

REPORT OF THE TREASURER

Who makes you different from another?
What do you have that you did not receive?
And if you received it, why do you boast as if it were not a gift?

— 1 Corinthians 4:7 NRSV

PRAYER OF THANKSGIVING

Lord, help us to remember that all we are, all we have, and all we ever will be is your gift to us in the person of your beloved son the Lord Jesus Christ. Thank you for the work and ministry of your church, the NALC. Thank you for the amazing generosity of our congregational and individual donors that provide the means to make all that we do possible. Lord, we ask you to bless their great generosity with an abundance of success in all their endeavors. In the Name of Jesus our Lord and Savior we pray. Amen!

The following reports are presented in a new Unified Statement format. The Operating Fund, Great Commission Fund and Theological Education/Seminary Fund are the principal areas of ministry that are budgeted. Additional funds, given to the NALC for restricted purposes, are recorded but not budgeted.

2022 REVIEW

The unified revenue of the NALC was \$3,025,566 against a budget of \$2,823,580 resulting in a 7% increase.

The unified expenses and distributions were \$3,140,059 against a budget of \$3,038,002 resulting in a 3% increase of expenditures over budget.

Net Income was projected to be (\$236,747). Actual Income was (\$114,493), an improvement of \$122,254 mostly due to an increase in congregational donations, and expenses for theological education and the seminary being less than budgeted.

Total Cash and Cash Equivalents ended the year at \$4,624,575. Of that total, designated/restricted funds were \$3,435,164 and unrestricted funds were \$1,189,411.

2023 FORECAST

The 2023 Forecast projects a slightly higher loss than the 2023 budget. This 12% difference is primarily due to forecast decreases in donations and Convocation registrations.

2024 PROPOSED BUDGET

A budget is a spending plan, a statement of faith, and a stewardship plan for fiscal responsibility. The budget tells a story of the mission and ministry of the NALC and how financially we move the vision forward. Every vision requires funding. Faith and finances are inseparable. The NALC budget is a statement of faith that the congregations and individuals we serve will value and contribute to the advancement of the mission and ministry of the overall church.

UNIFIED REVENUES

Congregational and individual donations to the operating fund were increased by 3%. Total donations of \$3,514,950 include Today, Tomorrow & Forever funds being allocated as follows: Operating Fund \$100,000, Great Commission Fund \$150,000 and Theological Education and Seminary Fund \$200,000. Additional other income brings the unified projected Total Revenues to \$3,627,700.

UNIFIED EXPENSES AND DISTRIBUTIONS

Unified expenses and distributions are estimated to be \$3,813,887.
Total Unified Net Income is projected to be (\$186,187)

If the projected shortfall does in fact occur, then unrestricted funds will be reduced for the year. This is an important number to follow as the number will reflect the impact of the fiscal budget. It is much like a household whose expenses exceed income – debt either rises or savings decreases.

Long-term negative budgets can be harmful to any organization. There are four ways to balance a budget: raise revenue, cut expenses, use savings, sell assets or any combination of the four options. These decisions are painful but necessary to the overall fiscal health of an organization.

Please be assured the Executive Council and NALC leadership closely monitor the stewardship of these resources and will take decisive action to avert a negative trend from becoming a long-term detriment to the NALC.

UNRESTRICTED FUNDS TREND

2019 \$431,857
2020 \$884,952
2021 \$1,218,870
2022 \$1,189,811

Respectfully submitted,

C. Michael Johnson, CFP

NALC Treasurer

Thank you for allowing me the opportunity and privilege of serving our Lord Jesus Christ and His Church in the position of Treasurer.

Note: Audited financials have been completed for the calendar year 2021. The 2022 audit is in process. All numbers in this report are therefore unaudited. The 2022 Unified Financial Statement and the 2024 Unified Budget Proposal follow this report.

NORTH AMERICAN LUTHERAN CHURCH
2024 Unified Budget



FOR CONVOCACTION ACTION

	Budget 2023	Forecast 2023	Proposed 2024
REVENUES			
<u>Operating Donations</u>			
Congregation	1,975,000.00	\$ 1,990,000.00	\$ 2,034,250.00
Individual	140,000.00	123,000.00	144,200.00
Mission Districts	5,000.00	7,000.00	8,000.00
TTF Allocation	150,000.00	150,000.00	100,000.00
Total Donations	2,270,000.00	2,270,000.00	2,286,450.00
<u>Great Commission Fund Donations</u>			
Congregation	147,000.00	\$ 125,000.00	\$ 165,000.00
Individual	28,000.00	18,000.00	35,000.00
Mission Districts	0.00	0.00	3,500.00
TTF Allocation	0.00	0.00	150,000.00
Total Donations	175,000.00	143,000.00	353,500.00
<u>Theological Education/Seminary Donations</u>			
Congregation	385,000.00	\$ 385,000.00	\$ 400,000.00
Individual	255,000.00	255,000.00	260,000.00
Mission Districts	11,000.00	11,000.00	15,000.00
TTF Allocation	200,000.00	200,000.00	200,000.00
Total Donations	851,000.00	851,000.00	875,000.00
Total Donations	3,296,000.00	3,264,000.00	3,514,950.00
<u>Other Income</u>			
Convocation and Conference Registrations	233,750.00	183,750.00	47,250.00
Tuition Reimbursement	27,050.00	27,050.00	58,000.00
Other Fees and Income	16,558.00	9,500.00	7,500.00
Total Other Income	277,358.00	220,300.00	112,750.00
Total Revenues	3,573,358.00	3,484,300.00	3,627,700.00

