

MATERIALS AND EXHIBITS

Table of Contents

*Please see
reverse side
of this tab.*

◀ **2012 Annual Meeting Agenda**

Page 1

◀ **Minutes of the 2011 Annual Meeting of LSA**

*Please see
back pocket
of this program
folder.*

◀ **The 2012 Report of the Acting President and CEO**

Page 5

◀ **Financial Report for FY 2011, July 1, 2010 – June 30, 2011: The Independent Auditor's Report and Associated Financial Statements for LSA**

Page 22

◀ **Proposed LSA Budget for FY2013**

Page 26

◀ **Report of the Board Member Nomination Committee to the Membership of LSA with Biographical Information on the Class A Board Member Nominees**

Page 27

◀ **LSA Board of Directors Roster, April 2012**

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

ANNUAL MEETING AGENDA

Thursday, April 19, 2012, 8:00 am to 9:45 am
Grand Station I and II
Sheraton Station Square Hotel, Pittsburgh, Pennsylvania

♦ A plated breakfast will be served from 7:30 to 8:15 am in Grand Station I and II ♦

- I. **Call to Order**
Ted W. Goins, Jr., Chairperson, LSA Board of Directors
- II. **Opening Devotions**
Rev. Stephen Bouman, Executive Director, Congregational and Synodical Mission
Evangelical Lutheran Church in America (ELCA)
- III. **Approval of Agenda** **RECOMMENDED ACTION**
That the Agenda for the 2012 LSA Annual Meeting be approved as presented.
- IV. **Minutes of May 5, 2011 LSA Annual Meeting** **RECOMMENDED ACTION**
That the Minutes of the 2011 LSA Annual Meeting be approved as presented.
- V. **Report of the Chairperson**
Ted W. Goins, Jr.
- VI. **Report of the Executive Search Committee**
Linda Timmons, Chair, Executive Search Committee
- VII. **Report of the Acting President and CEO**
Lisa Schiller, Acting President and CEO, Lutheran Services in America
- VIII. **Financial Report for LSA Fiscal Year 2012**
Brian Hofland, Member, LSA Audit Committee
- IX. **Presentation: LSA Fiscal Year 2013 Budget** **RECOMMENDED ACTION**
Frederick Kraegel, Treasurer, LSA Board of Directors *That the LSA Fiscal Year 2013 Budget be adopted as presented.*
- X. **Report of the Board Member Nomination Committee** **RECOMMENDED ACTION**
John Bauer, Member, LSA Board Member Nomination Committee *That Junia John-Straker, William Hanawalt and Sam Sipes be elected as Class A Board Members for three year terms (July 1, 2012 – June 30, 2015).*
- XI. **Recognition of Board Service**
Newly-Elected Board Officers *(New Officers begin service on July 1, 2012.)*
Departing Board Members
- XII. **Invitation to the 2013 Annual Conference: Service Speaks** Monday – Thursday, April 8-11, 2013, L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW, Washington, DC 20024
Melissa K. Graves, Executive Director, Lutheran Social Services of the National Capital Area
- XIII. **Closing Devotions**
Rev. Bart Day, Executive Director, Office of National Mission, The Lutheran Church—Missouri Synod (LCMS)
- XIV. **Adjournment of Meeting**
Ted W. Goins, Jr.

The 2011 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Minutes of the 2011 Annual Meeting

of the Membership of Lutheran Services in America, Incorporated

Thursday, May 5, 2011, 8:30 – 9:45 AM

Hyatt Regency Milwaukee, Milwaukee, Wisconsin

A continental networking breakfast was served at 7:30 AM.

I. Call to Order

Ted W. Goins, Jr., Chairperson of the LSA Board of Directors, announced the presence of a quorum for the Meeting and called the Meeting to order at 8:34 AM.

II. Devotions

Rev. Doug Kahl, Chair, Chaplains' Network, and Director of Chaplaincy Services, Organization's Chaplain, Lutheran Social Services of Michigan (Saginaw, MI) and Rev. Joan Randall, Secretary, Chaplains' Network, and Director of Pastoral Care, Sunny View Retirement Community (Cupertino, CA) shared the morning devotions and reflected on the theme of the LSA Conference, *A Picture of Possibilities*. The hands of God hold each person each and every day. Those hands are filled with possibilities because God is the God of endless possibilities. This knowledge is at the heart of the work of Lutheran social ministry. The possibilities of God promise to stretch, to challenge and renew both those doing this work and those receiving from it.

III. Approval of Agenda

Motion

ADOPTED

That the Agenda for the 2011 LSA Annual Meeting be approved as presented.

IV. Minutes of April 28, 2010 LSA Annual Meeting

Motion

ADOPTED

That the Minutes of the 2010 LSA Annual Meeting be approved as presented.

V. Report of the Chairperson

Ted Goins shared his ten year history with LSA and noted that there is no other organization like LSA that connects the branches of individual Lutheran social ministry organizations to the vine. LSA's success comes from the direct connection of the branches to the vine, from a focus on the five LSA Ends Policies and from members supporting each other in LSA.

Ted Goins gave a review of the history of the LSA dues structure and other revenue sources and highlighted the new dues structure that is part of the FY2012 budget, including a three percent increase encouraged by members and recommended by the LSA Board.

Ted Goins shared the three "E's" he has asked the LSA Board to embrace during his tenure: An Environment conducive to growth and conducting business; a culture of Education focused on the future; and a commitment to being actively Engaged in the work of the Board. He assured the membership that the Board is stewarding LSA's future with all members in mind. He thanked Jill Schumann for her tireless leadership, noting that this was her tenth Annual Conference as President and CEO, and applauded LSA's growing national reputation.

Ted Goins introduced Charles Harris, President and CEO of Lutheran Retirement Ministries of Alamance County, Frank Rhue, a member of their Board and Dr. Clyde Christmas, founding CEO of Lutheran Retirement Ministries of Alamance County. They were recognized, thanked and presented with a plaque for their support of leadership development through Lutheran Services in America. The Norman C. Berg Memorial Fund was begun under the leadership of Dr. Christmas, honoring his mentor in social ministry. Through the Berg Fund, Lutheran Retirement Ministries of Alamance County has contributed funding approaching a half million dollars over nearly a decade. This fund and this leadership provided vision and seed money to begin and sustain the CEO Academy and the

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Leadership Academy, and continues to provide scholarships to the CEO Academy for CEOs new to their positions. Charlie Harris thanked the LSA staff who have facilitated and guided the work of the Academies and expressed his gratitude for his Board who believes that outreach extends beyond Alamance County.

VI. Report of the President and CEO

Jill Schumann introduced Peter Goldberg, CEO of the Alliance for Children and Families, who brought words of welcome from the Alliance and spoke about the positive theme of the LSA Conference that encourages keeping sight of the possibilities even in rough times. He spoke about the shared mission-driven commitment of the Alliance and LSA to strengthen neighborhoods while advocating for social justice, the work of the thousands of unsung heroes in both organizations and paid tribute to Jill Schumann and the good working relationship between the Alliance and LSA.

