

Treasurer's Annual Report
For Fiscal Year Ended January 31, 2020

Submitted by Daniel L Carter, Treasurer

With God's help and encouragement, the North/West Lower Michigan Synod continues to be in good financial condition. Our recently completed audit indicates that we have again maintained our financial stewardship consistent with the prior years. In 2019 we experienced significant unrealized gains in our Endowment and Investment accounts. For the year ended 1/31/20 our Net Return on Investments increased from the prior year by \$339,205. This led to an increase in our net assets of \$121,503 for the year. Our mission support was about \$36,000 less than the prior year. This was offset by a decrease in the Synod's total Operating Expenses for the year of \$64,000. 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, 2020 and 2019

Description	2019-20	2018-19	Variance
Total Operating Revenue & Support	\$1,768,470	\$1,471,140	\$297,330
Total Operating Expenditures	\$1,646,967	\$1,710,608	\$(63,641)
Change in Net Assets	\$ 121,503	\$ (239,468)	\$360,971
Investment Return – Net	\$ 227,930	\$ (111,275)	\$339,205

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 \$674,000 which is about \$20,000 less the prior year.

With the help of our auditor's and staff we have once again continued to improve our financial 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 6 illustrates that for the last year, 88% of our resources were used to fund Program Services.

For the 2019-20 year we again invested in our people in order to meet the goals of our strategic plan for the Synod. The Synod has continued to make it a priority for the Bishop and Staff to visit and meet with all congregations across the synod within a deployed model. To fund these activities, we continue to place a priority on the need for increased mission support from our Congregations in order to meet the financial needs of our operation and fulfill our strategic plan. Late in the year we did adjust out staffing to align with the Mission Support we were receiving.

For the 2020-2021 year and 2021-2022 year we have made additional adjustments to our annual budgets to align with anticipated reductions in mission support and reflect the realities of the current economy and pandemic. We greatly appreciate the financial support we have received during these difficult times.

The Synod continues to manage its operation in a very dynamic environment but it is continually committed to maintaining a balanced budget.

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