

**2018 OPERATING RESULTS SUMMARY
FOR THE TWELVE MONTHS ENDING JANUARY 31,
2019**

The churchwide organization of the Evangelical Lutheran Church in America had total operating revenue and support of \$69.5 million for the twelve-month period ending January 31, 2019. This was \$3.9 million greater than expenses of \$65.6 million. Net operating results were also favorable to the annual breakeven budget by \$3.9 million. A portion of this favorable variance will be used to balance the FY 2019 budget, based on Church Council action that was taken in November 2018.

Operating revenue totaled \$64.8 million for the twelve-month period compared with \$65.9 million in the prior year, excluding the nonrecurring impact of the \$2.8 million released from the Endowment Fund Pooled Trust for a one-time capital contribution to the ELCA Foundation in 2017. In addition, \$4.6 million in support was released from restriction or designation during fiscal year 2018, resulting in \$69.5 million in total revenue and support.

Income from congregations through synods in the form of Mission Support income for the twelve months was \$43.0 million (99 percent of budget) compared to \$44.4 million in 2017, a decrease of 3.3 percent. Other unrestricted and temporarily restricted revenue and support available for the budgeted operations of the churchwide organization amounted to \$21.8 million. This income was relatively consistent with the prior year; however, favorable to budget by \$3.0 million with the most significant drivers of favorability to budget being investment income and general unrestricted gifts. Consistent with the prior year, the Mission Investment Fund provided grant support of \$1.5 million to the churchwide organization. The attached revenue summary provides additional details on the sources of revenue.

Spending by the operating units and offices of the churchwide organization was tightly managed, generating a \$2.1 million favorable variance when compared to the spending authorizations. The report which details the actual versus the authorized spending by unit for the year is attached.

Fiscal year 2018 marked a record year for ELCA World Hunger with total contributions for the twelve months of \$23.6 million. This represented a \$.6M increase over the budget and was partially fueled by \$1 million raised through the ELCA Youth Gathering Global Farm Challenge which included a matching gift. Programmatic distributions this year were also the largest in the history of ELCA World Hunger.

Contributed support of \$11.6 million from ELCA members and partners for Lutheran Disaster Response was received with nearly \$13 million being spent to assist with relief efforts and related work.

Always Being Made New: The Campaign for the ELCA was launched 5 years ago and has raised \$180.8 million in revenue and commitments (91.3 percent of the goal) to date. Some categories of the campaign have already exceeded their specific goals, including Fund for Leaders and Missionaries/Young Adults in Global Mission, Malaria and Where Needed Most, with World Hunger at 94.5 percent of goal. In addition, over \$45 million in planned gifts has been contributed toward campaign priorities. The campaign will conclude June 30, 2019.

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
SUMMARY OF REVENUE AND EXPENSES
For the Period Ending January 31, 2019

2nd Close

				Year-to-Date Variance	
	2018 ACTUAL	2018 BUDGET	2017 ACTUAL	ACTUAL vs. BUDGET Favorable/ (Unfavorable)	CURRENT YEAR vs. PRIOR YEAR Favorable/ (Unfavorable)
UNRESTRICTED					
Mission Support	43,005,111	43,463,125	44,418,429	(458,014)	(1,413,319)
Other	14,250,579	10,207,390	13,707,331	4,043,189	543,248
TOTAL UNRESTRICTED	<u>57,255,690</u>	<u>53,670,515</u>	<u>58,125,760</u>	<u>3,585,175</u>	<u>(870,070)</u>
TEMPORARILY RESTRICTED					
Designated Gifts	4,816,903	5,135,000	5,100,450	(318,097)	(283,547)
Other	2,747,166	3,491,860	5,439,601	(744,694)	(2,692,435)
TOTAL TEMPORARILY RESTRICTED	<u>7,564,069</u>	<u>8,626,860</u>	<u>10,540,051</u>	<u>(1,062,791)</u>	<u>(2,975,982)</u>
TOTAL REVENUE	64,819,759	62,297,375	68,665,811	2,522,384	(3,846,052)
TOTAL Designated and Restricted Funds Released	4,638,295	4,843,295	3,060,342	(205,000)	1,577,953
TOTAL OPERATING REVENUE AND SUPPORT	<u>69,458,054</u>	<u>67,140,670</u>	<u>71,726,153</u>	<u>2,317,384</u>	<u>(2,268,099)</u>
LESS TOTAL EXPENSES	<u>65,576,218</u>	<u>67,140,670</u>	<u>68,968,691</u>	<u>1,564,452</u>	<u>3,392,473</u>
NET REVENUE OVER (UNDER) EXPENSES	<u><u>3,881,836</u></u>	<u><u>0</u></u>	<u><u>2,757,463</u></u>	<u><u>3,881,836</u></u>	<u><u>1,124,373</u></u>

PRELIMINARY AND UNAUDITED

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
REVENUE SUMMARY
For the Period Ending January 31, 2019

