

2016 Annual Report



So if anyone is in Christ, there is a new creation: everything old has passed away; see everything has become new.

—2 Corinthians 5:17

Our Mission: Luther Seminary educates leaders for Christian communities, called and sent by the Holy Spirit, to witness to salvation in Jesus Christ, and to serve in God's world.

Our Vision: to be a catalyst of God's transforming work for church and world.

This past year marked the creation of our new three-year rolling strategic plan drawn from our deep commitment to our mission with a newly crafted vision. As we began our planning journey, we solicited significant input from many different people to ensure we considered the complex needs of the church and world. We prayerfully considered our vision for preparing a new generation of leaders. We identified three strategic priorities: transforming leaders, transforming learning community and transforming collaboration. We think these priorities will have the greatest impact on educating pastors and other church leaders for a changing church.

Transforming leaders

We've made great strides this year to provide dynamic programming to meet the needs of our nearly 600 degree students and nearly 4,000 pastors and other leaders who lead in a rapidly changing world. We've embraced adaptive ideas in order to successfully prepare our students to do God's work for the sake of the world.

Transforming learning community

We are moving forward with developing a more vibrant, diverse and sustainable residential and online learning community, responsive to the changing ways in which students learn, live, interact and worship.

Transforming collaboration

We are poised to take new and innovative approaches in order to fulfill our mission and we're exploring ways to partner and collaborate. Our collaborative efforts with Augsburg College including leasing space for one of their graduate programs, sharing our information technology platform and library resources all bode well as we imagine additional ways which can further strengthen our distinctive mission.

I am hopeful about the future, not only because of the efforts of our students, board, staff and faculty, to lean into the difficult work of transforming, but because our hope is rooted in Jesus Christ, the one who has been raised from the dead. I know that we are changing a lot of this institution's traditional patterns and this is disruptive for many. We will continue to explore questions ahead concerning the flourishing of how we better serve the need for more theological education, in more formats, for more parts of the world—all for the sake of God's mission. I trust that the Risen Christ holds us in the midst of this creative work.

Thank you for your prayers and faithful support.

Robin Steinke
President



Meet Kim and Sterling



Kim van der Giessen, who is pursuing an M.A. in Children, Youth and Family Ministry at Luther Seminary, hopes to spend her career working with inner city youth and she sees her seminary degree as an important move forward in pursuing that goal.

See Kim's story at www.luthersem.edu/kim.

Kim was one of **591 students** enrolled at Luther Seminary during the 2015-16 academic year. Of those, **51 percent were women.**

Master of Arts students like Kim made up **15 percent** of enrolled students.

ELCA members accounted for 71 percent of the student body.

Thirty-one denominations

including Kim's Christian Reformed Faith, made up the remaining 29 percent of students.

Kim is one of 10 M.A. CYF students and 120 M.Div. students enrolled in the distributed learning program.

The **cost of Kim's tuition last year was \$16,000.**

When accounting for additional off-campus living expenses, a year of study cost approximately \$35,578.

During the 2015-16 fiscal year:

Luther Seminary had 44 international students enrolled from 20 countries.

Luther Seminary had 157 students graduate on May 21, 2016.

There are 3,451 alums currently serving in ministry. Alums serve in all 50 states and 46 countries.

43 percent of students graduated without seminary debt. For the others, median debt was \$53,467.

Donor support made up 58 percent of Luther Seminary's operating revenue when combining outright gifts and endowment income.

Sterling was one of **69 students hailing from Region 5** of the ELCA. Luther Seminary claims students from all nine regions.

Financial aid covered approximately **47.5 percent** of the cost of tuition and fees for students like Sterling.

As a scholarship recipient, Sterling received part of the **\$2.1 million awarded** during the 2015-16 academic year. On average, **students receive \$6,985** in scholarships and grants from Luther.

Sterling was among the **56 percent** of Luther students who pursued an **M.Div.** degree in 2015-16.

Sterling received one of **469 scholarships awarded** in 2015-16.