Jill Schumann focused her remarks around the theme of her written 2011 Report of the President and CEO, *Called to Shape the Future*. People can and do shape the future, and LSA and its members are called to do just that. The many challenges that are faced by the members of LSA and those they serve persist even as the 2011 Conference gathers under the theme of a *Picture of Possibilities*. The possibilities people of faith imagine are those that God envisions for the human community: the Garden before sin; the way Old Testament prophets describe shalom; and the way Jesus preached and taught about right relationships.

One of LSA's Ends Policies echoes the themes of possibilities and of shaping the future and provides a call to be God's hands and God's voices. When God gives a call, God also equips for that call. LSA has much to leverage in its reach and scope and in its rich diversity. LSA, writ large, is dynamic, with huge talent, expertise and passion. LSA members form an engaged and increasingly connected system. LSA's ability to feel a common call, to learn from one another, to wrestle with curiosity and good spirit and to disagree reasonably agreeably is remarkably valuable in and of itself in a world of polarization and division.

Jill Schumann challenged the membership in the coming months and years to work together to figure out how God is calling LSA and its members to use history, theology, diversity and capacity to have greater collective impact to shape the future. Immediate steps will include:

- Exploring fresh language together
- Exploring fresh ideas together to stretch the imagination
- Finding new ways of seeing, thinking and acting
- Exercising the ability to work together in practical ways, as is happening with such things as networks, advocacy and initiatives in technology, volunteerism, governance, dissemination and replication.

Jill Schumann ended with a poem by Rainer Maria Rilke, *God Speaks to Each of Us*.

VII. Financial Report for LSA Fiscal Year 2010

Toni McNeal, CFO, KenCrest Centers, Plymouth Meeting, PA and member of the Audit Committee, reported on the LSA financial report for fiscal year 2010, noting the materials provided in the Annual Meeting section of the Conference Program booklet. The Audit Committee met with the audit firm, Clifton Gunderson, at the beginning of the audit and at the end of the examination to discuss the results. The audit represented a clean unqualified opinion. There were no internal control letters issued or material weaknesses or significant deficiencies reported. In addition to herself, Toni McNeal reported that the Audit Committee consisted of Board Members Bob Tuttle (Chair), Barbara Dröher-Kline and Kathleen Elliott Chillison. The Board of Directors reappointed Clifton Gunderson, LLP, as auditors for fiscal year 2011.

VIII. LSA Fiscal Year 2012 (FY12) Budget

Frederick Kraegel, Treasurer, LSA Board of Directors, presented the LSA Fiscal Year 2012 Budget to the membership. He referenced the proposed budget provided to the membership in the Annual Meeting materials and noted that the proposed budget had been reviewed and approved by the appropriate individuals from the ELCA and the LCMS and was being recommended by the LSA Board of Directors. LSA projects it will end FY11 in the black and is submitting a balanced budget for FY12. The Board considered the proposed FY12 budget at its meeting on May 3 and recommended it, as presented, to the LSA membership for approval.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

LSA is in a sound financial position. LSA presently maintains ladder CD's, which meet the Board's reserve requirements. LSA continues to operate within a challenging economic environment. The ELCA and LCMS are addressing financial challenges and have communicated to LSA that it should budget lower core contributions. The general economic climate continues to be constrained and member organizations are facing fiscal challenges, including those related to state and federal budgets.

Over the past many years, LSA has been cautious about raising member dues. This year, LSA proposes increasing basic member dues by three percent from FY11. It has also revised the dues structure to be more conducive to receiving additional dues payments from social ministry organizations who have expressed interest in investing more than the minimum dues amounts to expand LSA's capacity to facilitate the shared work of the system.

LSA has developed a five-year revenue generation plan that will result in growth in income for FY12 and, at the same time, allow LSA to pursue its Ends Policies. Momentum is already being generated as this plan is being implemented. LSA will also continue to manage its costs assertively.

The proposed LSA Fiscal Year 2012 Budget was recommended by the LSA Board of Directors for presentation at the Annual Meeting with total revenues of \$2,203,600 and total expenses of \$2,202,700.

Ted Goins requested a motion and second.

Motion

ADOPTED

That the LSA Fiscal Year 2012 Budget be adopted as presented.

IX. Report of the Board Member Nomination Committee

John Bauer, Board Member Nomination Committee member, explained the configuration of the LSA Board and the responsibilities of the Committee to provide nominations of Class A members to be voted upon at the LSA Annual Meeting of the Membership, to provide Class C candidates to be voted upon by the LSA Board of Directors, and to provide advice for the appointments of Class B candidates by the LCMS and the ELCA.

He directed the Members to the Report of the Committee in the Annual Meeting Section of the Conference Program booklet and thanked the Committee for their work. He presented the slate of nominees recommended by the Board of Directors for election: Alan Erdman (*Second Term*), President and CEO, Lutheran Family and Children's Services of Missouri, St. Louis, MO; Ted W. Goins, Jr. (*Second Term*), President, Lutheran Services for the Aging, Inc., Salisbury, NC; Ann Vazquez (*First Term*), President and CEO, Lutheran Foundation of St. Louis, St. Louis, MO; Junia John-Straker (*First Term*) (*one year, then eligible in 2012 for one three year term*), CEO, Lutheran Social Services of the Virgin Islands, Frederiksted, St. Croix, VI.

Linda Timmons, Vice Chairperson of the LSA Board of Directors, requested and received a second to the motion.

Motion

ADOPTED

That Alan Erdman, Ted Goins and Ann Vazquez be elected as Class A Board Members for three year terms (July 1, 2011 – June 30, 2014) and that Junia John-Straker be elected as a Class A Board Member for one year of an unexpired term (July 1, 2011 – June 30, 2012) eligible in 2012 for one three year term.

X. Recognition of Board Service

Newly-Elected Board Officers

Kurt Senske of the LSA Board of Directors announced the newly elected officers of the LSA Board of Directors, whose new terms begin on July 1, 2011:

Ted Goins, Jr., Chairperson (<i>Second Term</i>)	Fred Kraegel, Treasurer (<i>Second Term</i>)
Linda Timmons, Vice Chairperson (<i>Second Term</i>)	David deFreese, Secretary (<i>Second Term</i>)

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Departing Board Members

Ted Goins noted that within the past several months the Board had the occasion to thank and recognize Barbara Dröher-Kline, Rebecca Larson and Matthew Harrison for their work on the LSA Board as they transitioned out of the roles related to their service on the LSA Board.

Ted Goins also expressed gratitude to the departing Board members, Kathleen Elliott Chillison and Kurt Senske, for their service on the Board and its committees and for the leadership they have provided during their Board terms.

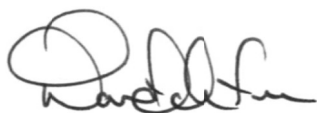
XI. Invitation to the 2012 Annual Conference

Marc Bloomingdale, President and CEO of Lutheran Service Society of Western Pennsylvania, invited everyone to attend LSA's 2012 Annual Conference, *Called to Shape the Future*, scheduled for April 16-19, 2012 at the Sheraton Station Square Hotel, Pittsburgh, PA.

