posted automatically on each church’s home page. As a result, congregational websites look fresh every day, without someone having to update them, with the added bonus of our congregations’ websites are being a witness to Jesus Christ in their communities, their country, and to the end of the earth (Acts 1:8).

The NALC Network (nalcnetwork.com) continues to develop. A major update to the Network occurred this year. This is meant to tie in with the new NALC website that will roll out when the software is finished being written. This will give us many more tools to use, an improved congregation finder, and mobility.

Thanks to Kathy Jacobson for her attention to detail in proofreading and for updating thenalc.org. Thanks are also extended to Pr. David Baer for the great job he does in publishing our monthly newsletter. Please send him stories about your congregation’s ministry and mission. Jenny Brockman continues to be most helpful with Discipleship Moments, and we are grateful.

In addition to those already named, I thank the rest of our Communications Committee: Donna Evans, Ryan Schwarz, Pr. Scott Ness, David Hahn, Pr. William Maki, and our General Secretary, Pr. Mark Chavez.

Respectfully submitted,

Pr. Mark Ryman, Communications Coordinator

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2016 North American Lutheran Church Convocation

Report of the Treasurer

As the NALC completes its sixth year of existence, our church body remains on solid financial footing, though a bit less firm than in past years. Benevolence from congregations and other donations have generally matched annual operating expenses. Our cash reserves are still strong. We've made many grants from the two funds dedicated to our core priorities of mission and theological education, and have launched the North American Lutheran Seminary. God has certainly blessed us with substantial resources for ministry.

At the same time, the NALC faces some near term financial challenges. All three of our expenditure budgets (operating, theological education, missions) will operate at a deficit this year. Deficits were anticipated, but the actual deficits look to be larger than budgeted. This deficit spending will be funded from the NALC's ample reserves this year and next, but that mode cannot continue indefinitely. By the end of 2018, income and expenditures will have to come into balance, either through increased donation and benevolence income, or through reduction in expenditures (staff, programs, missions, seminary and theological education), or both.

2015 Financial Results: The last page of this report summarizes the NALC's financial statements for 2015. For the full year, the NALC received congregational benevolence of \$1,510,098, an increase of 2.9% over the amount in 2014. Individual and other donations grew almost 60% to \$103,296, and other income totaled \$191,346. Donations to the NALC's dedicated funds and other specified purposes totaled \$725, 127, an increase of more than 20% from the prior year due largely to a substantial increase in donations to one ancillary fund (the Ethiopian Church Relief Fund).

Total expenditures, including operating costs and grants from the dedicated funds, were \$2,753,511. While the NALC generated a modest operating surplus in 2015 of approximately \$14,164, contributions to the dedicated funds were substantially below expenditures, generating a consolidated deficit of (\$223,644).

2016 Forecast: While growth in benevolence to the NALC has slowed materially since the NALC was formed, benevolence and other income largely kept pace with expenditures through 2015. That seems unlikely to continue in 2016. In the first five months of 2016, the NALC received congregational benevolence and other operating income of \$639,635, while operating expenses totaled \$706,938.

For the full year 2016, we now estimate that congregational benevolence and other operating income will total roughly \$1,741,775, which is substantially below budget. Operating expenses will total approximately \$1,941,610, which is somewhat below budget, due to various expense control and reduction actions (reduction in NALC rented office space, elimination of one in-person Executive Council meeting per year, reduction in task force spending, more virtual meetings and the like). Nonetheless, due to the large shortfall to budget in income, we presently forecast an operating deficit of (\$199,835) in 2016.

Turning to the dedicated funds, we forecast total grants in 2016 from the Great Commission Fund of \$126,894, which is significantly less than budget due to fewer than anticipated mission grants and missional leadership development programs. We estimate total expenditures from the Theological Education Fund of \$419,061, which is substantially below budget and reflects termination of the NALS

affiliation with its former House of Studies at Gordon-Conwell Theological Seminary. In both cases, donations to these funds are also running far below budget. We forecast deficit spending in the Great Commission Fund of (\$66,894) and in the Theological Education Fund of (\$113,661), for the full year 2016.

2017 Proposed Budgets: For 2017, we are proposing an operating budget which contemplates a 6.4% increase in total income to \$1,853,625, and a 5.2% increase in total expenditures to \$2,043,303, both compared to forecast 2016 levels. The growth in planned spending includes expanded Missions Teams and Disaster Response Team activities, and funding for the NALC's new stewardship task force, and is offset by the full year benefit of implementation of the NALC's recent office reconfiguration plan.

As a result, we forecast an operating deficit of (\$189,678) in 2017. While we are disappointed not to be able to propose a balanced budget, the Executive Council continues to believe that in 2017, spending a portion of the operating surpluses from prior years is appropriate to grow the NALC's capabilities to serve its congregations.

The Great Commission Fund budget for 2017 proposes total expenditures of \$140,500. For the past several years, annual donations to this fund have averaged approximately \$60,000-70,000. Accordingly, absent an increase in donations in coming months and years, a decrease in the level of seed grants to new mission congregations, as well as financial support for missionaries, will be necessary to bring expenditures in line with donation income.

The Theological Education Fund budget calls for a significant increase in total expenditures to \$525,160, largely due to anticipated increases in the number of NALS student scholarships. The proposed budget for the NALS contemplates \$334,320 in total operating expenditures, predominantly for faculty and staff compensation. We currently forecast a total of \$340,000 in donations to the NALS and Theological Education Fund in 2017, resulting in substantial deficit spending again in 2017.

This report, the Treasurer's presentation at the Convocation, the 2017 budgets and the 2015 audited financials, when completed, will be posted on the NALC website for further review.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ryan M. Schwarz", with a long horizontal flourish extending to the right.

Ryan M. Schwarz, Treasurer

NORTH AMERICAN LUTHERAN CHURCH
Summary 2015 Consolidated Unaudited Financial Statements

Statement of Activities

Income

Unrestricted Donations	
Member Congregation Donations	\$ 1,510,098
Individual and Other Donations	103,296
Other Income	191,346
Subtotal - Unrestricted Income	1,804,740
Restricted and Designated Donations	725,127
Total Income	\$ 2,529,867

Expenditures

Committees and Task Forces	\$ 95,131
Convocation and Conferences	275,847
Mission Support and Other Grants Distributed	449,350
NALS Operating Expenses	513,585
Staff Salaries and Benefits	904,625
Staff Travel	158,809
Administrative Expenses and Other	356,164
Total Expenditures	2,753,511
Change in Net Assets	\$ (223,644)

Balance Sheet

Assets

Cash and Cash Equivalents	\$ 2,326,575
Accounts Receivable	1,711
Prepaid Expenses	50,930
Property and Equipment	23,757
Total Assets	\$ 2,402,973

Liabilities and Net Assets

Liabilities	
Accounts Payable	\$ 90,008
Accrued Expenses	48,251
Total Liabilities	138,259
Net Assets	2,264,714
Total Liabilities and Net Assets	\$ 2,402,973

NOTE: Complete Audited Financial Statements will be available on the NALC website.

