

TREASURER'S REPORT

EAST CENTRAL SYNOD OF WISCONSIN

MAY 2019

ACCOUNTING PROCESS UPDATE

The ECS transitioned to a new software based accounting platform for the most recent fiscal year. The new software resulted in enhancements to timeliness of financial information and the simplification of reporting. It has also enhanced the efficiency and effectiveness of our budget management and accounting process.

Our audit will be completed by Erickson & Associates and is currently in process. Results of that audit will be available for review once completed.

GENERAL AND ENDOWMENT FUND

The regular operations and activities of the Synod are processed through our general fund of assets, liabilities, income and expenses. Our Synod also has an endowment which is accounted for separately. The attachment summarizes the assets and liabilities of our general fund and endowment. A detailed description of our income and expenses is presented in the budget section of the pre-print materials.

Preliminary (unaudited) total results for the year were positive. The General Fund was slightly positive to budget, and resulted in a slight actual gain without depreciation. Revenues were 91% of budgeted income of \$1,738,800. Expenses were 95% of the budgeted expenses of \$1,700,218. ECS net assets were \$2,158,433 and total liabilities were \$198,225. Net assets and liabilities total \$2,356,658.

Mission support income of \$1,382,758 was \$6,650 more (.48%) than the previous year's total amount of \$1,376,108. The Synod contributes 50% of that revenue directly to the ELCA. When combined with distributions for partnership grants and ministry grants/programs the total direct support to mission partners is approximately 60% of the total actual expense.

The Synod endowment value was negatively affected by the weak equity markets in the 4th quarter of 2018. The fund maintains approximately 75% of its value in stocks and 25% in bonds. Endowment assets declined year over year from \$1,136,256 to \$1,054,712. Total full year income received from the endowment was \$47,622. The endowment policy allows for 5% of the endowment assets (calculated as an average over the previous 12 quarters) to be used by the Synod. The funds distributed are used generally according to the wishes of the donors, such as for mission development and redevelopment, seminary scholarship and other needs as necessary. The endowment provides critical ongoing financial support to perpetually provide financial resources with which to fund the ongoing mission of the Synod.

ARISE CAMPAIGN

Total ARISE contributions for the year were \$113,674. The Campaign will continue to generate receipts over the next several years in order to support the mission of the Synod. Based on current pledges and receipts a Communications Director was hired by the Synod during the year. Additional expenses are anticipated consistent with the Campaign's stated mission and proper fiscal management of the contributions.

Respectfully submitted,

Daniel Evensen
Synod Treasurer
May 2019