

**2017 OPERATING RESULTS SUMMARY
FOR THE TWELVE MONTHS ENDING JANUARY 31, 2018**

The churchwide organization of the Evangelical Lutheran Church in America had total operating revenue and support of \$71.7 million for the twelve-month period ending January 31, 2018. This was \$2.8 million greater than expenses of \$69.0 million. Net operating results were also favorable to the annual budget by \$2.8 million.

Operating revenue totaled \$68.7 million for the twelve-month period compared with \$65.3 million in the previous year. This includes \$2.8 million released from the Endowment Fund Pooled Trust for a one-time capital contribution to the ELCA Foundation. Excluding this nonrecurring and unbudgeted item, operating revenue was \$0.6 million, or 0.9 percent over prior year and \$4.0 million or 6.4 percent over budget. In addition, \$3.1 million in support was released from restriction or designation during the fiscal year 2017, resulting in \$71.7 million in total revenue and support. Total annual expenses related to the current operating fund of \$69.0 million also include the \$2.8 million one-time funding to the ELCA Foundation. Excluding this \$2.8 million, total expenses were \$66.2 million which is \$1.0 million below the authorized unit spending plans. Compared to the prior year, fiscal year 2017 expenses were \$1.3 million lower. The report which details the actual spending by unit versus the authorized spending by unit for the year is attached. The \$2.8 million gross up of revenue and expenses was required to transfer the funds between entities in accordance with the accounting regulations.

Income from congregations through synods in the form of Mission Support income for the twelve months was \$44.4 million. While this represents a 0.8 million decline from the prior year, it is favorable to the budget by \$0.3 million. The Mission Support budget for 2017 of \$44.1 million was \$1.05 million or 2.3 percent lower than the amount received in fiscal 2016.

Other unrestricted and temporarily restricted revenue and support available for the budgeted operations of the churchwide organization amounted to \$21.5 million, compared with \$20.1 million in the previous year. Key components of the change as compared to last year are as follows:

	Incr (Decr) in \$000s
Investment Income	\$2,734
Bequests & Trusts	(1,431)
Rent	(343)
Global Church Sponsorship, including Missionary Sponsorship	176
Other	214
Total Increase	\$1,350

Consistent with the prior year, the Mission Investment Fund provided grant support of \$1.5 million to the churchwide organization.

Total contributions to ELCA World Hunger for the twelve months were \$21.4 million. This was a \$2.6 million shortfall to budget and a \$0.6 million shortfall to the prior year. ELCA members and partners have contributed \$22.9 million for Lutheran Disaster Response in the twelve-month period ended January 31, 2018. Primary areas of support were \$14.7 million to support the ELCA's response to the various hurricanes, over \$0.5 million in support of South Sudan Conflict Relief, along with support for U.S. wildfires and general undesignated programs.

Always Being Made New: The Campaign for the ELCA has raised \$144 million in revenue and commitments to date through the fourth year of our five-year, comprehensive campaign. This amount represents 72.7 percent of the total campaign goal of \$198 million by January 31, 2019. Campaign to date response continues to be strong in the areas of New Congregations, Fund for Leaders, and Global Church-International Leaders: Women and Missionaries/Young Adults in Global Mission. Global Church was the 2017 ministry emphasis for *The Campaign for the ELCA*.

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
SUMMARY OF REVENUE AND EXPENSES
For the Period Ending January 31, 2018

	2017 ACTUAL	2017 BUDGET	2016 ACTUAL	Year-to-Date Variance	
				ACTUAL vs. BUDGET Favorable/ (Unfavorable)	CURRENT YEAR vs. PRIOR YEAR Favorable/ (Unfavorable)
UNRESTRICTED					
Mission Support	44,418,429	44,125,000	45,173,180	293,429	(754,751)
Other	13,707,331	9,230,520	12,257,680	4,476,811	1,449,651
TOTAL UNRESTRICTED	58,125,760	53,355,520	57,430,860	4,770,240	694,900
TEMPORARILY RESTRICTED					
Designated Gifts	5,100,450	5,135,000	4,901,736	(34,550)	198,714
Other (a)	5,439,601	3,411,860	2,960,375	2,027,741	2,479,226
TOTAL TEMPORARILY RESTRICTED	10,540,051	8,546,860	7,862,111	1,993,191	2,677,940
TOTAL REVENUE	68,665,811	61,902,380	65,292,971	6,763,431	3,372,841
TOTAL Designated and Restricted Funds Released	3,060,342	5,307,645	3,708,090	(2,247,303)	(647,748)
TOTAL OPERATING REVENUE AND SUPPORT	71,726,153	67,210,025	69,001,061	4,516,128	2,725,093
LESS TOTAL EXPENSES (a)	68,968,691	67,210,025	67,444,580	(1,758,666)	(1,524,111)
NET REVENUE OVER (UNDER) EXPENSES	2,757,463	0	1,556,480	2,757,463	1,200,982

(a) The 2017 ACTUAL column includes \$2.8 million related to the one-time capital contribution to the ELCA Foundation. The gross up of revenue and expense is necessary to reflect the transfer of funds from the ELCA to the newly incorporated Foundation entity in accordance with accounting rules.

