



SECTION E – FINANCIAL REPORTS

Treasurer’s Report	E2-E3
Financial Fact Sheet	E4
FYE 1/31/24 Consolidated Fund Activity Report.....	E5
FYE 1/31/26 Proposed Budget	E6-E7
Narrative / Missional Budget	E8
Synod Staff Compensation Overview (as of March 2024)	E9
2025 Compensation Guidelines	published separately (www.mittensynod.org)
FYE 1/31/24 Audited Financial Statements	published separately (www.mittensynod.org)
ELCA Foundation Ministry Growth Fund Report	published separately (www.mittensynod.org)

Treasurer’s Annual Report
For Fiscal Year Ended January 31, 2024

Submitted by Daniel L. Carter, Treasurer

With God’s help and encouragement, the North/West Lower Michigan Synod continues to be in exceptional financial condition. In 2023 we had a particularly good year financially. Our recently completed audit indicates that we are maintaining our financial stewardship consistent with prior years. We ended the year with results that surpassed our budget – please see page 31 of the Audit Report.

The unrealized losses with our investments we experienced last year turned around this year to the tune of over \$300,000. For the year ended 1/31/24, our Change in Net Assets increased \$152,872. Our mission support, though under budget, still surpassed the prior year by about \$14,000. Incredibly, with the primary help of our investment returns and in-person Synod Assembly this year, our Total Revenues and Support increased by \$341,000 (including unrealized gains on investments) for the year versus the prior year.

Despite the significant increase in revenues, the Synod’s total Operating Expenses for the year increased by only \$6,000, even with the higher cost of hosting an in-person Synod Assembly. Our Auditor’s Letter of Comments was consistent with the prior year, and we had no material deficiencies.

Condensed Financial Profile
For the Fiscal Years Ended January 31, 2024, and 2023

Description	2023-24	2023-23	Variance
Total Operating Revenue & Support	\$1,634,583	\$1,293,895	\$340,688
Total Operating Expenditures	\$1,481,711	\$1,475,682	\$ 6,029
Change in Net Assets	\$ 152,872	\$ (181,787)	\$ 334,659
Investment Return – Net	\$ 199,915	\$ (138,135)	\$ 338,050

Please note that without the positive investment return, we would have had a negative Change in Net Assets of about \$47,000. However, we budgeted for this to be a negative \$57,000. In the last 3 or 4 years, we have outperformed our budgets and built our reserves more than needed. So, we are budgeting to work this down over the next couple of years, but still leaving us with a sufficient financial cushion for tougher times. Please remember that in the past, we have experienced large unrealized investment losses, and these are likely to happen again, especially after such a worthwhile investment year.

We continue to share 50% of our congregations’ Mission Support with ELCA Churchwide to support the ministries of our larger Church. This proportionate share totaled approximately \$608,000 last year.

With the help of our auditors and staff we have consistently improved our fiscal management, oversight, and reporting system. Please review the audited financial statements.

- Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.
- Note 1 includes an excellent summary of the Synod's Programs.
- Note 10 lists the various endowments and funds held by the Synod and whether they are subject to restrictions.
- Page 7 illustrates that for the last year, 86% of our resources were used to fund Program Services. Last year it was 88%. Our auditors consistently point to this ratio and congratulate us on our efficiency and commitment to mission.

For the 2023-24 year we evolved back to a more pre-covid operation. However, just like the rest of the country, we have learned how to utilize technology and other recent innovations to achieve greater efficiencies and still meet the goals of our strategic plan for the Synod.

For the 2024-2025 year and 2025-2026 year we have adjusted our annual budgets to align with anticipated reductions in mission support and reflect the realities of the current economy. We greatly appreciate the financial support we have received during this last year, despite challenging trends and social changes.

The Synod continues to manage its operation in a very dynamic environment, but we are committed to maintaining an efficient stewardship of our resources.

Respectfully, I submit the Synod's annual audit report and related financial information for your review.

