

# Section 3

# Financial



# Proposed 2024–2025 Budget

Accounts	2021-2022 Unaudited	2022-2023 Unaudited	2022-2023 Budget	Original 2023- 2024 Budget	Revised 2023- 2024 Budget	Requested 2024-2025 Budget
<b>INCOME</b>						
Mission Support Income	\$1,224,891.08	\$1,200,062.22	\$1,237,000.00	\$1,300,000.00	\$1,225,000.00	\$1,225,000.00
Undesignated Congr. & Indiv. Gifts	\$2,030.00	\$24,932.87	\$2,000.00	\$2,000.00	\$10,000.00	\$12,000.00
ELCA Grants	\$10,000.00	\$10,000.00	\$10,000.00	\$120,000.00	\$46,000.00	\$135,400.00
Other Income	\$20,711.71	\$6,772.05	\$7,500.00	\$23,500.00	\$4,200.00	\$4,200.00
<b>Total INCOME</b>	<b>\$1,257,632.79</b>	<b>\$1,241,767.14</b>	<b>\$1,256,500.00</b>	<b>\$1,445,500.00</b>	<b>\$1,285,200.00</b>	<b>\$1,376,600.00</b>
<b>EXPENSES</b>						
<b>CHURCH IN SOCIETY</b>						
ELCA Churchwide Support	\$581,823.26	\$550,055.83	\$550,000.00	\$550,000.00	\$550,000.00	\$525,000.00
Social Ministry Organizations	\$5,462.00	\$12,000.00	\$12,000.00	\$12,000.00	\$0.00	\$0.00
<b>Total CHURCH IN SOCIETY</b>	<b>\$589,823.26</b>	<b>\$562,233.83</b>	<b>\$562,000.00</b>	<b>\$562,000.00</b>	<b>\$550,000.00</b>	<b>\$525,000.00</b>
<b>CONGREGATIONAL LIFE</b>						
Congregational Vitality	\$2,000.00	\$0.00	\$15,000.00	\$15,000.00	\$28,000.00	\$15,000.00
Resource Center	-\$82.97	\$276.14	\$2,550.00	\$2,500.00	\$2,500.00	\$2,500.00
Congregation Events & Program	\$1,100.42	\$1,625.03	\$500.00	\$500.00	\$6,500.00	\$2,000.00
General Conference Support	\$7,700.00	\$12,800.00	\$13,000.00	\$15,000.00	\$12,500.00	\$12,500.00
Region 6 Archive Total					\$7,500.00	\$7,500.00
<b>Total CONGREGATIONAL LIFE</b>	<b>\$10,717.45</b>	<b>\$14,701.17</b>	<b>\$31,050.00</b>	<b>\$33,000.00</b>	<b>\$57,000.00</b>	<b>\$39,500.00</b>
<b>LEADERSHIP</b>						
<b>Seminary</b>						
Trinity Seminary	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$7,500.00	\$0.00
Seminary Student Support	\$4,500.00	\$5,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
<b>Total Seminary Student Support</b>	<b>\$20,000.00</b>	<b>\$20,000.00</b>	<b>\$21,000.00</b>	<b>\$21,000.00</b>	<b>\$13,500.00</b>	<b>\$6,000.00</b>
Candidacy Programs	\$3,667.70	\$3,291.05	\$7,500.00	\$9,000.00	\$4,700.00	\$4,700.00
Care of Rostered Persons	\$2,523.24	\$169.95	\$3,000.00	\$3,000.00	\$3,500.00	\$3,500.00
<b>Total LEADERSHIP</b>	<b>\$26,190.94</b>	<b>\$23,461.00</b>	<b>\$31,500.00</b>	<b>\$33,000.00</b>	<b>\$21,700.00</b>	<b>\$14,200.00</b>
<b>FAITH AND LIFE</b>						
<b>Young Adults</b>						
UPCaM (Cleveland)	\$0.00	\$10,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
United Campus Kent			\$5,000.00	\$5,000.00	\$0.00	\$0.00
Capital University	\$750.00	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00
Wittenberg University	\$750.00	\$875.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00
<b>Total Young Adults</b>	<b>\$2,000.00</b>	<b>\$11,875.00</b>	<b>\$12,000.00</b>	<b>\$12,000.00</b>	<b>\$5,000.00</b>	<b>\$5,000.00</b>
<b>Youth</b>						
Lutheran Youth Organization (LYO)	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Hopewood/LOMO	\$45,000.00	\$48,750.00	\$45,000.00	\$40,000.00	\$2,000.00	\$0.00
<b>Total Youth</b>	<b>\$47,000.00</b>	<b>\$50,750.00</b>	<b>\$47,000.00</b>	<b>\$42,000.00</b>	<b>\$4,000.00</b>	<b>\$2,000.00</b>
<b>Total FAITH AND LIFE</b>	<b>\$49,000.00</b>	<b>\$62,625.00</b>	<b>\$59,000.00</b>	<b>\$54,000.00</b>	<b>\$9,000.00</b>	<b>\$7,000.00</b>
<b>ADMINISTRATIVE</b>						
<b>General Administrative</b>	<b>\$7,961.04</b>	<b>\$7,625.04</b>	<b>\$8,500.00</b>	<b>\$10,500.00</b>	<b>\$3,000.00</b>	<b>\$3,000.00</b>
<b>Synod HR</b>						
Staff Compensation	\$265,410.00	\$363,929.15	\$364,000.00	\$471,650.00	\$395,954.61	\$479,308.25
Contract Staff	\$27,000.00	\$27,000.00	\$23,000.00	\$21,500.00	\$30,000.00	\$30,000.00
<b>Total Staff Compensation</b>	<b>\$292,410.00</b>	<b>\$390,929.15</b>	<b>\$387,000.00</b>	<b>\$493,150.00</b>	<b>\$425,954.61</b>	<b>\$509,308.25</b>
Staff Benefits	\$170,146.68	\$192,175.97	\$186,191.50	\$215,313.93	\$201,006.36	\$248,400.00