2nd Close

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
REVENUE SUMMARY
For the Period Ending January 31, 2018

	2017 ACTUAL	2017 BUDGET	2016 ACTUAL	Year-To-Date Variance	
				ACTUAL vs. BUDGET Fav/(Unfav)	CURRENT YEAR vs. PRIOR YEAR Fav/(Unfav)
UNRESTRICTED					
Mission Support	44,418,429	44,125,000	45,173,180	293,429	(754,751)
Vision for Mission	534,815	800,000	621,074	(265,185)	(86,259)
Investment Income	5,120,466	1,295,500	2,386,274	3,824,966	2,734,192
Bequests and Trusts	1,249,579	1,375,000	2,288,525	(125,421)	(1,038,946)
Endowment	1,490,565	1,153,700	1,643,485	336,865	(152,920)
Rent	1,571,921	1,911,320	1,914,972	(339,399)	(343,051)
Other	3,739,985	2,695,000	3,403,350	1,044,985	336,635
Total Unrestricted	58,125,760	53,355,520	57,430,860	4,770,240	694,900
TEMPORARILY RESTRICTED					
Global Church Sponsorship	3,415,100	3,550,000	3,239,446	(134,900)	175,654
Bequests and Trusts	721,691	1,525,000	1,113,666	(803,309)	(391,975)
Endowment	1,939,403	1,886,860	1,846,709	52,543	92,694
ELCA Foundation Capital Contribution	2,778,506	-	-	2,778,506	2,778,506
Unit-Designated Gifts	185,351	85,000	162,290	100,351	23,061
Mission Investment Fund	1,500,000	1,500,000	1,500,000	-	-
Total Restricted	10,540,051	8,546,860	7,862,111	1,993,191	2,677,940
TOTAL REVENUE	68,665,811	61,902,380	65,292,971	6,763,431	3,372,840
Total Designated and Restricted Funds Released	3,060,342	5,307,645	3,708,090	(2,247,303)	(647,748)
TOTAL OPERATING REVENUE AND SUPPORT	71,726,153	67,210,025	69,001,061	4,516,129	2,725,092

PRELIMINARY AND UNAUDITED

EVANGELICAL LUTHERAN CHURCH IN AMERICA
CURRENT OPERATING FUNDS
ACTUAL EXPENSES VS. SPENDING AUTHORIZATION
For the Period Ending January 31, 2018

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	24,503,637	24,661,105	157,468	99.36%
Global Mission	14,066,007	14,297,960	231,953	98.38%
Mission Advancement	4,973,039	4,983,265	10,226	99.79%
OFFICES				
Presiding Bishop	5,816,475	5,856,200	39,725	99.32%
Treasurer	8,994,846	8,997,190	2,344	99.97%
Secretary	4,026,514	4,072,130	45,616	98.88%
OTHER				
ELCA Foundation Capital Contribution	2,778,506	0	(2,778,506)	0%
General Treasury	150,355	151,200	845	99.44%
Strategic Initiative Fund	23,011	25,840	2,829	89.05%
Retiree Minimum Health Obligation	1,000,000	1,000,000	0	100.00%
Depreciation	2,636,300	3,165,135	528,835	83.29%
TOTAL OPERATING EXPENSES	<u>68,968,691</u>	<u>67,210,025</u>	<u>(1,758,666)</u>	<u>102.62%</u>

PRELIMINARY AND UNAUDITED

EVANGELICAL LUTHERAN CHURCH IN AMERICA
ELCA WORLD HUNGER
SUMMARY OF REVENUE AND EXPENSE
For the Period Ending January 31, 2018

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL VS. BUDGET</u>	<u>CURRENT VS. PRIOR YEAR</u>
BEGINNING BALANCE	5,265,798			
Income				
Direct Giving	19,329,831	21,250,000	(1,920,169)	337,099
Endowments and Donor Requested Payments	623,121	550,000	73,121	39,828
Bequests, Miscellaneous	1,402,585	2,200,000	(797,415)	(978,950)
Total Income	<u>21,355,536</u>	<u>24,000,000</u>	<u>(2,644,464)</u>	<u>(602,024)</u>
Expense				
Emergency/Strategic Opportunity Fund	903	251,594	250,691	(21,404,826)
Domestic Mission	4,121,751	4,121,751	0	4,091,416
Global Mission	16,851,656	17,371,370	519,714	16,851,656
Mission Advancement	2,458,937	3,055,285	596,348	2,459,546
Total Expense	<u>23,433,246</u>	<u>24,800,000</u>	<u>1,366,754</u>	<u>1,997,792</u>
NET	<u>(2,077,710)</u>	<u>(800,000)</u>	<u>(1,277,710)</u>	<u>1,395,769</u>
ENDING BALANCE	<u><u>3,188,088</u></u>			