

**REPORT OF THE TREASURER  
FOR THE TWELVE MONTHS ENDING JANUARY 31, 2021**

Unrestricted Operating Results

Much has happened over the past twelve months, but this year has been a reminder that God will provide. The net operating results of the churchwide organization of the Evangelical Lutheran Church in America were favorable to the budget for the year ended January 31, 2021 by \$1.9 million. While revenues fell short of the budget and prior year by \$5.8 million and \$7.7 million, respectively, reductions in operating expenses of \$7.8 million versus budget more than offset the difference. Spending was \$6.4 million less than the prior year. It is important to note that the expenditure savings were administrative in nature and not due to a reduction in grants or support of our ministries. Not only did revenues exceed expenditures, but this was done without the need to utilize \$3.1 million of reserves that were included in the original budget. These reserves are currently expected to be needed in 2021.

The generosity of our members, congregations, and synods through sharing gifts in the form of Mission Support certainly surpassed our expectations at the onset of the pandemic. Mission Support for the year held strong at 97.6 percent of the FY20 budget and 95.6 percent of FY19. Thank you! In 2020, the median of mission support shared by congregations with synods was 5.7 percent and the average shared by synods with the churchwide organization was 45 percent. The remaining operating revenue shortfall is primarily in fundraising categories, especially related to missionaries and young adults in global mission – programs that had to be suspended due to COVID-19. See Revenue Summary. Total gifts (including mission support and restricted gifts) stewarded by the fundraising team exceeded \$76 million and over 96 percent of budget plus \$1.8 million of unbudgeted gifts raised in support of COVID-19.

As mentioned previously, expenses were significantly below the budget, running at 88.5 percent of the spending authorization. Near the beginning of the pandemic, in anticipation of significant revenue shortfalls, the Administrative Team (officers and senior executives) agreed to reduce unrestricted spending by over \$8 million or 12 percent. As the year progressed and mission support continued to be stronger than expected, programmatic grants were at risk in the initial reduction strategy were released to provide planned levels of support to these ministries. Like many organizations, much has been learned about new ways to operate and will continue to shape our future work.

ELCA World Hunger

Total ELCA World Hunger revenues for the year exceeded \$24.4 million vis a vis a spending plan of \$21.5 million. The year was benefitted by a single bequest of \$2.0 million. Giving from individuals, congregations, and synods was \$19.1 million, just 105,000 or .5 percent below the budget. This compares to \$19.3 million in direct giving in FY19. Thank you for your continued support of this work!

ELCA World Hunger expenses were lower than budget primarily due to reduced administrative

costs and delays in some grant distribution. Because over half of ELCA World Hunger annual funding typically is received in the last 3 months of the fiscal year, we carry forward a fund balance to allow for consistent spending during the beginning of the next fiscal year. As a result, the proposed FY21 budget includes incremental spending of \$2.7 million to assist in our ministry of feeding the world, both domestically and internationally.

### Lutheran Disaster Response

Support received for Lutheran Disaster Response in FY20 was \$7.4 million, including the final receipts for a 3-year pass-through grant funded by FEMA to support rebuilding after Hurricane Harvey. During FY20 \$10.7 million was distributed to support disaster efforts both domestically and internationally. This included \$2.0 million for international COVID-19 support.

### COVID-19 Appeal

In April 2020, a fundraising appeal to offer direct operational ministry support for congregations, synods, and local ministries was launched. Over \$1.8 million has been received to date and nearly \$1.6 million has been distributed through 190 block grants to 63 synods, serving the needs of over 400,000 people and funding more than 830 ministries across this church.

Despite the challenges that the pandemic has presented, the financial results of the organization were solid. This is truly a reflection of what it means to be church together and to trust in God's faithfulness. One of my favorite scripture passages is Jeremiah 29:11, "For surely I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope." I remain excited about the possibilities of Future Church and the work that we will do together.

