

Treasurer's Report

General Fund

The regular operations and activities of the ECSW are processed through our general fund: Revenue, Expenses, Assets and Liabilities. The Synod's Fiscal Year is February 1 through January 31. A summary of the Assets and Liabilities as of 1/31/2023 and 1/31/2024 is attached to this report. A summary of the Revenue and Expenses for Fiscal Years beginning February 1 of 2020, 2021, 2022 and 2023 is included in the 2025 Narrative Budget Presentation in the pre-printed materials for the Synod Assembly. All figures presented for the 2023 Fiscal Year are pre-audit.

The sale of the ECSW Center for Mission took place in December, 2023. The proceeds of the sale, net of closing costs, were \$805,245. These funds have been placed under the care of the Endowment Committee. Year end asset values presented in this report include the proceeds of the sale. The booked profit from the sale was \$606,203 (sales price less book value net of depreciation). Although this is income during the 2023 Fiscal Year and will be included as 2023 income in audited financial reports, I have elected to exclude its impact from revenue and profit/loss values in this report and in the 2025 Budget Comparison exhibits as it is a non-recurring event which would significantly distort year-to-year and actual-to-budget comparisons. Similarly, approximately \$30,000 of unbudgeted Fiscal Year 2023 expenses for the Center for Mission have been excluded from expense and profit/loss values in this report and in the Budget Comparison Exhibits.

In total for 2023, and excluding the impact of the building, the Synod's Expenses exceeded Revenue by \$12,000. Both Revenue and Expenses were well below budget: Many planned Synod Events and Initiatives as well as last year's Synod Assembly were reduced in scope, held virtually, or canceled; this unfortunately reduced Mission opportunities but did also contribute to reduced expenses for the Synod this past year.

The Synod's primary source of funding is from Mission Support from Congregations. Congregations provided approximately \$1,186,000 in 2023 which was 1% higher than the prior year but approximately 15% below the 2023 budget. Forty-five percent of this funding was forwarded to the ELCA National Office for their general operational needs and another 5% was used for Seminary Support.

Synod Events and Initiatives had budgeted revenue of \$95,000 and budgeted expenses of \$150,000 for Fiscal Year 2023; actual revenue and expenses were only \$63,000 and \$68,000, respectively.

An additional source of funds which supports the Synod's missions is the quarterly distributions from the Endowment Funds. Each year the distribution is 5% of the Endowment Assets (average assets over the past 3 years); in 2023 this provided \$74,000 to support the Synod's missions. As a result of the sale of the Center for Mission and the resulting increased size of the investment pool, the anticipated 2025 Endowment Support is \$120,000.

Total Assets of the ECSW stand at \$3,284,938 as of 1/31/2024, up \$587,662 from 1/31/2023. The building sale accounted for more than 100% of this increase but was offset somewhat by a reduced level of accounts payable and designated gifts received but not yet paid.

Endowment Fund

The Synod Endowment Fund increased in value from \$1,126,000 to \$1,988,000 this past year. The Romaine Gallmeier Trust likewise increased in value from \$270,000 to \$277,000 this past year. The investment strategy has not changed from prior years, but because of the large cash infusion late in 2023 from the building sale, the endowment portfolio ended the year more liquid than in previous years; approximately 11% of these assets are currently held in Cash or Cash Equivalents, 22% in Bonds and 66% in Equities.

Approximately \$371,000 of the Endowment Funds is Permanently Restricted as to their use (primarily Seminary Student support). Remaining Endowment Funds are either Temporarily Restricted or Unrestricted as to their use.

2022 Audit

Erickson & Associates of Appleton, WI have been retained to perform an audit of the Fiscal Year 2023 Financial Statements in accordance with Generally Accepted Accounting Principles. As of the date of the preparation of this Treasurer's Report for the pre-printed materials for the Synod Assembly, the Audit has not been completed.

Submitted by John Herder, ECSW Treasurer