FINANCIAL FACT SHEET 2024

- ❖ As of January 31, 2024, the North/West Lower Michigan Synod held \$1,146,288 in unrestricted net assets, \$589,993 of which live in the ELCA Foundation Ministry Growth Fund (formerly Pooled Trust Fund A.) Some of these funds are designated, while others support the synod’s general operations.
- ❖ Other net assets held in the ELCA Foundation Ministry Growth Fund total \$1,881,665 and are bound by donor restrictions

Inside (established by) the synod:

New and Renewing Mission	\$254,452
Seminary Education Fund	\$205,428
Honduras Education Fund	\$59,320

Outside the synod (established by others):

Trapp Fund (up north)	\$451,202
Wilson Fund (Saginaw)	\$366,687
Grace Fund (Saginaw)	\$544,577



- ❖ These funds have seen increases as the market rebounds from 2022 losses.
- ❖ Congregations gave \$1,215,497 in undesignated mission support to and through the synod.
- ❖ We continue to be a 50% synod forwarding \$607,775 for the work of the ELCA domestically and internationally. We are the second highest percent synod in our region
- ❖ Fund Balance is the difference between cumulative revenue and expenses. It is an indicator of financial health. Most healthy organizations keep a Fund Balance of 10-15% of annual operating expenses. The synod unrestricted-undesignated (aka General Operating) Fund Balance at the end of 2023-24 was \$146,740, roughly 11% of annual operating expenses.
- ❖ After creating a Synod Disaster Fund from offerings at the 2017 Synod Assembly, in 2023 we were able to give disaster grants to: Lutheran Disaster Response for the Middle East Earthquake in Turkey and Morocco, and wildfires in Maui for a total of \$22,268.
- ❖ The Synod received a Congregational Vitality Grant that has been used over several years to fund resources for congregations, including the book You Will Be My Witnesses for use by congregational leadership.
- ❖ Bishop Satterlee was instrumental in creating the Living Stones program. It is an invitation for those individuals who wish to give to the work of the church beyond their local congregation and support the work of the synod. Living Stones members gave \$5,085 in 2023. So far in its history it has generated income over \$55,000 to be used for enhancing the work of the synod.
- ❖ A recent report for the ELCA on future trends stated that Campus Ministry and Outdoor Ministry were the two places where we made the greatest impact on youth and young adults. With an annual ELCA grant of \$13,000 and synod funds of \$42,000, we were able to support four Lutheran Campus Ministries in the synod: One Community - University Lutheran @ Michigan State; Matrix @ 4 ELCA congregations in Kalamazoo and Battle Creek @ Western Michigan; Immanuel, Mt Pleasant @ Central Michigan; and our newest United Campus Christian Fellowship @ Grand Valley State University, Grand Rapids Community College, and Kendal School of Design.

North/West Lower Michigan Synod - Dewitt MI
Consolidated Fund Activity Report for FYE January 31, 2024