XII. Adjournment of Meeting

Ted Goins thanked the membership and adjourned the meeting at 9:40 AM.

Respectfully submitted,



David L. deFreese
Secretary

**LUTHERAN SERVICES IN AMERICA,
INCORPORATED
Baltimore, Maryland**

**FINANCIAL STATEMENTS
June 30, 2011 and 2010**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7
SUPPLEMENTAL INFORMATION	13
Schedules of Expenses by Program Category	14



Independent Auditor's Report

Board of Directors
Lutheran Services In America, Incorporated
Baltimore, Maryland

We have audited the accompanying statements of financial position of Lutheran Services In America, Incorporated (the Organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2011 and 2010, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information, as outlined in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Baltimore, Maryland
August 19, 2011

FINANCIAL STATEMENTS

LUTHERAN SERVICES IN AMERICA, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 566,467	\$ 393,060
Accounts receivable	51,788	12,340
Prepaid expenses	12,205	23,285
Total current assets	630,460	428,685
ASSETS LIMITED AS TO USE		
Cash held for managed networks	147,453	207,697
CERTIFICATES OF DEPOSIT		
	1,350,000	1,350,000
FIXED ASSETS		
Information technology	256,575	256,575
Less accumulated depreciation	250,352	237,905
Total fixed assets	6,223	18,670
TOTAL ASSETS	\$ 2,134,136	\$ 2,005,052
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 134,462	\$ 122,113
Other payables	4,313	19,113
Deferred membership dues	123,165	146,099
Total current liabilities	261,940	287,325
DEPOSIT LIABILITIES		
Deposits held for managed networks	147,453	207,697
Total liabilities	409,393	495,022
NET ASSETS		
Unrestricted	1,393,588	1,076,817
Temporarily restricted	331,155	433,213
Total net assets	1,724,743	1,510,030
TOTAL LIABILITIES AND NET ASSETS	\$ 2,134,136	\$ 2,005,052

The accompanying notes are an integral part of the financial statements.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES, CONTRIBUTIONS AND OTHER SUPPORT						
Membership dues	\$ 634,767	\$ -	\$ 634,767	\$ 613,765	\$ -	\$ 613,765
Events - conferences and training	231,968	-	231,968	199,029	-	199,029
Service fees and others	296,902	-	296,902	337,636	-	337,636
Investment income	41,542	-	41,542	38,707	-	38,707
Contributions - ELCA	461,266	-	461,266	495,932	-	495,932
Contributions - LCMS	210,350	-	210,350	190,350	-	190,350
Contributions - other	253,323	-	253,323	60,667	-	60,667
Grants	65,120	-	65,120	50,348	463,702	514,050
	<u>2,195,238</u>	<u>-</u>	<u>2,195,238</u>	<u>1,986,434</u>	<u>463,702</u>	<u>2,450,136</u>
Net assets released from restrictions	102,058	(102,058)	-	188,985	(188,985)	-
Total revenues, contributions and other support	<u>2,297,296</u>	<u>(102,058)</u>	<u>2,195,238</u>	<u>2,175,419</u>	<u>274,717</u>	<u>2,450,136</u>
EXPENSES						
Program services	1,652,806	-	1,652,806	1,758,539	-	1,758,539
Management and general	327,719	-	327,719	305,103	-	305,103
Total expenses	<u>1,980,525</u>	<u>-</u>	<u>1,980,525</u>	<u>2,063,642</u>	<u>-</u>	<u>2,063,642</u>
CHANGES IN NET ASSETS	316,771	(102,058)	214,713	111,777	274,717	386,494
NET ASSETS, BEGINNING OF YEAR	<u>1,076,817</u>	<u>433,213</u>	<u>1,510,030</u>	<u>965,040</u>	<u>158,496</u>	<u>1,123,536</u>
NET ASSETS, END OF YEAR	<u>\$ 1,393,588</u>	<u>\$ 331,155</u>	<u>\$ 1,724,743</u>	<u>\$ 1,076,817</u>	<u>\$ 433,213</u>	<u>\$ 1,510,030</u>

The accompanying notes are an integral part of the financial statements.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2011 and 2010

	2011			2010		
	Program Services	Management and General	Total Expenses	Program Services	Management and General	Total Expenses
EXPENSES						
Staff compensation and benefits	\$ 1,101,741	\$ 144,196	\$ 1,245,937	\$ 1,074,365	\$ 134,771	\$ 1,209,136
Travel	56,774	10,349	67,123	47,184	16,875	64,059
Professional services purchased	71,072	102,845	173,917	226,939	89,084	316,023
Insurance, banking, and taxes	4,110	10,595	14,705	3,718	8,074	11,792
Depreciation	12,447	-	12,447	19,906	1,245	21,151
Event - facilities and programs	165,469	7,753	173,222	152,067	16,713	168,780
Office and related expenses	105,849	27,299	133,148	101,651	16,731	118,382
Communications and external relationships	125,693	22,703	148,396	122,896	18,606	141,502
Other expenses	9,651	1,979	11,630	9,813	3,004	12,817
TOTAL EXPENSES	<u>\$ 1,652,806</u>	<u>\$ 327,719</u>	<u>\$ 1,980,525</u>	<u>\$ 1,758,539</u>	<u>\$ 305,103</u>	<u>\$ 2,063,642</u>

The accompanying notes are an integral part of the financial statements.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 214,713	\$ 386,494
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	12,447	21,151
Effects of changes in operating assets and liabilities:		
Accounts receivable	(39,448)	38,464
Prepaid expenses	11,080	7,128
Accounts payable and accrued expenses	12,349	2,179
Other payables	(14,800)	19,113
Deferred membership dues	(22,934)	(180,119)
	173,407	294,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(650,000)	(750,000)
Proceeds from certificates of deposit redeemed	650,000	750,000
	-	-
Net cash provided by (used in) investing activities	-	-
EQUIVALENTS	173,407	294,410
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	393,060	98,650
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 566,467	\$ 393,060

The accompanying notes are an integral part of the financial statements.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lutheran Services in America, Incorporated (the Organization) was founded in 1997 as an alliance of the Evangelical Lutheran Church in America, The Lutheran Church - Missouri Synod, and their over 300 related health and human service organizations. The Organization creates opportunities with people in thousands of communities in all 50 states and the Caribbean. Working neighbor-to-neighbor through support of health care, aging, disability, community development, housing, and child and family strengthening initiatives, these organizations touch the lives of more than six million people every year – or one in fifty Americans. Significant accounting policies followed by the Organization are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The financial statement presentation is in accordance with FASB ASC 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or used for specified purposes.

Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions. The Organization has no permanently restricted net assets at June 30, 2011 and 2010.

Cash and Cash Equivalents

The Organization considers all short-term investments which are to be used for operations and have a maturity of three months or less when purchased to be cash equivalents.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are related to unpaid invoices for consulting services and require payment within thirty days from the invoice date. Interest is not charged for late payment of invoices. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of customers to meet their obligations. No allowance was considered necessary at June 30, 2011 and 2010.