**SUMMARY OF REVENUE AND EXPENSES**  
**For the Period Ending Jan 31, 2021**

	2020 ACTUAL	2020 BUDGET	2019 ACTUAL	2nd Close Year-to-Date Variance	
				ACTUAL vs. BUDGET Favorable/ (Unfavorable)	CURRENT YEAR vs. PRIOR YEAR Favorable/ (Unfavorable)
<b>UNRESTRICTED</b>					
Mission Support	40,739,221	41,750,000	42,589,108	(1,010,779)	(1,849,887)
Other	17,197,414	16,353,214	16,186,721	844,200	1,010,693
<b>TOTAL UNRESTRICTED</b>	<b>57,936,635</b>	<b>58,103,214</b>	<b>58,775,829</b>	<b>(166,579)</b>	<b>(839,194)</b>
<b>TEMPORARILY RESTRICTED</b>					
Direct Gifts	2,255,670	4,750,000	5,062,571	(2,494,330)	(2,806,901)
Other	-	-	2,799,878	-	(2,799,878)
<b>TOTAL TEMPORARILY RESTRICTED</b>	<b>2,255,670</b>	<b>4,750,000</b>	<b>7,862,449</b>	<b>(2,494,330)</b>	<b>(5,606,779)</b>
<b>TOTAL REVENUE</b>	<b>60,192,306</b>	<b>62,853,214</b>	<b>66,638,278</b>	<b>(2,660,909)</b>	<b>(6,445,973)</b>
<b>TOTAL Designated and Restricted Funds Released</b>	<b>1,687,534</b>	<b>4,813,438</b>	<b>2,928,843</b>	<b>(3,125,904)</b>	<b>(1,241,309)</b>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>61,879,839</b>	<b>67,666,652</b>	<b>69,567,121</b>	<b>(5,786,813)</b>	<b>(7,687,282)</b>
<b>LESS TOTAL EXPENSES</b>	<b>59,927,085</b>	<b>67,666,652</b>	<b>66,321,573</b>	<b>(7,739,567)</b>	<b>(6,394,488)</b>
<b>NET REVENUE OVER (UNDER) EXPENSES</b>	<b>1,952,755</b>	<b>-</b>	<b>3,245,548</b>	<b>1,952,755</b>	<b>(1,292,793)</b>

PRELIMINARY AND UNAUDITED

**REVENUE SUMMARY**  
**For the Period Ending Jan 31, 2021**

2nd Close

	2020		2019	Year-to-Date Variance	
	ACTUAL	BUDGET	ACTUAL	ACTUAL vs. BUDGET Favorable/ (Unfavorable)	CURRENT YEAR vs. PRIOR YEAR Favorable/ (Unfavorable)
<b>UNRESTRICTED</b>					
Mission Support	40,739,221	41,750,000	42,589,108	(1,010,779)	(1,849,887)
Direct Gifts	5,355,499	5,880,000	3,207,879	(524,501)	2,147,620
Investment Income	1,100,091	1,675,380	5,253,397	(575,289)	(4,153,306)
Bequests and Trusts	2,258,643	2,064,000	2,485,550	194,643	(226,907)
Endowment	3,349,445	3,185,460	1,453,933	163,985	1,895,512
Rent	1,849,989	1,744,855	1,813,535	105,134	36,454
Service Level Agreements/Other	3,283,749	1,803,519	1,972,427	1,480,230	1,311,322
<b>TOTAL UNRESTRICTED</b>	<b>57,936,635</b>	<b>58,103,214</b>	<b>58,775,829</b>	<b>(166,579)</b>	<b>(839,194)</b>
<b>TEMPORARILY RESTRICTED</b>					
Global Mission - Missionaries	577,768	2,200,000	1,882,232	(1,622,232)	(1,304,464)
Global Mission - YAGM's	177,902	1,050,000	992,218	(872,098)	(814,316)
Bequests and Trusts *	-	-	1,051,326	-	(1,051,326)
Endowment *	-	-	1,748,552	-	(1,748,552)
Direct Gifts	-	-	688,121	-	(688,121)
Mission Investment Fund	1,500,000	1,500,000	1,500,000	-	-
<b>TOTAL TEMPORARILY RESTRICTED</b>	<b>2,255,670</b>	<b>4,750,000</b>	<b>7,862,449</b>	<b>(2,494,330)</b>	<b>(5,606,779)</b>
<b>TOTAL REVENUE</b>	<b>60,192,306</b>	<b>62,853,214</b>	<b>66,638,278</b>	<b>(2,660,909)</b>	<b>(6,445,973)</b>
<b>TOTAL Designated and Restricted Funds Released</b>	<b>1,687,534</b>	<b>4,813,438</b>	<b>2,928,843</b>	<b>(3,125,904)</b>	<b>(1,241,309)</b>
<b>Net Operating Revenue and Support</b>	<b>61,879,839</b>	<b>67,666,652</b>	<b>69,567,121</b>	<b>(5,786,813)</b>	<b>(7,687,282)</b>