Account Name	Beg Balance (2/1/23)	Receipts	Disbursements	Transfers/JE's	End Balance (1/31/24)	Net Change
Unrestricted - Undesignated Balance	509,326	1,347,987	1,355,389	(355,183)	146,740	(362,586)
Unrestricted - Designated Balance						
Synod-designated Endowment Fund Balance	566,255	23,738	0	0	589,993	23,738
Synod Staff Growth Fund Balance	3,835	5,417	0	167,093	176,345	172,510
Cash Flow Reserve Balance	14,620	0	0	186,090	200,710	186,090
Automobile Purchases Balance	7,500	0	0	0	7,500	0
Severance Pay - Called Staff Balance	20,000	0	0	0	20,000	0
Shared Risk Deductible Balance	5,000	0	0	0	5,000	0
Funds with NO donor restrictions	1,126,536	1,377,141	1,355,389	(2,000)	1,146,288	19,752
Auditor's "Net Assets Released from Restriction" entry		123,842	123,842		0	0
	1,126,536	1,500,983	1,479,231	(2,000)	1,146,288	19,752
Endowment-related Temporarily-restricted Balance						
Paul E Trapp Endowment Balance	155,309	33,943	17,596	0	171,656	16,347
Honduran Education Endowment Balance	59,856	4,463	0	(5,000)	59,320	(537)
New and Renewing Congregations Endowment TR	81,942	18,514	0	0	100,455	18,514
Seminary Education Assistance Endowment Fund TR	35,168	16,044	1	0	51,211	16,044
Grace Mission Endowment Fund TR Balance	73,831	39,958	17,000	0	96,789	22,958
Wilson Trust Endowment Fund TR Balance	351,976	26,801	12,090	0	366,687	14,711
Temporarily-Restricted Funds Balance						
Bishop's Fund Balance	6,405	300	0	0	6,705	300
Bishop's Teaching Fund Balance	3,537	4,000	2,395	0	5,142	1,605
Closed Congregations Balance	22,250	23,796	0	0	46,046	23,796
Connect Grants Balance	13,280	0	10,700	0	2,580	(10,700)
James 3:17 Fund Balance	24,521	11,645	2,000	0	34,166	9,645
Outreach Balance	23,270	6,492	500	0	29,262	5,992
Synod Disaster Relief Fund Balance	47,478	6,683	22,193	0	31,968	(15,511)
Berttina W Helmers Trust Balance	5,677	0	2,000	0	3,677	(2,000)
Adult Theological Education Fund Balance	23,076	0	5,000	0	18,076	(5,000)
Coalitions / Multicultural Ministry Fund Balance	32,354	300	0	0	32,654	300
Papua New Guinea Balance	2,517	635	0	0	3,152	635
Honduras Health Team Salud Para la Vida Balance	774	9,939	10,100	6,297	6,910	6,136
Honduras Three P's Balance	605	0	0	(605)	0	(605)
Honduras LaCanada Balance	692	0	0	(692)	0	(692)
Honduras Companion Balance	6,398	0	0	0	6,398	0
New and Renewing Congregations T-R Balance	4,218	0	1	0	4,217	(1)
Seminary Education Assistance T-R Balance	60,531	887	0	0	61,418	887
2020 Women's Jubilee Scholarship Balance	1,785	0	0	0	1,785	0
Portico Benefits Support Balance	0	10,000	0	0	10,000	10,000
Youth Gathering Fund Balance	0	6,000	8,750	5,000	2,250	2,250
Seminary Debt Reduction Bal	27,750	1,039	16,000	0	12,789	(14,961)
Permanently-Restricted Balance						
Paul E Trapp Endowment Fund P-R Balance	279,545	0	0	0	279,545	0
New and Renewing Congregations P-R Balance	120,997	33,000	0	0	153,997	33,000
Seminary Education Assistance P-R Balance	154,216	0	0	0	154,216	0
Grace Mission Endowment Fund P-R Balance	447,788	0	0	0	447,788	0
Funds WITH donor restrictions	2,067,746	254,439	126,326	5,000	2,200,859	133,113
Auditor's "Net Assets Released from Restriction" entry		(123,842)	(123,842)		0	0
	2,067,746	130,597	2,484	5,000	2,200,859	133,113
TOTAL ALL FUNDS	3,194,282	1,631,580	1,481,715	3,000	3,347,147	152,864