Certificates of Deposit

The investment in certificates of deposit are with the Mission Investment Fund of the ELCA with original maturities from one to four years as deemed appropriate by management to provide the necessary cash management flexibility. For a penalty, the certificates of deposit can be redeemed prior to maturity. These are stated at cost basis which approximates fair value.

Fixed Assets

All individual acquisitions of equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Information technology consists of computer equipment and software applications. These assets are depreciated on the straight-line method over their estimated useful lives, which is 3 years. Purchased equipment is carried at cost. Donated equipment is carried at fair value at the date of donation, if sufficient fair market value can be evidenced.

Revenue Recognition

Membership dues, event revenue, service fees and other contributions are recognized as revenue in the fiscal year to which they relate. Membership dues that are received in advance are recorded as deferred revenue.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets in the reporting period in which the revenue is recognized, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Managed Networks

The Organization facilitates collaboration among its members for the purpose of advancing the ministries of the members. The collaborative groups are called Networks. The Organization provides fiscal agent services for some of these Networks, which are referred to as Managed Networks in the financial statements. Cash held for managed networks and the related deposit liability was \$147,453 and \$207,697 at June 30, 2011 and 2010, respectively.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is required to report unrelated business income to the IRS and Maryland, as well as pay certain other taxes to local jurisdictions. The Organization did not have any unrelated business income for the years ended June 30, 2011 and 2010.

The Organization files income tax returns in the U.S. federal jurisdiction. The federal income tax returns of the Organization for 2009, 2008 and 2007 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Retirement Plan

The Organization has established a 403(b) Retirement Plan. Employees who work 20 or more hours a week and have attained age 18 are eligible to participate in the Plan. Employees may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Service. The Organization provides a matching contribution of 100% of participant contributions, up to 1% of annual salary as of June 30, 2011. All contributions to the Plan are 100% vested immediately. The Organization recorded employer match expenses of \$30,155 and \$28,921 for the years ended June 30, 2011 and 2010, respectively. These amounts included an additional 2% approved discretionary contribution.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense totaled \$2,008 and \$1,124 for the years ended June 30, 2011 and 2010, respectively.

Reclassification

Certain amounts in the prior period have been reclassified to conform to the current year's presentation. These reclassifications have no effect on previously reported net assets.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Board Development/Everson	\$ 10,780	\$ 10,780
OASIS	73,479	73,479
Community Development Collaboration/ELCA	3,053	3,053
Berg Memorial Fund for Leadership	40	2,179
Social Ministry Organization Capacity Building	20,719	20,719
Replication Initiative	36,151	40,663
LSEE Volunteer Survey	-	11,896
LSEE Partnership	41,587	120,894
LSCE Resources & Opportunities	139,346	139,550
Linking Lives	6,000	10,000
Total	<u>\$ 331,155</u>	<u>\$ 433,213</u>

Donors typically do not provide specific timeframes in which to use contributions, but the Organization anticipates that the majority of its temporarily restricted assets will be released over the next twelve to thirty-six months.

NOTE 3 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from temporary donor restrictions were as follows during the years ended June 30:

	<u>2011</u>	<u>2010</u>
Nurses Training Program	\$ -	\$ 1,246
OASIS	-	34,713
Berg Memorial Fund for Leadership	2,139	-
Social Ministry Organization Capacity Building	-	2,479
Replication Initiative	4,512	109,337
LSEE Volunteer Survey	11,896	8,104
LSEE Partnership	79,307	29,106
Linking Lives	4,000	-
LSCE Resources & Opportunities	204	4,000
Total	<u>\$ 102,058</u>	<u>\$ 188,985</u>

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 4 – PROGRAM SERVICES

The Organization conducted the following programs during the years ended June 30:

	<u>2011</u>	<u>2010</u>
Lutheran Identity and Awareness	\$ 255,327	\$ 256,040
Leadership Development and Knowledge Exchange	522,472	696,845
Member Shared Initiatives	494,420	461,072
Convening and Connecting the System	330,995	295,084
Other	<u>49,592</u>	<u>49,498</u>
Total	<u>\$ 1,652,806</u>	<u>\$ 1,758,539</u>

NOTE 5 – LEASE COMMITMENT

The Organization leases its Baltimore operating facility on a monthly basis for \$3,792, with annual escalation amounts of 3.5%.

The Organization leases its Washington, D.C. operating facility under an operating sublease. The lease provides for base monthly rentals of \$2,876 through May 1, 2018 and is subject to annual escalation provisions. The lease also provides for the payment of the Organization's proportionate share of operating expenses.

Total rent expense, including all leases, for the years ended June 30, 2011 and 2010 was \$80,960 and \$81,847, respectively.

Future minimum rental payments required under non-cancellable operating leases having initial or remaining lease terms in excess of one year at June 30, 2011 are as follows:

2012	\$ 34,768
2013	35,812
2014	36,886
2015	37,992
2016	39,132
Thereafter	<u>74,645</u>
Total	<u>\$ 259,235</u>

NOTE 6 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in one commercial bank. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The balance on deposit was \$299,940 and \$358,861 at June 30, 2011 and 2010, respectively.

Cash equivalents and certificate of deposits are maintained with the Lutheran Church Extension Fund of The Lutheran Church - Missouri Synod, and the Mission Investment Fund of the ELCA. These accounts are uninsured. The balances with these entities as of June 30, 2011 and 2010 amount to \$1,858,139 and \$1,612,071, respectively.

LUTHERAN SERVICES IN AMERICA, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 7 – RELATED PARTY RELIANCE

The Organization receives a major portion of its contributions from ELCA and LCMS. The amounts received during the current year are disclosed within the financial statements. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated subsequent events through August 19, 2011, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to August 19, 2011 that provided additional evidence about conditions that existed at June 30, 2011, have been recognized in the financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2011.

SUPPLEMENTAL INFORMATION

LUTHERAN SERVICES IN AMERICA, INCORPORATED
SCHEDULES OF EXPENSES BY PROGRAM CATEGORY
Years Ended June 30, 2011 and 2010

Lutheran Identity and Awareness – 2011 - \$255,327 (15.4%); 2010 - \$256,040 (14.6%)

The Organization encourages social ministry organizations to claim and live out their Lutheran church connections. Through awareness initiatives and a national signature event, the Organization tells the story of Lutheran social ministry and engages the wider church in work with member organizations.

	<u>2011</u>	<u>2010</u>
Lutheran Identify Initiatives	\$ 63,209	\$ 61,440
Lutheran Social Ministry Awareness Raising	<u>192,118</u>	<u>194,600</u>
Total	<u>\$ 255,327</u>	<u>\$ 256,040</u>

**Leadership Development and Knowledge Exchange – 2011 - \$522,472 (31.6%);
2010 - \$696,845 (39.6%)**

For both volunteer and professional social ministry leaders, the Organization provides training, resource materials, consulting, and opportunities to share their strengths with one another. Through information gathering and dissemination, the Organization connects the expertise and experience within the system in order to facilitate system improvement.

