
Treasurer's Report and 2018 Budget Presentation

***NALC Convocation
Nashville, TN
August 11, 2017***



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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



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2016 Forecast - as of Aug. 2016

Operations

□ Total operating income:	\$1,741,775
□ Total operating expenses:	<u>\$1,941,610</u>
□ Net surplus/(deficit):	(\$199,835)

Missions and Theological Education

□ Total donations:	\$365,400
□ Total distributions:	<u>\$545,955</u>
□ Net surplus/(deficit):	(\$180,555)

Combined forecast deficit: (\$380,390)



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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	<u>\$203,553</u>
□ Total	\$139,439



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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	<u>\$65,247</u>
■ Total	\$1,520,578

□ **\$0.9 million general reserves**

■ Strategic Opportunities Fund	\$400,000
■ Undesignated	<u>\$468,563</u>
■ Total	\$868,563



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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



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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



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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)



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Proposed 2018 Budgets

NALS/Theological Education Fund

□ Total donations	\$390,000
□ Total expenditures and grants	<u>\$543,040</u>
■ 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 | <u>\$165,500</u> |
| ■ 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	<u>\$63,890</u>
■ Direct disaster relief \$30,000	
■ Operations and disaster preparation \$33,890	
□ Net surplus/(deficit)	(\$3,890)

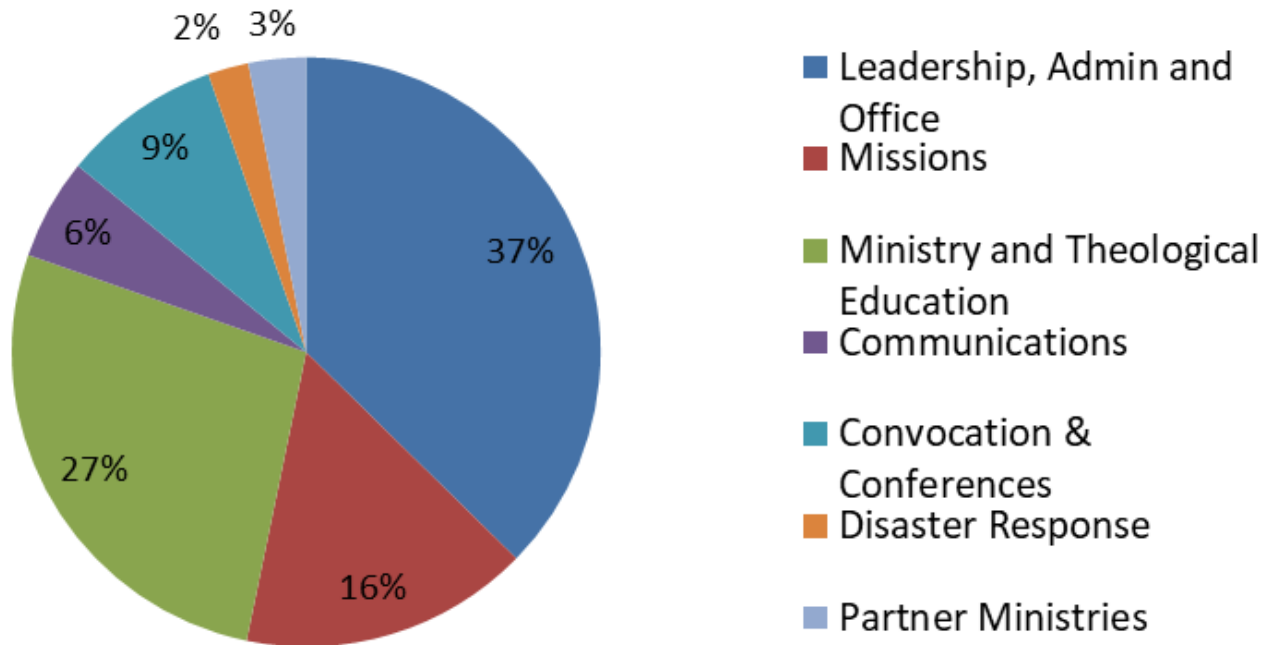


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Proposed 2018 Consolidated Budgets

Total Expenditures by Program Area



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



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