North/West Lower Michigan Synod Unrestricted-Undesignated Fund Proposed Budget 2025-26 Fiscal Year End 01/31/26		Column A FYE 01/31/23 2022-23 Two years ago	Column B FYE 01/31/24 2023-24 Last Year	Column C FYE 01/31/24 2023-24 Last Year	Column D FYE 01/31/25 2024-25 This Year	Column E FYE 01/31/26 2025-26 Next Year
		ACTUAL	ACTUAL	BUDGET	BUDGET	BUDGET
1	Unrestricted - Undesignated Fund Revenue					
2	Mission Support	1,201,099	1,215,497	1,320,000	1,212,950	1,200,000
4	Leadership Events Revenue	5,370	575	5,000	2,000	600
5	Synod Assembly Revenue	4,250	40,550	60,000	5,000	49,700
7	Synod Events Revenue	2,080	5,660	500	1,000	5,600
8	Pulpit supply, travel reimbursement, other	44,901	9,311	5,000	5,000	7,500
9	Living Stones Current Year Revenue	15,650	5,085	12,000	12,000	4,200
11	Interest	1,834	11,344	400	1,500	7,500
12	ELCA Foundation Ministry Growth Fund Distributions	23,599	26,048	25,000	25,000	25,000
14	Grants (\$10K from churchwide for DEM)	10,000	10,000	10,000	10,000	10,000
15	Campus Ministry (churchwide grant)	18,730	13,730	13,728	13,728	13,728
16	Equipping Leaders for Mission and Ministry	670	0	3,000	0	0
18	Ministry	750	0	0	0	0
19	Mission Support Table	2,740	1,530	0	0	0
21	New and Renewing Mission Table	517	1,049	0	0	0
22	Candidacy	1,200	1,200	7,200	1,000	1,200
23	Gain/(Loss) on Disposal of Assets	23,426	6,407	0	0	0
25	Total Unrestricted - Undesignated Fund Revenue	1,356,816	1,347,987	1,461,828	1,289,178	1,325,028
26						
28	Agency-Organization Ministry Support					
29	Churchwide proportionate share	600,549	607,774	660,000	606,475	600,000
30	Living Water Ministries	25,000	25,000	25,000	25,000	20,000
32	Samaritas	2,400	2,400	3,000	2,400	1,920
33	Region 6 Archives	0	7,500	7,500	4,800	4,800
35	Trinity Lutheran Seminary	16,000	18,000	18,000	16,000	12,800
36	Total Agency-Organization Ministry Support	643,949	660,674	713,500	654,675	639,520
37	Synod Ministries					
39	Leadership Events Exp	11,541	1,461	5,000	2,000	2,500
40	Synod Assembly Exp	20,296	54,655	60,000	5,000	61,123
42	Synod Council Exp	89	0	2,000	2,000	600
43	Synod Events Exp	2,080	4,773	500	1,000	4,800
44	Synod Staff Appreciation	487	0	0	0	0
46	Total Synod Ministries	34,494	60,889	67,500	10,000	69,023
47	Committee Expenses					
49	Campus Ministry	60,000	50,263	57,000	57,000	54,000
50	Equipping Leaders for Mission and Ministry	3,392	0	3,000	0	0
51	Global Mission	5,100	5,263	8,000	8,000	6,000
53	Ministry	750	0	0	0	0
54	Mission Support Table	2,740	1,530	0	0	0
56	New and Renewing Mission Table	37,855	30,058	38,400	38,400	36,000
57	Publically Engaged Church	9,420	8,272	12,000	9,000	6,750
58	Worship	698	349	2,500	350	1,000
60	Youth	0	750	750	400	5,000
61	Candidacy	3,700	2,100	11,200	2,000	1,200
63	Total Committee Expenses	123,655	98,584	132,850	115,150	109,950

North/West Lower Michigan Synod Unrestricted-Undesignated Fund Proposed Budget 2025-26 Fiscal Year End 01/31/26		Column A FYE 01/31/23 2022-23 Two years ago	Column B FYE 01/31/24 2023-24 Last Year	Column C FYE 01/31/24 2023-24 Last Year	Column D FYE 01/31/25 2024-25 This Year	Column E FYE 01/31/26 2025-26 Next Year
		ACTUAL	ACTUAL	BUDGET	BUDGET	BUDGET
64	Staff Salaries and Benefits					
65	Salary - Administrative Support Staff	46,048	48,204	67,833	48,347	51,248
67	Salary and Housing - Called Staff	196,131	190,862	202,594	217,060	214,933
68	Salary - Deployed Staff	65,727	71,134	64,382	63,057	92,692
70	Social Security Allowance - Called Staff	15,090	18,516	18,023	16,796	23,585
71	Payroll Taxes (ER FICA)	8,808	9,787	10,114	8,522	11,011
72	Health Insurance, HRA, Retirement	69,913	85,733	96,961	75,886	104,421
74	Continuing Education	4,000	4,000	4,000	4,000	4,000
75	Workers Compensation Insurance	1,073	1,598	1,700	1,200	1,560
77	<i>Total Staff Salaries and Benefits</i>	<i>406,790</i>	<i>429,833</i>	<i>465,607</i>	<i>434,868</i>	<i>503,450</i>
78	Administration					
79	Bishop's Discretionary Fund	0	96	2,500	2,500	2,500
81	Insurance - Prof. Liability, General Liability, Auto	8,734	10,386	12,000	9,000	9,800
82	Lease	13,130	14,109	17,250	14,076	14,076
84	Office equipment - maintenance	3,700	3,408	3,000	3,000	1,000
85	Office Supplies	12,891	11,601	8,400	9,000	12,000
86	Postage	1,747	1,262	1,000	1,800	1,200
88	Professional Fees (legal, audit)	25,456	16,067	28,000	28,000	18,000
89	Telephone and ISP	12,905	10,516	11,000	12,000	10,800
91	Travel	13,289	14,173	30,000	25,000	20,000
92	Website and network (server mgt & cloud back-up)	15,416	2,331	6,500	4,000	3,000
93	Depreciation	13,645	21,460	20,000	15,000	15,000
95	<i>Total Administration</i>	<i>120,912</i>	<i>105,408</i>	<i>139,650</i>	<i>123,376</i>	<i>107,376</i>
96						
98	Total Expenses	1,329,800	1,355,389	1,519,107	1,338,069	1,429,319
99						
100	Net Change to Fund Balance	27,016	(7,402)	(57,279)	(48,891)	(104,291)
102						
103	Transfer to/from Synod Staff Support Fund		(169,093)			68,582
105	Transfers to/from Cash Flow Reserve Fund (15% of exp)	(980)	(186,090)		2,598	(13,687)
106	Net Change to Fund Balance with transfers	26,036	(362,585)	(57,279)	(46,293)	(49,397)
107						
109	Beginning Fund Balance	483,290	509,326	509,326	146,741	100,448
110						
112	Ending Fund Balance	509,326	146,741	452,047	100,448	51,051
113						
114	Capital Purchases		17,291	18,000		
116	Add back depreciation (non cash)	13,645	21,460	20,000	15,000	15,000
117						
119	Modified Ending Fund Balance (cash based)	522,971	150,910	454,047	115,448	66,051