	<u>2011</u>	<u>2010</u>
Knowledge Building Strategies	\$ 270,695	\$ 281,958
Organizational Assessment and Intervention Services	114,460	276,715
Leadership Development with Senior Staff Members	94,219	89,154
Leadership Development with Boards of Directors	43,098	40,277
Executive Retreat	<u>-</u>	<u>8,741</u>
Total	<u>\$ 522,472</u>	<u>\$ 696,845</u>

Member Shared Initiatives – 2011 - \$494,420 (30.0%); 2010 - \$461,072 (26.2%)

The Organization's Washington, D.C. office serves as a bridge between Federal decision-makers and the Organization members, providing mutual education and advocacy on key issues prioritized by constituents. The Organization assists members to work together to achieve efficiencies through group purchasing, program collaboration, and national level multi-site projects.

	<u>2011</u>	<u>2010</u>
Shared Public Policy Education and Advocacy	\$ 205,023	\$ 219,110
Member Efficiency Initiatives	43,918	44,733
Member Program Initiatives	104,970	105,093
Aging and Multigenerational Strategies	<u>140,509</u>	<u>92,136</u>
Total	<u>\$ 494,420</u>	<u>\$ 461,072</u>

LUTHERAN SERVICES IN AMERICA, INCORPORATED
SCHEDULES OF EXPENSES BY PROGRAM CATEGORY
Years Ended June 30, 2011 and 2010

(Continued)

**Convening and Connecting the System – 2011 - \$330,995 (20.0%);
2010 - \$295,084 (16.8%)**

The Organization convenes social ministry leaders to facilitate networking, learning, benchmarking, problem solving, decision making, worship, fellowship, and collaborative projects.

	<u>2011</u>	<u>2010</u>
Networks	\$ 104,063	\$ 105,943
Annual Conference	<u>226,932</u>	<u>189,141</u>
Total	<u>\$ 330,995</u>	<u>\$ 295,084</u>

Other – 2011 - \$49,592 (3.0%); 2010 - \$49,498 (2.8%)

	<u>2011</u>	<u>2010</u>
Other	<u>\$ 49,592</u>	<u>\$ 49,498</u>
Total expenses	<u>\$ 1,652,806</u>	<u>\$ 1,758,539</u>

Other program expenses above are comprised of staff development and education and facilities, supplies and technology related to program activities. This line item also includes exploratory work conducted on new programs and partnership initiatives not included under other program categories.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Proposed LSA Budget for FY2013

GENERAL NOTES

LSA expects to finish its current fiscal year (FY2012) with Revenue in excess of Expenses of approximately \$27,000. LSA continues to function at staffing and salary levels that are reduced significantly -- a decrease of three positions compared to the FY2012 Budget, and five less positions than three years ago (FY2009). The current staff level and FY2012 projected expenses reflects the resignation of the CEO effective December 31, 2011 and a vacant vice president position throughout the fiscal year. Anticipated expenses related to the transition to the new CEO, such as relocation and other transition costs, are reflected in the FY2012 Projected.

Both the ELCA and the LCMS have responded to LSA's economic challenges and provided additional contributions and grant amounts considerably above the amounts anticipated when the FY2012 Budget was approved. Core contributions from the ELCA and the LCMS combined in FY2012 are expected to exceed the FY2012 Budget by \$137,000. In addition, LSA worked proactively to increase member dues participation and expects to end the fiscal year approximately \$40,000 over budget.

LSA is submitting a balanced FY2013 budget notwithstanding financial challenges expected in the year ahead. Grant contributions from Lutheran Services for Elderly Endowment (LSEE) and Lutheran Services for Children Endowment (LSCE) will continue to allow important projects to move forward. In addition, LSA will work creatively to identify additional grant opportunities.

LSA will hire a new CEO. Organizational priorities will be established in ways that will support continued sustainability for LSA and, at the same time, allow LSA to advance its Ends Policies. LSA will focus on identifying grant opportunities, pursuing new business development opportunities and increasing contributions from organizations and individuals by building momentum in various fundraising activities.

LSA has included a 2% increase in the FY2013 membership dues structure and will continue the tiered dues structure begun last year. This has proven successful in accommodating member organizations that are receptive to contributing more than the minimum dues amounts in an effort to support LSA's shared work. To date, 37% of LSA's dues paying organizations have paid more than their minimum dues. Continued support by the ELCA and the LCMS to encourage strong dues participation by member organizations will be a very important factor in LSA's efforts to achieve a balanced budget in FY2013.

LSA staff has worked proactively to control expenses in a variety of ways and will continue to do so in FY2013. Staff is also aggressively focused on revenue generation and has prioritized projects that will both advance the Ends Policies and provide funds for LSA.

REVENUE

- Contributions from ELCA and LCMS – The amounts shown for FY2013 are based on LSA's understanding of the respective commitments.
- Contributions from organizations and individuals – FY2013 assumes a substantial increase over FY2012 due to continued momentum from the fundraising plans implemented in FY2012.
- Membership fees – FY2013 is based on a dues schedule that has been increased by 2% over FY2012 and reflects the tiered dues structure begun in FY2012. This is in response to feedback LSA has received from various SMOs encouraged by LSA's work and receptive to contributing higher membership dues to support the shared activities of LSA. LSA's FY2013 budget assumes that the number of dues-paying organizations in FY2013 will be near, or greater than, the number contributing in the current year.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

- Events – Includes registration fees, exhibit fees and sponsorships associated with the CEO Academy, the Leadership Academy, the Executive Retreat and the Annual Conference that will be held in Washington, DC in FY2013. Conference revenue is expected to remain at FY2012 levels, as LSA staff has worked hard to promote sponsorships and maintain participation at the Annual Conference.
- Services Delivered – Revenue is expected to decline because of fewer ongoing consulting engagements that were led by the CEO the last several years. As opportunities are identified in FY2013, additional revenue may be achievable.
- Investments – FY2013 investment income reflects \$1.4 million in CDs and \$500,000 in money market accounts. Combined balances in CDs and money market funds are expected to yield a composite return of 1.6%.
- Royalties and all other – The increase reflects additional revenue resulting from new business relationships and efforts to expand participation in bulk purchasing arrangements provided to SMOs through new business partners as well as existing ones, including Insight, HealthTrust and CDW. Other fees in this category will be generated through the sale of ads in the Personnel Bulletin; revenue from other LSA arranged executive recruiting services, momentum taking place in expanding *Together* – LSA's new magazine – and from new services to be developed.
- Grants – Temporarily restricted funds received in FY2012 and earlier will provide carry-over funding that will be expended by LSA into FY2013. It is expected additional grant funding of \$270,000 will be received in FY2013, partly through actions LSA may take by obtaining additional grant-writing capacity. The Berg Memorial Fund grant through Lutheran Retirement Ministries of Alamance County, NC for the CEO Academy and other senior staff leadership projects will continue again in FY2013.