# Proposed 2024–2025 Budget

<b>Travel and Profession Expenses</b>	\$32,741.73	\$23,510.27	\$16,000.00	\$16,000.00	\$22,500.00	\$12,500.00
<b>Total Synod Staff</b>	\$495,298.41	\$606,615.39	\$589,191.50	\$724,463.93	\$649,460.98	\$770,208.25
<b>Contract Services</b>	\$51,192.93	\$33,205.00	\$32,000.00	\$35,000.00	\$35,000.00	\$35,000.00
<b>Synod Office Operations</b>	\$44,183.44	\$41,633.97	\$37,250.00	\$33,750.00	\$29,850.00	\$29,850.00
<b>Synod Building Expense</b>	\$44,472.20	\$52,839.52	\$41,450.00	\$56,700.00	\$30,400.00	\$30,400.00
<b>Total ADMINISTRATIVE</b>	\$695,808.63	\$741,918.92	\$708,391.50	\$860,413.93	\$747,710.98	\$868,458.25
<b>Total EXPENSES</b>	\$1,371,048.37	\$1,404,939.92	\$1,391,941.50	\$1,542,413.93	\$1,385,410.98	\$1,454,158.25
<b>Net Operating Income/ Loss Before Transfers</b>	-\$113,415.58	-\$163,172.78	-\$135,441.50	-\$96,913.93	-\$100,210.98	-\$77,558.25
<b>Transfers from Designated Accounts</b>						
Resource Acquisitions					\$2,000.00	---
Synod Assembly Transfer					\$4,500.00	
Congregational Vitality						
Christian Education					\$9,500.00	
<b>Total Transfers from Designated Accounts</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$16,000.00	\$0.00
<b>Total Net Operating Income/Loss</b>	-\$113,415.58	-\$163,172.78	-\$135,441.50	-\$96,913.93	-\$84,210.98	-\$77,558.25
<b>Depreciation Expense</b>	\$24,264.34	\$26,686.97	\$27,622.00	\$27,622.00	\$32,000.00	\$32,000.00
<b>Total Income/Loss</b>	-\$137,679.92	-\$189,859.75	-\$163,063.50	-\$124,535.93	-\$116,210.98	-\$109,558.25

# Treasurer's Report

## Treasurer's Report to the 2023 Synod Assembly

The financial information being provided to the assembly is shown in the budget presentation, which includes the revised budget for 2023-2024, the requested budget for 2024-2025, and unaudited financial results for the General Operating Fund for the year ending January 31, 2023.