NORTH/WEST Lower Michigan Synod

Narrative/Missional Budget for 2025 \$1,418,472



Proclaim Christ and Prayerfully Participate In Christ's Own Work - \$299,331



Study of scripture, devotion to prayer, Word and Sacrament, faith life and discipleship

Faith Formation, Evangelism Training, Living Water Ministries, ELCA Mission Support, Renewing Congregations, Worship Committee, Youth Table, Staff, Campus Ministry

Renewing Congregations - \$285,780

Fostering renewal in congregations through faith formation training, outreach, stewardship, visioning, cooperative ministry, community collaboration, and care of congregations

New and Renewing Mission Table, Mission Support Table, ELCA Mission Support, Staff, Campus Ministry, Publically Engaged Church, Living Water Ministries, Samaritas, renewal grants



Empowering Leaders - \$250,099

Assisting congregations in providing training and support for Rostered Ministers and lay leaders, and oversight of all leaders

Candidacy Committee, Boundaries Training, Response Team, Roster, Living Water Ministries, ELCA Mission Support, Staff, Deployed Staff, Call Process, Continuing Education, Bishop teaching, Trinity Seminary, Anti-Racism



Strengthening Connections - \$295,780



Visitation of congregations by synod staff, working together in regions, across the ELCA, and globally, gathering in conferences, assemblies, for worship, learning, and collaboration

Synod Assembly, Living Water Ministry, Campus Ministry, Global Missions, Communication, Cooperative Ministry, Samaritas, Joint Leadership Events, Advocacy in the Public Square, Synod Council, ELCA Mission Support

Administration - \$287,482

Support staff, offices, transportation, office supplies, staff benefits, insurance, equipment, staff growth, postage, telephones, staff cell phones, internet, computers, copier/printer



Numbers are rounded. Provided as a sample for congregations.

Synod Staff Compensation Overview

(status as of March 2024)

Called Staff Resources

Position	Status
Bishop	Full time
Assistant to the Bishop for Congregational & Leadership Excellence	Full time
Assistant to the Bishop & Director for Evangelical Mission (DEM)	Full time *
Total Annual Called Staff Salaries (Salary + Housing + Soc. Sec. Allowance) <i>(includes DEM Salary and Housing paid by the ELCA Churchwide Organization; does <u>not</u> include Benefits)</i>	\$309,482

Administrative Support Staff Resources

Position	Status **
Director of Finance (15 hours per week)	Part time
Office Manager (20 hours per week)	Part time
Total Annual Administrative Support Staff Salaries <i>(Does <u>not</u> include Benefits)</i>	\$48,360

Deployed Staff Resources

Position	Status **
Driver for the Bishop (20 hours per week)	Part time
Synod Communications Director	Full time
Total Annual Deployed Staff Salaries <i>(Does <u>not</u> include Benefits)</i>	\$87,445

* Compensation for the DEM (excl. Soc. Sec. Allowance) is paid by the ELCA Churchwide Organization. Soc. Security Allowance for the DEM is paid by the NWLM Synod.

** Weekly hours for part-time positions are estimated average values on an annual basis.