Sterling Lynk, who is pursuing his M.Div. degree in Congregational Mission and Leadership, has combined aspects of being a residential student at the seminary with the flexibility of online classes as a Distributed Learning (DL) student. One day each week, he makes the four-plus-hour one-way drive from Wisconsin to attend classes on campus.

See Sterling's story at www.luthersem.edu/sterling.



Finances 2015-2016

Luther Seminary and Foundation consolidated balance sheets, June 30, 2016 and 2015

Assets	2016	2015
Current Assets		
Cash & Cash Equivalents	\$6,893,726	\$7,684,384
Other Current Assets	171,706	349,081
Total Current Assets	\$7,065,432	\$8,033,465
Non-Current Assets		
Other Assets	1,660,689	1,667,221
Investments	89,882,718	92,608,358
Student Notes Receivable, Net	2,782,721	2,810,881
Land, Buildings & Equipment, Net	12,069,286	12,519,933
Total Other Assets	\$106,395,414	\$109,606,393
Total Assets	\$113,460,846	\$117,639,858

Liabilities and Net Assets

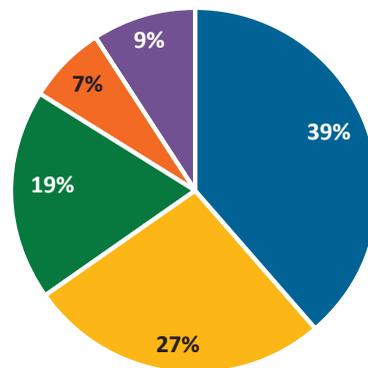
Current Liabilities		
Other Current Liabilities	\$2,487,381	\$2,785,574
Notes Payable & Line of Credit, Current Portion	308,869	250,862
Total Current Liabilities	\$2,796,250	\$3,036,436
Long-Term Liabilities		
Other Long Term Liabilities	7,891,010	7,102,234
Notes Payable, Net of Current Portion	5,154,408	5,263,277
Total Long-Term Liabilities	\$13,045,418	\$12,365,511
Total Liabilities	\$15,841,668	\$15,401,947
Net Assets		
Unrestricted	1,460,867	2,967,633
Temporarily Restricted	14,163,218	18,872,783
Permanently Restricted	81,995,093	80,397,495
Total Net Assets	\$97,619,178	\$102,237,911
Total Liabilities and Net Assets	\$113,460,846	\$117,639,858

Endowment

Total Market Value (as of 6/30/16)*	\$87.1 million	
Investment Returns	1-year	-0.87%
	3-year	5.75%
	5-year	4.89%

Luther Seminary's Annual Report numbers are also available at www.luthersem.edu/annualreport.

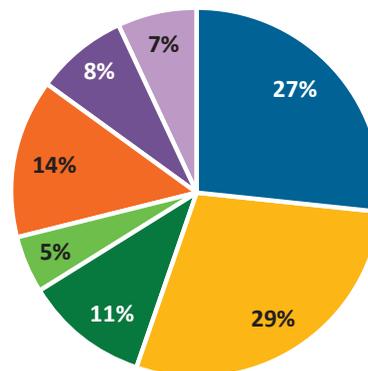
Learn more about giving to support future church leaders at www.luthersem.edu/giving.



Unrestricted Operating Income

Private Gifts, Grants and Releases	\$7,406,933
Tuition and Fees	5,138,411
Endowment Draw	3,726,996
Auxiliary Enterprises	1,253,726
Churchwide and Synod Support	1,641,047

Total Unrestricted Operating Income **\$19,167,113**



Unrestricted Operating Expenses

Student Instruction	\$5,399,858
Institutional Support	5,663,957
Scholarships	2,090,528
Auxiliary Enterprises	938,925
Physical Plant and Maintenance	2,778,634
Student Services	1,496,194
Academic Support	1,383,222

Total Expenses **\$19,751,318**

* Includes \$857,000 invested by the endowment into Luther Seminary

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