NORTH AMERICAN LUTHERAN CHURCH
2024 Unified Budget



FOR CONVOCACTION ACTION

	Budget 2023	Forecast 2023	Proposed 2024
<u>EXPENSES</u>			
Operating Expenses			
Convocations and Conferences	399,950.00	420,220.00	98,500.00
Travel and Meetings	400,500.00	275,000.00	325,000.00
Communications	47,510.00	38,000.00	78,000.00
Administrative Expenses	207,600.00	185,000.00	200,000.00
Staff Salaries and Benefits	1,421,875.00	1,442,406.00	1,572,992.00
Bishop's Discretionary Fund	10,000.00	10,000.00	10,000.00
Support for Ministry Partners	90,000.00	90,000.00	98,000.00
Miscellaneous	22,450.00	22,000.00	24,000.00
Total Expenses	2,599,885.00	2,482,626.00	2,406,492.00
Great Commission Distributions			
Mission Start Funding	100,000.00	80,000.00	100,000.00
Global Workers	84,000.00	108,000.00	168,000.00
Global Projects	12,000.00	25,000.00	25,000.00
Congregational Renewal	10,000.00	12,000.00	12,000.00
Multinational Congregations	0.00	36,000.00	24,000.00
Missional Leadership Development	10,000.00	2,800.00	20,000.00
Total Expenses	216,000.00	263,800.00	349,000.00
Theological Education/Seminary Distributions			
Staff Salaries and Benefits/Adjunct + Staff Travel	616,579.00	650,000.00	810,195.00
Communications/Marketing	85,200.00	35,000.00	55,500.00
Administrative/Facilities Expenses	10,200.00	5,000.00	15,200.00
Financial Assistance	82,000.00	97,000.00	110,000.00
Theological Conference Subsidies (Lutheran Theologians of the Church)	18,000.00	18,000.00	20,000.00
J-Term	35,400.00	35,400.00	34,000.00
Regents	12,000.00	12,000.00	13,500.00
Total Expenses	859,379.00	852,400.00	1,058,395.00
Total Expenses and Distributions	3,675,264.00	3,598,826.00	3,813,887.00
TOTAL NET INCOME	(\$ 101,906.00)	(\$ 114,526.00)	(\$ 186,187.00)

**North American Lutheran Church
Balance Sheet
December 31, 2022**

ASSETS		
Current Assets		
Cash	3,556,193.76	
Bequest/Legacy Fund	816,788.58	
Certificates of Deposit	251,593.25	
	<hr/>	
Total Cash and Cash Equivalents	4,624,575.59	
Accounts Receivable	37,098.26	
Loans Receivable	75,000.00	
Prepaid Expenses		
Rent Security Deposit	1,228.31	
Prepaid Expenses-Recurring	13,921.67	
Prepaid Expenses-Short Term	42,864.89	
Prepaid Other Event Deposits	119,402.50	
	<hr/>	
Total Prepaid Expenses	289,515.63	
Total Current Assets		4,914,091.22
		<hr/>
Property and Equipment		
Computer Equipment	33,557.88	
Office Equipment	1,119.98	
Website	15,000.00	
Disaster Response Vehicles	181,638.76	
Disaster Response Warehouse	212,607.35	
Accum Depr-DR Capital Invest	(62,550.95)	
Accumulated Depreciation	(34,527.37)	
	<hr/>	
Total Property and Equipment		346,845.65
		<hr/>
Total Assets	\$	5,260,936.87
		<hr/> <hr/>
LIABILITIES AND CAPITAL		
Current Liabilities		
Accounts Payable	\$ 156,219.24	
Balance due to Other Agency	82,192.74	
Accrued Salary and Wages	70,899.93	
Accrued Payroll Taxes	1,990.75	
Accrued Expenses Payable	25,707.26	
Registration Dep - Other Event	1,574.49	
Registratn Dep - Pastors' Conf	12,442.64	
Registration Dep - B-B Lecture	2,250.00	
	<hr/>	
Total Current Liabilities		353,277.05
		<hr/>
Total Long-Term Liabilities		0.00
		<hr/>
Total Liabilities		353,277.05
		<hr/>
Capital		
Net Assets	4,037,378.40	
Net Income	870,281.42	
	<hr/>	
Total Capital		4,907,659.82
		<hr/>
Total Liabilities & Capital	\$	5,260,936.87
		<hr/> <hr/>

