NALC Budgets Overview

- Separate Operating and Dedicated Funds budgets
  - Operating Budget is primarily funded by congregational benevolence
  - Missions, Theological Education and Disaster Response budgets are funded by
    - Designated congregational and individual donations
    - Great Commission Society (for Missions)
    - Donations earmarked for NALS
    - Surplus from operating budget, if any

Operations
- Total operating income: $1,741,775
- Total operating expenses: $1,941,610
- Net surplus/(deficit): ($199,835)

Missions and Theological Education
- Total donations: $365,400
- Total distributions: $545,955
- Net surplus/(deficit): ($180,555)

Combined forecast deficit: ($380,390)
2016 Financial Recap

- Total operating income: $1,846,745
  - (0.6%) decrease in congregational benevolence
  - 71% participation from NALC congregations
- Total designated donations: $914,086
- Total expenditures and grants: $2,621,392
- Annual Surplus/(Deficit):
  - Operating: ($64,114)
  - Designated Funds: $203,553
  - Total: $139,439
Financial Reserves at 12/31/16

- **$1.5 million designated reserves**
  - NALS/Theological Education $1,027,553
  - Great Commission Fund $244,049
  - Disaster Response Fund $183,729
  - Other designated purposes $65,247
  - Total $1,520,578

- **$0.9 million general reserves**
  - Strategic Opportunities Fund $400,000
  - Undesignated $468,563
  - Total $868,563
### 2017 Financial Update

#### Financial data January-June 2017:

- **Total operating income:** $838,504
- **Total operating expenses:** $880,325
- **Net surplus/(deficit):** ($41,821)

- **Total designated donations:** $286,907
- **Total designated distributions:** $403,520
- **Net surplus/(deficit):** ($116,613)

Unaudited
2017 Financial Update (cont.)

Full year 2017 forecast:

- Total operating income: $1,897,729
- Total operating expenses: $2,059,950
- Net surplus/(deficit): ($162,220)
  - Forecast deficit $27K smaller than budget

- Total designated donations*: $450,000
- Total designated distributions*: $590,372
- Net surplus/(deficit): ($140,372)
  - Forecast deficit $120K smaller than budget

* Missions and Theological Education only
Proposed 2018 Operating Budget

- Total operating income: $1,952,844
  - $1,670,000 from congregational benevolence

- Total operating expenditures: $2,077,737
  - Adds one new staff position for domestic missions
  - Lower anticipated Convocation costs
  - Discipleship Teams added to budget; Disaster Response Team costs moved to dedicated budget
  - Slow/no growth in most other administrative expenses

- Net surplus/(deficit): ($124,893)
Proposed 2018 Budgets
NALS/Theological Education Fund

- Total donations $390,000
- Total expenditures and grants $543,040
  - NALS Operations $359,375
    - Adds new communications consultant
  - Seminarian scholarships and programs $155,325
    - More seminarians on scholarship; restart annual all-seminarian gathering
  - Other programs $28,340
- Net surplus/(deficit) ($153,040)
## Proposed 2018 Budgets

### Great Commission Fund

- **Anticipated total donations**: $85,000
- **Total grants and expenditures**: $165,500
  - Mission congregations: $85,000
  - Congregational revitalization: $10,000
  - Missional leadership development: $10,500
  - Global missions and projects: $60,000
    - $25,000 increase due to higher number of global workers in the field
- **Net surplus/(deficit)**: ($80,500)
### Proposed 2018 Budgets

**Disaster Response Fund**

- **Anticipated total donations**: $60,000
- **Total grants and expenditures**: $63,890
  - Direct disaster relief: $30,000
  - Operations and disaster preparation: $33,890
- **Net surplus/(deficit)**: ($3,890)
Proposed 2018 Consolidated Budgets

Total Expenditures by Program Area

- Leadership, Admin and Office: 37%
- Missions: 27%
- Ministry and Theological Education: 9%
- Communications: 6%
- Convocation & Conferences: 3%
- Disaster Response: 2%
- Partner Ministries: 2%

North American Lutheran Church
Other Financial Matters

- Congregational benevolence share
  - 5-8% of congregational operating budgets

- 501(c)(3) group income tax ruling
  - Congregations can be added at any time