\* Actual and budget Temporarily Restricted Bequests and Trusts, Endowment and Direct Gifts are included in the totals for Unrestricted Bequests and Trusts, Endowment and Direct Gifts for this year.

PRELIMINARY AND UNAUDITED

**ACTUAL EXPENSES VS. SPENDING AUTHORIZATION**  
**For the Period Ending Jan 31, 2021**

2nd Close

	<u>Actual Expenses</u>	<u>Spending Authorization</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent of Budget</u>
<b>UNITS</b>				
Domestic Mission	21,555,185	24,407,179	2,851,994	88.31%
Global Mission	10,799,475	14,012,772	3,213,297	77.07%
Mission Advancement	4,359,274	5,159,277	800,003	84.49%
<b>OFFICES</b>				
Presiding Bishop	5,463,553	6,257,531	793,978	87.31%
Treasurer	9,444,690	9,449,667	4,977	99.95%
Secretary	3,842,573	4,079,026	236,453	94.20%
<b>OTHER</b>				
General Treasury	864,517	151,200	(713,317)	571.77%
Retiree Minimum Health Obligation	917,718	1,150,000	232,282	79.80%
Depreciation	2,680,099	3,000,000	319,901	89.34%
<b>TOTAL OPERATING EXPENSES</b>	<u><u>59,927,085</u></u>	<u><u>67,666,652</u></u>	<u><u>7,739,567</u></u>	<u><u>88.56%</u></u>

**EVANGELICAL LUTHERAN CHURCH IN AMERICA ELCA WORLD HUNGER  
SUMMARY OF REVENUE AND EXPENSE  
For the Period Ending January 31, 2021**

	ACTUAL	BUDGET	ACTUAL VS. BUDGET	Post COB CURRENT VS. PRIOR YEAR
<b>BEGINNING BALANCE</b>	<b>5,426,456</b>			
<b>Income</b>				
Direct Giving	19,144,151	19,250,000	(105,849)	(185,884)
Endowments and Donor Requested Payments	881,417	750,000	131,417	159,056
Bequests & Trusts/Misc *	4,167,021	1,500,000	2,667,021	1,618,615
Release - Covid-19 Appeal	248,000	0	248,000	248,000
Campaign - Where Needed Most	0	0	0	(750,000)
<b>Total Income</b>	<b>24,440,589</b>	<b>21,500,000</b>	<b>2,940,589</b>	<b>1,089,787</b>
<b>Expense</b>				
Fundraising Allocation Expenses	2,203,308	2,825,000	(621,692)	(726,127)
Domestic Mission	3,396,267	3,543,404	(147,137)	(146,682)
Global Mission	13,351,083	14,006,250	(655,167)	(450,059)
Mission Advancement	751,866	1,221,940	(470,074)	(303,588)
<b>Total Expense</b>	<b>19,702,524</b>	<b>21,596,594</b>	<b>(1,894,070)</b>	<b>(1,626,456)</b>
<b>NET</b>	<b>4,738,065</b>	<b>(96,594)</b>	<b>4,834,659</b>	<b>2,716,243</b>
<b>ENDING BALANCE</b>	<b>10,164,521</b>			

\* Bequest and trusts income will be recognized as received; however, spending of Bequest and trusts income will be deferred until the following fiscal year, beginning with FY19.

**PRELIMINARY AND UNAUDITED**