EXPENSES

- LSA Staff – FY2013 salaries and benefits are based on 12.5 FTEs (12 fulltime, 1 part-time) which is less than prior years, yet two positions more than the current staff of 10.5 FTEs. This increase reflects the hire of the new CEO and one support position. This also includes salaries, payroll taxes, health and welfare benefits and retirement plan matching. Approximately \$40,000 is budgeted in FY2013 for possible salary increases and other compensation matters.
- Professional Services reflects the many activities LSA outsources in lieu of developing in-house expertise. These services include accounting, auditing, legal, graphic design, software development, meeting planning, and other services. This expense is higher in FY2012 due to costs incurred in connection with recruitment of the CEO and related transition expenses.
- Travel – Includes travel for staff and Board members, as well as consultants' travel when engaged in LSA consulting projects. Travel activity will be held to FY2012 levels; however, an increase is reflected for FY2013 attributable to inflationary factors inherent in the travel industry.
- Events – Includes facility and program costs for the Annual Conference, CEO Academy, Leadership Academy and Executive Retreat.
- External Communications & Relationships – Includes LSA's membership in national organizations related to the services and missions of members and a modest amount for communications.
- Office & Related – Rent, office equipment, and office supplies are the prime components. Baltimore and Washington offices account for most of these expenses. LSA continues to look for potential savings opportunities in this area.
- Printing & Mailing – The FY2013 proposed budget reflects an increased amount to accommodate inflationary factors as well as increased costs relating to *Together* – LSA's new magazine.
- Telecommunications & Information Technology – Telephone, network, computer support, computers, and software are included. The slight increase in FY2013 reflects additional costs in connection with an initiative to upgrade LSA's database. The cost of this initiative is largely offset by reducing expenses related to current IT contracts.
- Financial Expenses – Includes depreciation, bank fees, insurance, and other expenses.
- All Other – Will remain consistent with FY2012 expenses.

NET

- FY2012 Projected – \$27,000 reflects the inflow of grant dollars, continued strong support from both the ELCA and the LCMS in FY2012, and LSA's continued operation during FY2012 at reduced staffing levels.
- FY2013 Proposed – A balanced budget.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

LUTHERAN SERVICES IN AMERICA PROPOSED FY 2013 BUDGET \$ (000's)

	Fiscal Year 2011 Actual	Fiscal Year 2012 Approved Budget	Fiscal Year 2012 Projected	Fiscal Year 2013 Proposed Budget
REVENUE				
Contributions - Cash				
ELCA - CS	461.3	425.9	510.8	417.9
LCMS - WR/HC (1)	191.4	100.0	152.9	140.0
Organizations & Individuals	252.3	110.0	110.1	167.5
Membership Fees	634.8	646.9	685.0	700.0
Programs & Services				
Events	232.0	276.3	275.7	276.0
Services delivered	204.4	306.3	212.2	202.1
Other Sources				
Investments	41.5	30.4	27.1	24.0
Royalties & all other	81.7	95.8	70.2	110.2
Reimbursed expenses	11.3	12.0	12.7	12.7
Sub-total - Unrestricted	2,110.6	2,003.6	2,056.6	2,050.4
Grants - Temporarily Restricted				
Berg Memorial	50.0	50.0	50.0	50.0
LSEE Partnership Grant	-	-	83.3	-
LCMS Grants	34.6	-	-	-
Lutheran Community Foundation	-	-	25.0	-
Other Grants (incl. new LSEE and LSCE)	-	150.0	100.0	220.0
Sub-total Temp. Restricted	84.6	200.0	258.3	270.0
TOTAL REVENUE	2,195.2	2,203.6	2,314.9	2,320.4
EXPENSES - Natural Categories				
Human Resources				
LSA Staff	1,245.9	1,362.8	1,282.5	1,381.1
Professional Services	173.9	213.8	325.2	194.4
Travel	67.1	59.0	72.4	75.7
Events	173.2	173.7	195.9	195.9
External Communications & Relationships	58.4	40.9	46.4	47.4
Office & related	92.7	89.8	93.9	99.4
Printing & Mailing	43.9	34.3	34.3	45.3
Telecom & Info. Tech.	86.5	94.1	93.2	96.7
Financial Expenses	27.2	25.4	28.2	30.1
All Other	11.6	8.9	9.3	9.3
SUBTOTAL	1,980.5	2,102.7	2,181.2	2,175.2
Direct expenses to support grant funded projects (2)	-	100.0	106.8	145.0
TOTAL EXPENSES	1,980.5	2,202.7	2,288.1	2,320.2
NET - Rev. less Exp.	214.7	0.8	26.9	0.1

(1) LCMS contributions outside of core contributions are reflected in grant income

(2) Expenses for Projected and Budget includes direct expenses to support LSEE, LSCE and other restricted grants received in prior years.
Work on these grant projects will continue in 2013.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Called to Love and Serve Our Neighbors

The LSA FY2013 Dues Structure

Annual Consolidated Operating Expense Budget (\$ Millions)	FY2013			
	Sustainer Minimum dues that contribute to our shared work	*Innovator Dues that invest in LSA's increased capacity for shared work	*Futurist Dues that advance shared work and open new possibilities for the future	*Catalyst Dues that expand shared work in areas such as leadership development, knowledge management, collaborative initiatives, effective service and advocacy, and networked capacity
<= 1.0	\$ 120	125	140	140 + \$ _____
1.0 - 2.0	\$ 195	205	225	225 + \$ _____
2.0 - 3.0	\$ 325	340	375	375 + \$ _____
3.0 - 4.0	\$ 450	470	520	520 + \$ _____
4.0 - 5.0	\$ 580	605	670	670 + \$ _____
5.0 - 7.5	\$ 890	925	1,015	1,015 + \$ _____
7.5 - 10.0	\$ 1,235	1,285	1,420	1,420 + \$ _____
10.0 - 12.5	\$ 1,580	1,645	1,815	1,815 + \$ _____
12.5 - 15.0	\$ 1,930	2,010	2,215	2,215 + \$ _____
15.0 - 17.5	\$ 2,285	2,375	2,615	2,615 + \$ _____
17.5 - 20.0	\$ 2,640	2,750	3,025	3,025 + \$ _____
20.0 - 25.0	\$ 3,480	3,620	3,985	3,985 + \$ _____
25.0 - 30.0	\$ 4,180	4,350	4,790	4,790 + \$ _____
30.0 - 35.0	\$ 4,945	5,145	5,660	5,660 + \$ _____
35.0 - 40.0	\$ 5,710	5,940	6,540	6,540 + \$ _____
40.0 - 50.0	\$ 7,375	7,670	8,440	8,440 + \$ _____
50.0 - 60.0	\$ 9,015	9,380	10,315	10,315 + \$ _____
60.0 - 70.0	\$ 10,660	11,090	12,200	12,200 + \$ _____
70.0 - 80.0	\$ 12,300	12,795	14,075	14,075 + \$ _____
80.0 - 90.0	\$ 13,935	14,495	15,950	15,950 + \$ _____
90.0 - 100.0	\$ 15,585	16,215	17,835	17,835 + \$ _____
>100.0	\$ 17,575	18,280	20,110	20,110 + \$ _____

* Innovator, Futurist and Catalyst dues will receive special recognition in the LSA Annual Report for the year in which dues are paid.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Report of the Board Member Nomination Committee

to the Membership of Lutheran Services in America
at the Annual Meeting: Thursday, April 19, 2012

Background

LSA has three types of Board members, all equal in role and authority, but distinguished by the way in which they come to the Board:

- Class A Board members are CEOs of Lutheran health and human service organizations and the slate is elected by peer CEOs at the LSA Annual Meeting. There are nine Class A seats.
- Class B Board members are appointed by the ELCA (six seats) and the LCMS (three seats). The Executive Directors of the units at the ELCA and the LCMS to which LSA connects sit on the Board by virtue of office. A District President and a Synod Bishop are also prescribed as designations on the Board.
- Class C Board members are a newer category voted on at the 2009 Annual Meeting and addressed in Bylaw changes. These are two at-large positions to be elected by the LSA Board of Directors.

