

## Treasurer's Report

June 8, 2018

In the Treasurer's Report for this year, I'll be providing a review of the recently completed fiscal year and some brief comments on the current year. Continuing with what we started last year, in addition to an explanation of the changes included in the proposed budget for 2019, I'll provide a narrative version of the budget, along with the usual spreadsheet style format

### Financial status at the close of the recently completed fiscal year

For most of the year, 2017 appeared to be taking a similar track to our recent years. That track being to begin the year with several months of good congregational support, a gradual decrease in the remainder of year, then ending with an overall decrease in giving as compared to the previous year. However, in 2017, something different happened! We started the year in similar fashion, experienced a typical decline in giving, but then finished the year with three strong months of congregational support. In addition, during the latter part of the year, we had positive results from a couple of appeals for additional giving. All told, we ended the year on a high note with not only a budget surplus, but also an increase in giving over the previous year!

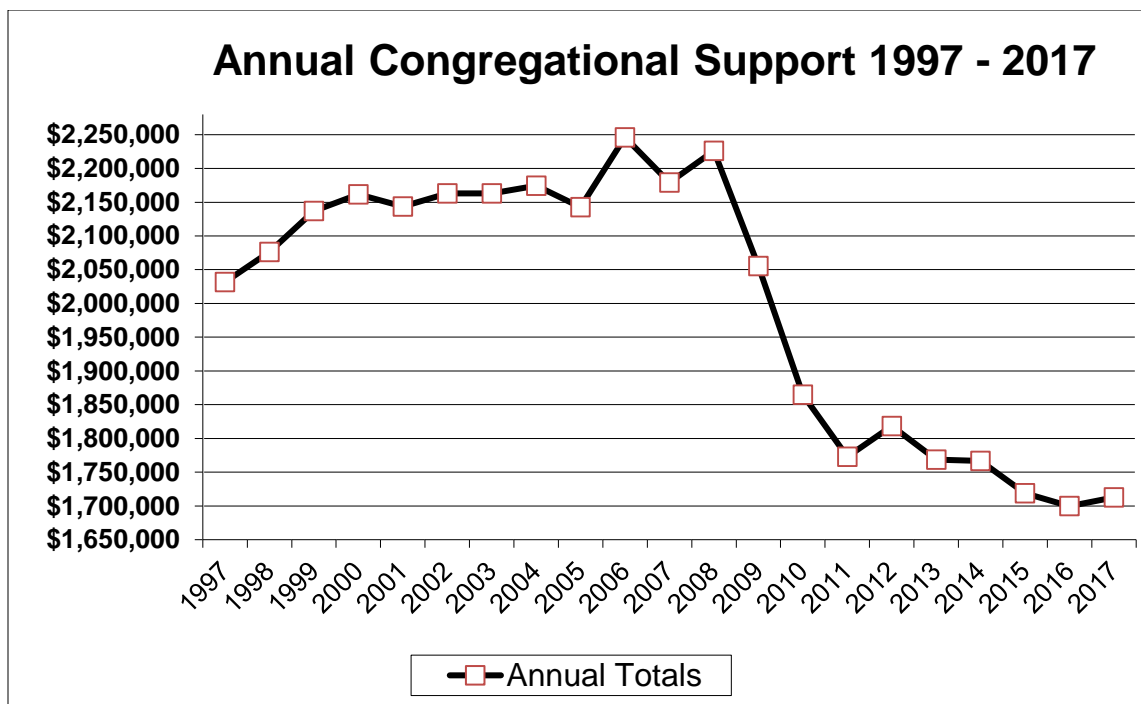
### Income vs. Expenditures

Total Expenditures for operations for 2017 were \$1,759,463. Total Revenue & Support was \$1,784,680, which was \$3,874 more than anticipated and \$30,142 **MORE** than the previous year. The synod ended the year with a \$25,217 surplus in our operating budget, as compared to a \$12,038 surplus in 2016. The spending reductions implemented during the year, along with the increase in support from our congregations helped to achieve this surplus.

A detailed listing of the actual income and expenditures for 2017 is included in the attached budget spreadsheet. Refer to the "FYE 1/31/2018 Actual" column for the year 2017.

### Congregational Support

The synod experienced a 0.8% increase of \$13,090 in congregational support from the previous year, rising from \$1,699,683 to \$1,712,773. Yes, that is correct, giving increased from 2016 to 2017! As you can see in the graph that follows, this is the first time since 2012 that this has happened and is only the second time in the last nine years.



A report detailing the support received in 2017 from each congregation of the synod is attached as a part of my annual report. I encourage you to look up the amount contributed by your congregation and the annual intent for the year to make sure that they are correct and accurately represent your congregation's wishes.