Unaudited - For Management Purposes Only

**North American Lutheran Church
Unified Financial Statement**

Ending December 31, 2022

<u>REVENUES</u>				
<u>Operating Donations</u>				
Congregation				
Individual	\$	586,418.08	\$	1,924,757.16
Mission Districts		70,443.14		154,734.40
		0.00		2,500.00
Disaster Response - Capital Investment		38,710.46		69,152.92
Donations - Miscellaneous		150.25		534.88
Total Donations		<u>695,721.93</u>		<u>2,151,679.36</u>
				<u>1,967,700.00</u>
<u>Great Commission Fund Donations</u>				
Congregation	\$	36,276.00	\$	100,244.44
Individual		18,342.29		36,612.29
Mission Districts		0.00		0.00
Total Donations		<u>54,618.29</u>		<u>136,856.73</u>
				<u>170,000.00</u>
<u>Theological Education/Seminary Donations</u>				
Congregation	\$	87,277.66	\$	309,778.62
Individual		239,681.61		342,532.31
Mission Districts		0.00		7,192.00
Donations - Miscellaneous		0.00		34.00
Total Donations		<u>326,959.27</u>		<u>659,536.93</u>
				<u>635,000.00</u>
Total Donations		1,077,299.49		2,948,073.02
				2,772,700.00
<u>Other Income</u>				
Convocation and Conference Registrations		0.00		36,250.00
Tuition Reimbursement		9,000.00		0.00
Other Fees and Income		16,990.82		14,630.00
Total Other Income		<u>25,990.82</u>		<u>50,880.00</u>
Total Revenues		1,103,290.31		3,025,566.04
				2,823,580.00

Unaudited - For Management Purposes Only

North American Lutheran Church
Unified Financial Statement

Ending December 31, 2022

	Current Quarter Actual	Year to Date Actual	Year to Date Budget
<u>EXPENSES</u>			
Operating Expenses			
Convocations and Conferences	5,716.96	91,073.72	65,010.00
Travel and Meetings	143,450.97	365,865.77	323,500.00
Communications	23,614.85	55,288.67	53,350.00
Administrative Expenses	64,726.72	170,272.27	131,544.00
Staff Salaries and Benefits	370,082.50	1,347,236.32	1,276,283.00
Bishop's Discretionary Fund	7,000.00	7,400.00	10,000.00
Support for Ministry Partners	90,000.00	90,000.00	90,000.00
Miscellaneous	5,685.39	20,814.70	19,730.00
Total Expenses	<u>710,277.39</u>	<u>2,147,951.45</u>	<u>1,969,417.00</u>
Great Commission Distributions			
Mission Start Funding	16,750.00	99,008.95	100,000.00
Global Workers	8,000.00	92,017.90	75,000.00
Global Projects	1,000.00	18,085.00	10,000.00
Congregational Renewal	0.00	0.00	10,000.00
Missional Leadership Development	0.00	817.00	20,500.00
Total Expenses	<u>25,750.00</u>	<u>209,928.85</u>	<u>215,500.00</u>
Theological Education/Seminary Distributions			
Staff Salaries and Benefits/Adjunct	172,878.89	507,791.59	557,890.00
Communications/Marketing	52,108.61	109,591.90	97,800.00
Administrative Expenses	11,990.70	41,491.50	69,420.00
Scholarships	3,735.00	57,742.00	82,000.00
Theological Conference Subsidies (Younger Theologians)	0.00	18,988.70	18,000.00
J-Term	982.50	17,193.32	35,400.00
Regents	14,513.62	29,379.48	14,900.00
Total Expenses	<u>256,209.32</u>	<u>782,178.49</u>	<u>875,410.00</u>
Total Expenses and Distributions	<u><u>992,236.71</u></u>	<u><u>3,140,058.79</u></u>	<u><u>3,060,327.00</u></u>
TOTAL NET INCOME	<u><u>\$ 111,053.60</u></u>	<u><u>(\$ 114,492.75)</u></u>	<u><u>(\$ 236,747.00)</u></u>

Unaudited - For Management Purposes Only

**North American Lutheran Church
Unified Financial Statement**

Ending December 31, 2022

	Current Quarter Actual	Year to Date Actual	Year to Date Budget
Non-Recurring Income - Bequests	2,750.00	659,907.79	0.00
Disaster Response Donations	105,443.68	297,449.60	0.00
Disaster Response Distributions	52,933.65	266,374.63	0.00
	<u>52,510.03</u>	<u>31,074.97</u>	<u>0.00</u>
Today, Tomorrow & Forever Donations	645,643.11	707,306.08	0.00
Today, Tomorrow & Forever Distributions	398,155.18	398,155.18	0.00
	<u>247,487.93</u>	<u>309,150.90</u>	<u>0.00</u>
Other Restricted/Designated Donations	6,758.91	26,609.01	0.00
Other Restricted/Designated Distributions	12,967.05	41,968.50	0.00
	<u>(6,208.14)</u>	<u>(15,359.49)</u>	<u>0.00</u>
<u>Grand Total Net Income</u>	<u>407,593.42</u>	<u>870,281.42</u>	<u>(236,747.00)</u>
<u>2020 Vision - Today, Tomorrow & Forever Summary - 8/1/2021 to 12/31/2022</u>			
Total pledges received		1,043,069.58	
Donations received to date	860,298.58		
Total expenses	398,155.18		
<u>Net Income for 2020 Vision - TT&F</u>	<u>462,143.40</u>		