All Board members except those who serve by virtue of office can serve for a maximum of two three-year terms.

The Tasks of the Committee

The Committee's charge is to develop and recommend a slate of Class A Directors to be voted on by the social ministry organization CEOs at the LSA Annual Meeting. The Committee identifies Class C Director candidates for election by the LSA Board of Directors. The Committee also offers insights to the ELCA and the LCMS as they consider Class B Director appointments.

Class A Nominations for Recommendation to the LSA Membership

The first terms for Bill Hanawalt, Junia John-Straker, and Sam Sipes on the LSA Board of Directors end June 30, 2012 and all three are eligible for a second term. The Committee agreed unanimously to request their service for a second term and each has indicated a willingness to serve for a second term. The following slate of nominees is recommended for the open positions on the Board of Directors of Lutheran Services in America as Class A Directors:

Three-Year Terms July 1, 2012 – June 30, 2015

William Hanawalt (*Second Term*)

Executive Director, Peace Community Center, Tacoma, WA

Junia John-Straker (*Second Term*)

CEO, Lutheran Social Services of the Virgin Islands, Frederiksted, St. Croix, VI

Samuel Sipes (*Second Term*)

President and CEO, Lutheran Services Florida, Tampa, FL

Respectfully Submitted,
William Hanawalt, Committee Chair
(LSA Board), Executive Director
Peace Community Center, Tacoma, WA

Chris Andersen, Executive Director, Lutheran Community Foundation, MN

John Bauer (LSA Board), President and CEO, Bethesda Lutheran Communities, WI

Ted W. Goins, Jr. (LSA Board Chairperson), President and CEO, Lutheran Services for the Aging and Lutheran Family Services in the Carolinas, Salisbury, NC

Ruth Henrichs, CEO, Lutheran Family Services of Nebraska, NE

Fred Kraegel (LSA Board), Senior Director, Bridge Associates, LLC, VA

Bob Miles, CEO, Lutheran Child and Family Service of Michigan, MI

Pat Savage, President and CEO, Allegheny Lutheran Social Ministries, PA

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Biographical Information for the Class A Board Member Nominees

ELIGIBLE FOR THREE YEAR TERMS, JULY 1, 2012 – JUNE 30, 2115



William Hanawalt *(Second Term)*

Bill Hanawalt is the Executive Director of Peace Community Center in Tacoma, Washington. He has held this position for over a decade and enjoys living, working and going to church in the diverse, urban context of the Hilltop neighborhood where the Center is located. Peace Community Center opened its doors in 2001 and is the community-based nonprofit vision and ministry of Peace Lutheran Church. At Peace Community Center, Bill has gained skills and expertise in fundraising, community-based program development, strategic planning and start-up non-profit development. Additionally, Bill has worked extensively in building a strong collaborative relationship with Peace Lutheran Church and other local Lutheran congregations.

Bill has a Mathematics degree from the University of Puget Sound. He began his work at Peace Community Center initially as the volunteer Executive Director and has grown the Center's programming, infrastructure and strategic direction from the ground up. Today the Center, a social ministry organization of the ELCA, serves more than 500 children and youth, and 500 adults each year, with a focus on helping low-income students achieve their potential through educational attainment and developing an ethic of service. Bill, and his wife Kathy of eight years, along with their two daughters Nora and Maryn, attend Peace Lutheran Church and live within the Hilltop community. Bill is grateful for the gift of being able to serve alongside so many other people who grow and stretch his faith and teach him new lessons each day.



Junia John-Straker *(Second Term)*

Junia John-Straker is the Chief Executive Officer of Lutheran Social Services of the Virgin Islands, Inc. (LSS), a position she has held since February, 2007. With over 29 years of financial and management experience, she holds a bachelors degree in accounting. As CEO of LSS, Ms. Straker is responsible for managing the Queen Louise Home for Children (a home for neglected and abused children), Sister Emma Cottage (a home for children with disabilities), and the only Early Head Start programs in the Virgin Islands. Lutheran Social Services has a number of other programs to include housing for low income seniors and adults with disabilities, group homes for adults with disabilities, as well as providing fiduciary services to the Department of Health for the Virgin Islands Government. Outside of the work she does at LSS, Ms. Straker has served on various boards and community organizations, mostly as treasurer, on St. Croix. She also served on the Lutheran Fiscal Managers Association

board, and continues to assist churches, organizations, businesses and many individuals with accounting and tax issues. Ms. Straker is married and has two sons.



Samuel Sipes *(Second Term)*

Sam Sipes has devoted nearly 30 years to provide social work services and managing social service programs. His experience includes the following fields of practice; runaway shelters, residential treatment, foster care, domestic and international adoption, HIV/AIDS services, head start, charter schools, child nutrition, juvenile justice, family counseling, guardianship, nursing homes, adult day care, employment assistance, refugee resettlement, homeless services, affordable housing and disaster response. He has served on numerous boards, including; The Texas Society of Clinical Social Work, The Texas Alliance of Child and Family Services, The Council on Accreditation, The Texas Mezzanine Fund, The Lutheran Foundation of the Southwest and The Florida Coalition for Children. Sipes received both a Bachelor of Social Work and Master of Science in Social Work from the University of Texas at Austin.

He is a Licensed Clinical Social Worker, Licensed Child Placing Agency Administrator, Licensed Child Care Administrator, certified by the American Board of Examiners of Clinical Social Work, and is a Licensed Marriage and Family Therapist. He is a member of the Academy of Certified Social Workers, the North American Association of Christians in Social Work and has served as a graduate field instructor for the University of Texas School of Social Work.

Since 2007 Sipes has served as President and CEO Lutheran Services Florida (LSF). Prior to joining LSF, he served for 15 years as the President and COO of Lutheran Social Services of the South (LSS). Before joining LSS, Sipes was employed as a program director at the Texas Department of Mental Health and Mental Retardation, an administrator of an assisted living facility and a unit director at a residential treatment center. Sam and Jo Ann Sipes have two daughters, Carlie and Kate, who both attend Texas State University. The Sipes' are members at Grace Lutheran Church in Tampa, Florida.

