



**RYAN SCHWARZ**

*Treasurer*

# Treasurer's Report and 2019 Budget Presentation

Lutheran Week 2018

# NALC Budgets Overview

- Separate Operating and Dedicated Funds budgets
- **Operating Budget**
  - Primarily funded by congregational benevolence
- **Dedicated Funds:**
  - *Great Commission Fund*
  - *Theological Education Fund*
  - *Disaster Response Fund*
  - Range of funding sources:
    - Individual donations
    - Special congregational appeals
    - Great Commission Society (for Missions)
    - Donations earmarked for NALS
    - Surplus from operating budget, if any

# 2017 Financial Recap

- Total benevolence and operating income \$1,958,135
  - 7.8% increase in congregational benevolence
  - 73% participation from NALC congregations
- Total designated donations 1,388,764
  - Significant bequests and hurricane relief donations
- Total income \$3,346,899
- Total expenditures and grants \$2,926,667
- Annual surplus/(deficit)
  - Operations (\$97,156)
  - Designated Funds \$517,388
  - **Total** **\$420,232**

# Financial Reserves at 6/30/18

- **\$2.0 million designated reserves**

• NALS/Theological Education	\$1,340,458
• Great Commission Fund	188,361
• Disaster Response Fund	409,635
• Other designated purposes	<u>82,470</u>
• Total	\$2,020,924

- **\$0.8 million general reserves**

• Emergency Fund	\$500,000
• General operating reserves	<u>326,117</u>
• Total	\$826,117

# 2018 Financial Forecast

- NALC Operating Budget
  - Total operating income \$1,938,660
  - Operating expenses
    - Organizations and Programs \$641,150
    - Communications 54,350
    - Administrative 119,316
    - Staff compensation 1,098,037
    - Ministry Partners and other 125,700
  - Total operating expenses \$2,038,553
  - Net surplus/(deficit) (\$99,893)
    - Forecast deficit \$45K better than budget

# 2018 Financial Forecast (cont.)

- NALS/Theological Education Fund
  - Total donations \$537,000
  - Total expenditures 494,923
  - Net surplus/(deficit) \$42,077
    - Forecast surplus \$195K better than budget
- Great Commission Fund
  - Total donations \$100,000
  - Total expenditures 107,532
  - Net surplus/(deficit) (\$7,532)
    - Forecast deficit \$73K better than budget
- Disaster Response Fund
  - Total donations \$90,000
  - Total expenditures 136,490
  - Net surplus/(deficit) (\$46,490)
    - Forecast deficit \$43K larger than budget

# 2019 Operating Budget Decisions

- High Convocation attendance – Bishop election
  - \$20K fund to assist with lay delegate attendance costs
- Director of Domestic Missions position
  - Full year at half time
- Expenditure reductions
  - Phase out paper version of *NALC News*
  - Close Ohio office
  - Eliminate COLA increases for executive staff
  - Decrease funding for Global Forum
  - Conclusion of Structure Task Force's work
  - Reduced committee/task force travel costs
- Increased funding for Stewardship Team
- No funding for new regional staff positions

# Proposed 2019 Operating Budget

- Total operating income \$2,081,250
  - 2.4% growth in congregational benevolence
- Operating expenditures
  - Organizations and Programs \$679,417
  - Communications 37,050
  - Administrative 104,531
  - Staff compensation 1,189,686
  - Ministry Partners and other 117,700
  - Total operating expenditures 2,128,384
- Net surplus/(deficit) (\$47,134)
  - Deficit is \$53K better than 2018 forecast



# Proposed 2019 Budgets: NALS/Theological Education Fund

• Anticipated total donations		\$445,000
• Grants and expenditures		
• NALS operations – faculty and staff	\$306,232	
• Additional faculty position beginning Fall 2019		
• NALS operations – admin/other	55,800	
• Seminarian scholarships	169,900	
• Anticipated growth in NALS enrollment		
• Conferences and programs	<u>56,957</u>	
• Total		<u>\$588,889</u>
• Net surplus/(deficit)		(\$143,889)