2nd Close

	2018 <u>ACTUAL</u>	2018 <u>BUDGET</u>	2017 <u>ACTUAL</u>	Year-to-Date Variance	
				<u>ACTUAL vs. BUDGET</u> Favorable/ (Unfavorable)	<u>CURRENT YEAR vs. PRIOR YEAR</u> Favorable/ (Unfavorable)
UNRESTRICTED					
Mission Support	43,005,111	43,463,125	44,418,429	(458,014)	(1,413,319)
Vision for Mission	698,532	800,000	534,815	(101,468)	163,717
Investment Income	4,859,366	1,625,380	5,120,466	3,233,986	(261,100)
Bequests and Trusts	1,753,515	1,375,000	1,249,579	378,515	503,936
Endowment	1,459,320	1,553,700	1,490,565	(94,380)	(31,244)
Rent	1,664,570	1,708,310	1,571,921	(43,740)	92,649
Other	3,815,276	3,145,000	3,739,985	670,276	75,291
TOTAL UNRESTRICTED	<u>57,255,690</u>	<u>53,670,515</u>	<u>58,125,760</u>	<u>3,585,175</u>	<u>(870,070)</u>
TEMPORARILY RESTRICTED					
Global Church Sponsorship	3,168,293	3,550,000	3,415,100	(381,707)	(246,807)
Bequests and Trusts	1,007,808	1,525,000	721,691	(517,192)	286,118
Endowment	1,739,358	1,966,860	1,939,403	(227,502)	(200,045)
Endowment Capital Contribution (a)	0	0	2,778,506	0	(2,778,506)
Unit-Designated Gifts	148,610	85,000	185,351	63,610	(36,741)
Mission Investment Fund	1,500,000	1,500,000	1,500,000	0	0
TOTAL TEMPORARILY RESTRICTED	<u>7,564,069</u>	<u>8,626,860</u>	<u>10,540,051</u>	<u>(1,062,791)</u>	<u>(2,975,982)</u>
TOTAL REVENUE	<u>64,819,759</u>	<u>62,297,375</u>	<u>68,665,811</u>	<u>2,522,384</u>	<u>(3,846,052)</u>
TOTAL Designated and Restricted Funds Released	<u>4,638,295</u>	<u>4,843,295</u>	<u>3,060,342</u>	<u>(205,000)</u>	<u>1,577,953</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>69,458,054</u>	<u>67,140,670</u>	<u>71,726,153</u>	<u>2,317,384</u>	<u>(2,268,099)</u>

(a) FY17 ELCA Foundation capital contribution

PRELIMINARY AND UNAUDITED

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
ACTUAL EXPENSES VS. SPENDING AUTHORIZATION
For the Period Ending January 31, 2019

2nd Close

	<u>Actual Expenses</u>	<u>Spending Authorization</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent of Actual to Budget</u>
UNITS				
Domestic Mission	23,426,342	24,530,864	1,104,522	95.50%
Global Mission	13,234,787	13,902,865	668,078	95.19%
Mission Advancement	5,000,461	5,105,600	105,139	97.94%
OFFICES				
Presiding Bishop	6,002,577	6,072,395	69,818	98.85%
Treasurer	9,026,895	9,166,145	139,250	98.48%
Secretary	4,029,308	4,057,200	27,892	99.31%
OTHER				
General Treasury	149,970	151,200	1,230	99.19%
Strategic Initiative Fund	0	25,840	25,840	0%
Retiree Minimum Health Obligation (b)	2,000,000	1,000,000	(1,000,000)	200.00%
Depreciation	2,705,878	3,128,561	422,683	86.49%
TOTAL OPERATING EXPENSES	<u><u>65,576,218</u></u>	<u><u>67,140,670</u></u>	<u><u>1,564,452</u></u>	<u><u>97.67%</u></u>

(b) \$1 million of this expense was funded from a release of funds designated for this purpose at the April 2017 Church Council meeting

PRELIMINARY AND UNAUDITED

EVANGELICAL LUTHERAN CHURCH IN AMERICA
ELCA WORLD HUNGER
SUMMARY OF REVENUE AND EXPENSE
For the Period Ending January 31, 2019

2nd Close

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL VS. BUDGET</u>	<u>CURRENT VS. PRIOR YEAR</u>
BEGINNING BALANCE	3,188,088			
Income				
Direct Giving	19,531,173	20,364,584	(833,411)	201,342
Endowments and Donor Requested Payments	665,300	527,083	138,217	42,178
Bequests, Miscellaneous	3,378,020	2,108,333	1,269,687	1,975,435
Total Income	23,574,492	23,000,000	574,492	2,218,956
Expense				
Domestic Mission	4,098,199	4,099,523	1,324	23,552
Global Mission	16,518,997	16,574,043	55,046	332,659
Mission Advancement	2,775,003	3,076,434	301,431	(316,066)
Total Expense	23,392,198	23,750,000	357,802	40,145
NET	182,294	(750,000)	932,294	2,259,101
ENDING BALANCE	3,370,382			

PRELIMINARY AND UNAUDITED