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

LSA Board of Directors ROSTER April 2012

Officer	Director Name Class and Term	Organization Title and Postal Address	Other Contact Info Voice, Cell, Fax, Email
CHAIRPERSON First Term 2010-2011 Second Term 2011-2012	MR. TED W. GOINS, JR. Class A Member Term I July 2008 – June 2011 Term II July 2011 – June 2014	President and CEO Lutheran Services for the Aging and Lutheran Family Services in the Carolinas PO Box 947 Salisbury, NC 28145-0947	704-637-2870 704-798-1069 (cell) tgoin@lsanc.net
VICE CHAIRPERSON First Term 2010-2011 Second Term 2011-2012	MS. LINDA TIMMONS Class A Member Term I July 2008 – June 2010 (completed 2 years of unexpired term) Term II July 2010 – June 2013	President and CEO Mosaic 4980 South 118 th Street, Suite A Omaha, NE 68137-2220	887-366-7242 ext 1148 402-880-4357 (cell) linda.timmons@mosaicinfo.org
SECRETARY First Term 2010-2011 Second Term 2011-2012	REV. DR. DAVID L. deFREESE Class B ELCA Member Term I July 2009 – June 2012	Bishop Nebraska Synod ELCA 4980 South 118 th Street, Suite D Omaha, NE 68137	402-896-5311 402-699-0635 (cell) daviddefreese@nebraskasynod.org
TREASURER First Term 2010-2011 Second Term 2011-2012	MR. FREDERICK G. KRAEGEL Class B LCMS Member Term I July 2009 – June 2012	Managing Director Parham Partners, LLC PO Box 71840 Richmond, VA 23255-1840	804-741-1029 804-363-5010 (cell) 312-577-0879 (eFax) fkraegel@parhamllc.com Mailing Address: 1225 Hyde Lane Henrico, VA 23229
	DR. JOHN E. BAUER Class A Member Term I July 2010 – June 2013	President and CEO Bethesda Lutheran Communities 600 Hoffmann Drive Watertown, WI 53094	920-206-4401 920-248-9213 (cell) john.bauer@mailblc.org
	REV. DR. DAVID H. BENKE Class B LCMS Member Term I Oct 2006 – June 2009 Term II July 2009 – June 2012	President Atlantic District – LCMS 171 White Plains Road Bronxville, NY 10708	914-337-5700 914-337-7471 (fax) DHBAD@aol.com David.Benke@ad-lcms.org
	REV. DR. STEPHEN P. BOUMAN Class B ELCA Member Term began November 2010 Term by Tenure of ELCA Office	Executive Director, ELCA Congregational and Synodical Mission 8765 West Higgins Road Chicago, IL 60631-4190	773-380-2700 800-638-3522 X2670 773-380-2691 773-380-2707 (fax) Stephen.Bouman@elca.org
	REV. PATRICIA A. DAVENPORT Class B ELCA Member Term July 2009 – June 2012 (Beginning April 2012 to complete remainder of unexpired term)	Director for Evangelical Mission Southeastern Pennsylvania Synod, ELCA 7241 Germantown Avenue Philadelphia PA 19119	267-323-3746 215-919-6525 (cell) 267-323-3777 (fax) pdavenport@sepa.org
	REV. MELODY EASTMAN Class B ELCA Member Term July 2011 – June 2014	Senior Pastor St. Paul Lutheran Church 515 South Wheaton Avenue Wheaton, IL 60187	630-668-5953 630-668-0020 (fax) Meastman.stpaul@sbcglobal.net
	REV. ALAN ERDMAN Class A Member Term I July 2008 – June 2011 Term II July 2011 – June 2014	President and CEO Lutheran Family and Children's Services MO 8631 Delmar Boulevard St. Louis, MO 63124-1990	314-787-5100 314-808-4900 (cell) alane@lfc.org

The 2012 Annual Meeting of the Membership

LUTHERAN SERVICES IN AMERICA

Officer	Director Name Class and Term	Organization Title and Postal Address	Other Contact Info Voice, Cell, Fax, Email
	REV. JOHN FALE Class B LCMS Member Term began November 2010 Term by Tenure of LCMS Office	Interim Executive Director, LCMS World Relief and Human Care (WRHC) 1333 S. Kirkwood Road St. Louis, MO 63122	314-996-1384 314-346-1383 (cell) John.Fale@lcms.org
	MS. WENDY Z. GOLDSTEIN Class A Member Term I July 2010 – June 2013	President and CEO Lutheran Medical Center 150 55 th Street Brooklyn, NY 11220	718-630-7300 914-462-0002 (cell) wgoldstein@lmcmc.com
	MR. WILLIAM HANAWALT Class A Member Term I July 2009 – June 2012	Executive Director Peace Community Center 2106 South Cushman Avenue Tacoma, WA 98405	253-383-0702 ext. 102 253-219-8275 (cell) billh@peacetacoma.org
	DR. BRIAN F. HOFLAND Class B ELCA Member Term I July 2010 – June 2013	Director, Strategic Development National Council on Aging 1901 L Street NW, 4th Floor Washington, DC 20036	202-479-6671 914-325-4797 (cell) Brian.Hofland@ncoa.org Brian.F.Hofland@gmail.com Mailing Address: 460 L Street NW # 603 Washington, DC 20001
	MS. JUNIA JOHN-STRAKER Class A Member Term I July 2009 – June 2012 (to complete 1 year of unexpired term)	Chief Executive Officer Lutheran Social Services of the Virgin Islands 516 Hospital Street Frederiksted, St. Croix, VI 00840	340-772-4099 x22 juniajohnlssvi@yahoo.com
	DR. JOHN R. SEFFRIN Class C Member Term I July 2010 – June 2013	Chief Executive Officer American Cancer Society, Inc. 250 Williams Street Atlanta, GA 30303	404-329-7602 404-417-8017 (fax) 678-612-5892 john.seffrin@cancer.org
	MR. SAMUEL SIPES Class A Member Term I July 2009 – June 2012	President and CEO Lutheran Services Florida 3627 A West Waters Avenue Tampa, FL 33614	813-676-9500 813-446-4254 (cell) ssipes@lsfnet.org
	DR. ROBERT TUTTLE Class B ELCA Member Term I July 2008 – June 2011 Term II July 2011 – June 2014	Professor of Law David R. and Sherry Kirschner Berz Research Professor of Law and Religion The George Washington University Law School 2000 H Street NW Washington, DC 20052	202-994-8163 202-236-0518 (cell) rtuttle@law.gwu.edu Mailing Address: 4911 Sherier Place NW Washington, DC 20016
	MS. ANN VAZQUEZ Class A Member Term I July 2011 – June 2014	President and CEO Lutheran Foundation of St. Louis 8860 Ladue Road, Suite 200 St. Louis, MO 63124	314-231-2244x4 314-497-7652 (cell) ann@lutheranfoundation.org
Board Adjunct			
THEOLOGIAN IN RESIDENCE	REV. DR. R. REED LESSING Board Appointed /LCMS Rotation Year I / Calendar Year 2012	Professor of Exegetical Theology and Director of the Graduate School Concordia Seminary 801 Seminary Place St. Louis, MO 63105	314-505-7148 314-520-0255 (cell) lessingr@csi.edu