

Western Iowa Synod ELCA Treasurer's Report

Report of Fiscal Year 2019

The 2019 fiscal year was a year of transition from a financial standpoint. Significant transactions occurred with staff changes, severances given to the previous staff and normal transitional costs associated with a Bishop Election. With all the changes that took place in 2019, the Western Iowa Synod stayed within budget for the fiscal year.

The primary source of receipts for the Western Iowa Synod, ELCA is mission support from its congregations. During fiscal year 2019, congregations of the Western Iowa Synod, ELCA gave \$843,544 in mission support which was down \$7,264 from what was received from congregations in the prior fiscal year. For informational purposes, in 2018 the Western Iowa Synod cashed in a certificate of deposit (CD) of \$33,500 which was included in mission support to offset churchwide mission support shortages. If you would remove the CD transaction out from the previous year, mission support income in 2019 was actually up by \$26,236 compared to the prior fiscal year. As 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 2019 to support the wider mission of the church by sending \$260,131 to the ELCA churchwide organization (this amount is 30.8% of mission support), \$20,000 to Iowa Lutheran Campus Ministries and \$10,000 to seminaries (Wartburg and LSTC). Mission support also supported programs and events (\$153,545), Synod team member salaries and benefits (\$483,732) and office resources of (\$91,465) to the Synod. The 30.8% of congregational mission support sent to the churchwide organization was better than the budgeted goal of 27.2%

In summary, mission support from the Western Synod, ELCA congregations was approximately \$26,236 better than the previous fiscal year. Overall mission support was down by \$7,264 than the previous fiscal year but you need to take into account the undesignated CD of \$33,500 that was included in 2018 mission support income. 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, \$20,000 was distributed to Iowa Lutheran Campus Ministries and \$10,000 to the seminaries in our region (Wartburg and LSTC).

Spending Plan for Fiscal Year 2020

The Western Iowa Synod, ELCA Council has reviewed the proposed budget approved at the 2019 Synod Assembly for the fiscal year beginning February 1, 2020, and, with recommendations from the synod finance committee and executive committee, has developed a revised budget for 2020.

As part of the 2020 revised budget, mission support income from congregations is estimated to be \$860,000. Of the mission support income, 38.3% (\$329,390) will be distributed to the ELCA churchwide organization. The budgeted amount to send to Iowa Lutheran Campus Ministries (\$20,000) and the seminaries (\$10,000) was not changed in the revised budget.

It is recommended that any additional mission support (above \$860,000) 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 2020 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 2021

The proposed budget for the fiscal year beginning February 1, 2021 projects an estimated \$880,000 in mission support. Of that amount, 39.3% is recommended to be distributed to the ELCA churchwide organization. Mission support above the budgeted amount of \$880,000 would be passed on to the churchwide organization.

Independent Auditor's Report

The certified public accounting firm of Hunzelman, Putzier & Co., PLC, Storm Lake, Iowa audited 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, 2020 and 2019. The audit was conducted in accordance with generally accepted auditing standards and, in the opinion of the firm, the financial statements presented fairly, in all material respects, the assets, liabilities, and net assets of the Western Iowa Synod, ELCA as of January 31, 2020 and 2019, and its receipts, disbursements, and changes in net assets and cash flows for the years ended on a modified cash basis of accounting. The audit report is available in the synod office.

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