# Proposed 2019 Budgets: Great Commission Fund

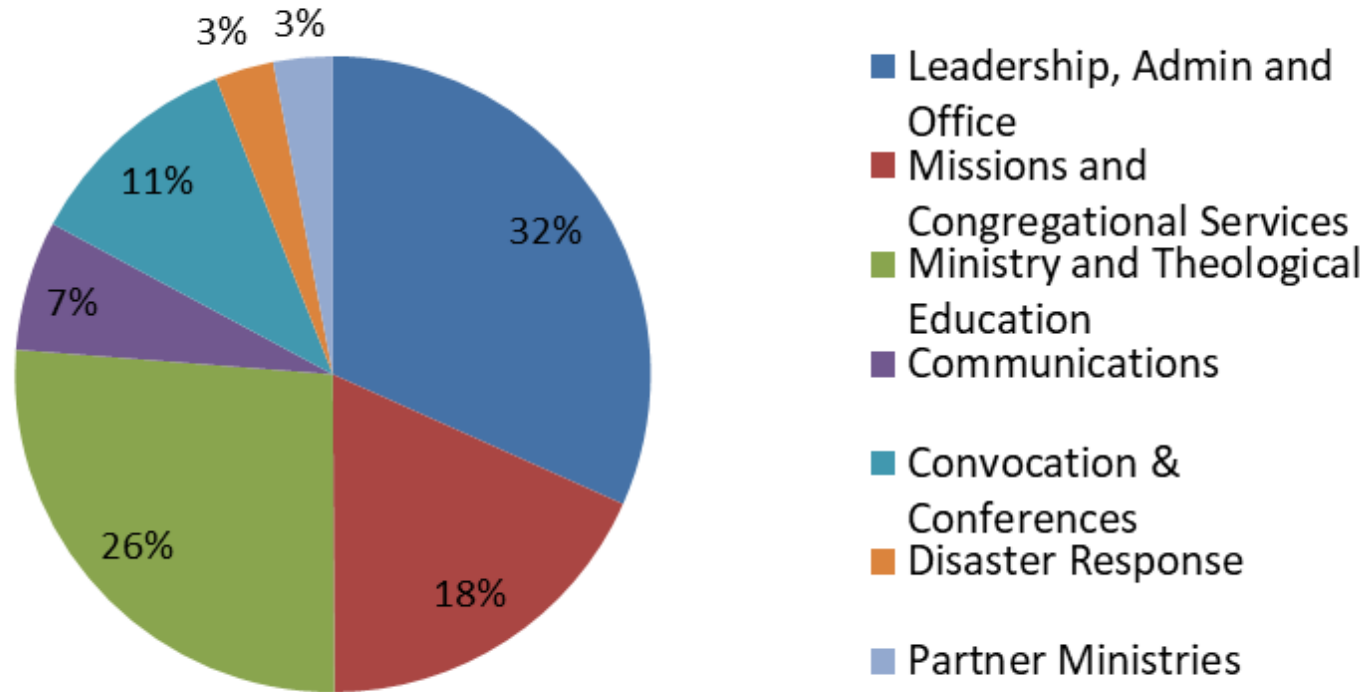
• Anticipated total donations		\$110,000
• Grants and expenditures		
• Mission congregations	\$85,000	
• Congregational revitalization	10,000	
• Missional leadership development	10,500	
• Global workers	60,000	
• One additional global worker in the field		
• Global mission projects	<u>10,000</u>	
• Total		<u>\$175,500</u>
• Net surplus/(deficit)		(\$65,500)

# Proposed 2019 Budgets: Disaster Response Fund

• Anticipated total donations		\$65,000
• Grants and expenditures		
• Direct disaster relief	\$50,000	
• Average of past several years' experience		
• Coordinator	20,288	
• Travel and training events	12,500	
• Warehouse rent, materials and media	<u>6,000</u>	
• Total		<u>\$88,788</u>
• Net surplus/(deficit)		(\$23,788)

# Proposed 2019 Consolidated Budgets

## Total Expenditures by Program Area



# Other Financial Matters

- 501(c)(3) group income tax exemption letter
  - Congregations can be added at any time
- Congregational benevolence share
  - **5-7%** of congregational operating budgets
- NALC Finance Team
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