2016 Budget

The 2016 Budget is based on the LWF Strategy and the Communion Office Operational Plan (COOP) 2015-2016 with its respective income, expenditure and results. The total planned income of EUR 119,681,230 is a target to be fundraised to cover the plans for the year.

<table>
<thead>
<tr>
<th>All amounts in EUR</th>
<th>DTPW</th>
<th>DMD</th>
<th>DWS</th>
<th>DPO/Gov/G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Planned Income</td>
<td>2,749,405</td>
<td>6,845,896</td>
<td>107,473,930</td>
<td>2,612,000</td>
<td>119,681,230</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2,749,405</td>
<td>6,845,896</td>
<td>107,473,930</td>
<td>2,612,000</td>
<td>119,681,230</td>
</tr>
<tr>
<td>Overall Result for the Year</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The following factors have been taken into consideration in the budget:

- The support from the Endowment Fund in the equivalent amount of EUR 340,000
- 25% of membership fees or EUR 665,000 is allocated to support DTPW & DMD
- The new project on Ecumenical Commemoration in the budget of the Department for Theology and Public Witness is to be fundraised and no funds committed
- No cost-of-living adjustment to the salaries in 2016 and the LWF Employer Pension Fund contribution is reduced by 2% as staff cost reduction
- All costs paid in Swiss Franc have gone up by 13% compared to the 2015 budget due to the strengthening of CHF to Euro. A series of measures have been initiated on cost optimization.
- The main exchange rates applied: EUR/CHF 1.07, EUR/USD 1.05, USD/CHF 0.98

It should be noted that foreign exchange markets continue to be volatile and uncertain. The rates used in this budget are based on the forecast rates from our banks considering the Swiss National Bank (SNB) monetary policies and recent decisions. This position will be monitored closely and will be reviewed prior to the next meeting of the Meeting of Officers.

This 2016 Budget reflects the realistic commitment of each department to a balanced result. Longer term financial sustainability requires addressing the hardened financial environment through more intensive fundraising, effective and cost efficient program delivery, higher church commitment to pay membership fees, relevant programs and projects with high impact, and adjustments in the programs or structures.

The budgeted income of EUR 119,681,230 presented to the Council represents a target to be raised. LWF will not have this total amount on hand as cash by January 2016. Prudent financial planning and monitoring as well as effective fundraising are required in order to successfully implement the annual plans. Should the fundraising target not be met, then budgetary readjustments will be made in a timely manner to ensure that expenditure is aligned to income.

A more detailed budget is on the following page.
<table>
<thead>
<tr>
<th>Department</th>
<th>2016 Budget</th>
<th>28 March version</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total INCOME</strong></td>
<td>EUR 119,681,230</td>
<td>EUR 119,681,230</td>
</tr>
<tr>
<td><strong>Total EXPENDITURE</strong></td>
<td>EUR 70,424,452</td>
<td>EUR 70,424,452</td>
</tr>
<tr>
<td><strong>Result for the year</strong></td>
<td>EUR 49,256,778</td>
<td>EUR 49,256,778</td>
</tr>
</tbody>
</table>

The amounts have to be raised and approved. If actual income is less than planned, then a deficit will have to be financed by the Endowment Fund in which all member churches contribute.

### Departmental Budgets

#### Total INCOME

- **Support from Endowment Fund**: EUR 1,561,500
- **Investment Income & Gains**: EUR 5,561,896
- **Administration Fee Income**: EUR 5,431,340
- **Membership Fee Contributions**: EUR 2,327,085
- **Support from Member Churches & Related Organizations**: EUR 1,425,729
- **Other INCOME**: EUR 112,000

#### Total EXPENDITURE

- **Support from Endowment Fund**: EUR 684,182
- **Investment Income & Gains**: EUR 533,647
- **Administration Fee Income**: EUR 10,000
- **Membership Fee Contributions**: EUR 310,600
- **Support from Member Churches & Related Organizations**: EUR 340,000
- **Other EXPENDITURE**: EUR 435,000

#### Result for the year

- **Support from Endowment Fund**: EUR 1,245,877
- **Investment Income & Gains**: EUR 87,409
- **Administration Fee Income**: EUR 3,024,000
- **Membership Fee Contributions**: EUR 343,000
- **Support from Member Churches & Related Organizations**: EUR 214,540
- **Other EXPENDITURE**: EUR 119,681,230

### Notes

- The amounts here are targets to be raised and approved. If actual income is less than planned, then a deficit will have to be financed by the Endowment Fund in which all member churches contribute.
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- The Income for all departments are projections based on trends and indicative pledges from churches, related organizations and international funding agencies.