

**Western Iowa Synod ELCA
Treasurer's Report
Fiscal Year 2022**

The year 2022 felt a little like a roller coaster ride where we saw the stock market go up, go down, pause, and then take off again. Additionally, interest rates increased throughout the year which benefited some and caused concern for others. Individuals, businesses, and non-profit organizations continue to be impacted by raised costs on most products/services that were purchased/used in the past year. These were a few of the financial situations that our churches and members faced in the past year. As I look back at my notes from conversations and meetings I had on these subjects over the past year or so. There is a common question the came out of these conversations. How is Churches of Western Iowa Synod weathering these financial challenges?

There are many factors in play with this question, membership health (are the congregations growing or at minimum stable), congregational investment/budgeting practice, does the church have debt, and stewardship program. Beyond these factors, there is a factor that I believe is the biggest determiner of financial success for the Church and that is the communication piece. Congregations that actively talk about their mission goals, finances, and stewardship (time/talent/giving goals) are weathering these types of economic conditions better.

Communication is not a new discussion topic in my Treasurer Report but it's an area where we must continue to improve on. We talk about transparency and communication at every Synod Council meeting, with a focus on showing what the Church is doing. Finances can be a tricky subject to communicate about in the Church. It's a topic that sometime feels like a forbidden subject in the Church. When you look at a congregation, it is made up of a wide range of wage earners, members who have different investment/spending theologies, and different thoughts on how and where the church should use "their donations." These factors are causing financial challenges with churches big and small and throughout the country.

The Church is seeing more donations that have restrictions on when and how they can be spent. Less donations going to pay monthly bills and more to special projects/offerings. Monthly giving to the Church not increasing at the same rate as the monthly expenses of the Church. Lastly, inconsistency in giving and the impact on monthly cashflows for the church especially during the summer months. These challenges are not new, but the pressure is building significantly as less people are regularly attending church and more restrictions are being put in place. You will see some of these factors in the Western Iowa Synod financials for this year.

Primary source of receipts for the Western Iowa Synod, ELCA is mission support from its congregations. During fiscal year 2022, congregations of the Western Iowa Synod, ELCA gave \$739,320 in mission support which was down \$54,063 from what was received from congregations in the prior fiscal year. Also noted on the year end reports, event registrations, administrative reimbursements, interest income, equity transfers, and other miscellaneous income provided additional operating funding.

The Synod used the congregation mission support income received in 2022 to support the wider mission of the church by sending \$261,809 to the ELCA churchwide organization (this amount is 35.41% of mission support), \$9,999 to Iowa Lutheran Campus Ministries, \$10,000 to seminaries (Wartburg and LSTC) and \$54,812 to Lutheran Services in Iowa. The \$261,809 in mission support was a decrease of \$24,261 to Churchwide from the prior year. Mission support also supported programs and events (\$279,094), Synod team member salaries and benefits (\$467,212) and office resources of (\$74,344). The 36.40% of congregational mission support sent to the churchwide organization was better than the budgeted goal of 31.11%

In summary, mission support from the Western Iowa Synod, ELCA congregations was approximately \$54,000 less than the previous fiscal year. The Western Iowa, Synod was able to send \$261,809 to Churchwide. Income and expenses pertaining to mission partners, such as companion synods, are included in our operating budget reports due to our auditor's recommendation. In addition, \$9,999 was distributed to Iowa Lutheran Campus Ministries and \$10,000 to the seminaries in our region (Wartburg and LSTC).

Spending Plan for Fiscal Year 2023

The Western Iowa Synod, ELCA Council has reviewed the proposed budget and approved it at the January 2023 Council meeting for the fiscal year beginning February 1, 2023, and, with recommendations from the synod finance committee and executive committee, has developed a revised budget for 2023.

As part of the 2023 revised budget, mission support income from congregations is estimated to be \$720,000. Of the mission support income, 44.48% (\$320,262) will be distributed to the ELCA churchwide organization. The budgeted amount to send to University of Northern Iowa Campus Ministries (\$5,000), Waldorf University (\$10,000), and the seminaries (\$10,000) was changed in the revised budget.

It is recommended that any additional mission support (above \$720,000) be distributed to the ELCA churchwide organization until the total amount distributed would reach a level of 49.75% of total mission support, income received from Western Iowa Synod, ELCA congregations. At that point, if there would be any additional mission support, it would be shared between the ELCA churchwide organization and other agencies and institutions.

The balance of expenses in the 2023 revised budget are based on historical patterns, as well as estimates provided by Synod team members and Networks of the Synod.

Proposed Budget for Fiscal Year 2024

The proposed budget for the fiscal year beginning February 1, 2024, projects an estimated \$730,000 in mission support. Of that amount, 41.62% is recommended to be distributed to the ELCA churchwide organization. Mission support above the budgeted amount of \$720,000 would be passed on to the churchwide organization.

Independent Auditor's Report

The certified public accounting firm of Williams & Company P.C., Spencer, Iowa will be auditing the Synod's statements of assets, liabilities and net assets – cash basis, and the related statements of receipts, disbursements, and changes in net assets – cash basis and cash flows – cash basis for the years ended January 31, 2023 and 2022. The audit is scheduled for June 2023. The financial information provided for at Synod Assembly is unaudited for year ended January 31, 2023 and is subject to change based upon recommendations from the upcoming audit.

Finance Committee

Synod finance committee members during the past year were Rev. Cole McCormick, Estherville; Julie Sievers, Storm Lake, Kathy McEnelly, Forest City and Michael Jacobson, Emmetsburg. The finance committee oversees the financial soundness of the Synod and invests a great deal of time and energy in the budget planning process. A big “Thank You” is extended to all of the members for their efforts and assistance.

In particular, I thank all of the Synod team members, especially Bishop Lorna Halaas and Kay Broich, for their stewardship of the finances of the Synod.

Michael Jacobson
Treasurer