### ELCA Churchwide

In 2017, the synod continued to contribute to the Churchwide organization at a 50% rate. This means that half of the donations received from our congregations and from the annual appeals are shared with the larger church. The total contributed to Churchwide was \$866,742; which was an increase of \$13,009 or 1.5% from the previous year.

### Annual Audit

The annual audit of our accounts and practices for the 2017 fiscal year has been completed and it was considered a "clean" audit. A few copies of the audited financial statements are available for review at the Assembly and an electronic version is available on the synod web site.

### Remembering in Gratitude

I want to take this opportunity to acknowledge two generous gifts that the synod received during this past year. Both of these gifts were received because of life passages, so as we rejoice in receiving these gifts, we also gratefully remember and honor the generous donors that made these gifts possible.

We were blessed to receive the first gift from the estate of Mr. William Betker for \$383,607. Mr. Betker was a member of St. James in Kansas City, Missouri. This gift was received without restrictions, and per the Synod Council, was entrusted to the Mission Endowment Fund, where it was used to start a new fund known as the Central States Legacy Fund. The earnings from this fund will be used to support four areas of ministry: youth and young adults, leadership development, "new look" ministries, and uplifting current ministries.

The second gift was received from the congregation of Faith Lutheran Church in Prairie Village, Kansas upon their closing. The synod received a generous donation of \$125,000 with the instruction that it be used to increase the principle of the Hackler Scholarship fund, which is one of the existing Mission Endowment funds. This fund is used to provide scholarships for seminary students from the state of Missouri. We are grateful for this action by the members of Faith in promoting new ministry possibilities while ending their own ministry.

### **Current fiscal year budget, calendar year 2018**

The Synod Council revised the approved budget for the current fiscal year to create a "spending budget" that takes into account additional or new information received since last year's assembly. This spending budget is included in the attached budget spreadsheet as the "Revised" column for 2018 (FYE 1/31/2019).

For the 2018 spending budget, the following key changes were made:

- a. Lowered expectations for reimbursements to be received by \$23,000
- b. Lowered the anticipated expenses for Synod Salaries & Benefits by \$15,500
- c. Increased the amounts for Travel by \$2,000
- d. Decreased the expected expense for the Region IV partnership by \$1,300
- e. Decreased the amount of Depreciation expected by \$2,800

These changes resulted in a balanced spending budget for the year at a spending level that is \$23,000 lower than the approved budget.

The Mission Budget team will be revisiting the budget on a regular basis to take into account the actual year to date revenue and expenditure amounts and may make recommendations to the Synod Council for additional changes, if necessary.

## **Proposed budget for calendar year 2019, Fiscal Year Ending January 31, 2020**

The proposed budget for the fiscal year ending on January 31, 2020 is shown in the attached budget spreadsheet for your consideration. This is shown in the "Proposed" column for the year 2019 (FYE 1/31/2020) in the attached budget spreadsheet. This budget will be presented for approval during the Assembly.

The over-arching theme for this budget is the further reduction of anticipated support from the congregations and significant adjustments in the Oversight and Pastoral Care expense items.

The key changes for the 2018 budget are explained below:

### **Support & Revenue**

- The projected congregational support is estimated at \$1,640,000. This is a \$20,000 decrease from the amount of support estimated in the 2018 revised budget (line 1).
- The projected amount of Reimbursement/Other Income has been increased by \$4,400 to reflect some additional anticipated reimbursements to be received. (line 6).

### **Expenditures**

- The amount contributed to ELCA Churchwide will decrease to \$825,000 as a result of the decreased estimated support received from congregations. The contribution rate will remain at 50% (line 7).
- The Synod Salaries & Benefits line item was set at \$508,147 to reflect a 1% increase for the entire staff and an additional increase for the administrative staff. Additional details for these compensation amounts are available in the breakout documents attached to the budget. (line 41)
- The Campus Ministry Salaries & Benefits line item was reduced by \$10,000 to \$135,000. This decrease in the budget will be offset by using restricted funds that were originally set aside for campus ministry. (line 42)

The changes highlighted above will provide for a balanced budget.

As I mentioned in the beginning of my report, in the pages that follow, you will find both the usual spreadsheet style budget and a narrative version of the budget that helps to better relate the dollars to the ministries of the synod.

I would like to express my thanks to the members of the Mission Budget Team for all of their good work throughout the year. During this past year, the members of the team were:

Bishop Roger Gustafson  
Dennis Allerheiligen  
Rev. Loren Mai  
Tom Nelson  
Barbara Beadle  
Rev. Susan Candea

It is a blessing and privilege to be able to work with each of these faithful stewards.

Respectfully submitted,

Scott Schulte  
Treasurer