### Financial Results for 2023

The Northeast Ohio Synod of the ELCA has for some time had to contend with a modest but constant erosion in Unrestricted Mission Support Income, while seeing annual increases in overall expenses, particularly in the current inflationary environment. Mission Support Income came in at \$1,200K, slightly lower than budget and the prior year. The Synod's operating expenses of \$1,405K are concentrated in ELCA Churchwide Support, \$550K, Staff Compensation, \$391K, and Benefits, \$192K. The Synod has remained steadfast in its commitment to fully serving its member congregations, which has resulted in operating deficits in three of the last four years. The operating deficit in 2023 was - \$163K, and after depreciation it amounted to -\$190K. The operating deficit was mostly covered by a year-end transfer of \$135K from the previously approved Council Designated Budget Deficit Fund.

A Budget Deficit Fund is maintained at 16% of budgeted Operating Fund expenditures. At 1/31/23 that requirement was \$246,285 and funds were transferred from the PNC Investment Surplus Fund to restore the Budget Deficit Fund to the required amount. Those funds should be adequate to cover deficits for the next two years.

### Financial Position

The Synod's balance sheet consists of a General Operating Fund and numerous Donor Restricted and Council Designate Funds. Historically, the Synod has been blessed with a strong cash position and investment portfolio. However, the recurring deficits and normal outflows from those restricted funds have reduced the Synod's cash position, as can be seen from the chart below. In February it was necessary to transfer \$20K in cash and sell \$50K in securities from our PNC investment portfolio to cover expenses. We expect to sell additional securities over the course of the year to maintain our liquidity.

The downturn in the stock market over the last year lowered the value of the Synod's Investment Portfolio, and there is the prospect of further declines if the economy enters a recession. At 1/31/23 the investment portfolio easily covered our \$329K in Donor Restricted Funds, and also covered our \$983K in Council Designated Funds.

#### NEOS ELCA Trend in Cash & Investments

	1/31/2020	1/31/2021	1/31/2022	1/31/2023
Huntington Checking	\$268,280.62	\$462,481.51	\$129,045.68	\$88,144.12
ELCA Mission Demand Fund	\$356,362.54	\$361,090.96	\$363,083.84	\$1,310.11
Cash Total	\$624,643.16	\$823,572.47	\$492,129.52	\$89,454.23
ELCA Mission Term CD	\$57,017.16	\$58,444.17	\$59,700.79	\$60,984.43
PNC Investment Portfolio'	\$937,147.71	\$1,043,688.73	\$1,118,552.16	\$1,012,357.88
ELCA Mission Endowment Fund	\$369,612.57	\$414,195.70	\$449,905.46	\$424,441.60
Investment Total	\$1,363,777.44	\$1,516,328.60	\$1,628,158.41	\$1,497,783.91
Cash & Investments	\$1,988,420.60	\$2,339,901.07	\$2,120,287.93	\$1,587,238.14

# Treasurer's Report

## **Audit**

The financial results shown above are unaudited numbers pulled from the Synod's core accounting system, ACS. Some of the balances on that system do not reconcile to the draft financials prepared by our auditing firm for the 2022 year end. Until those entries are finalized, we will not be able to start work on the 2023 audit.

When the two audits are complete, we plan to review our accounting structure and chart of accounts with a goal of consolidating many of the Council Designated Funds to simplify our accounting procedures.

## **Congregational Mission Support**

Also attached for your information is a thanksgiving for the mission support that congregations gave in relation to the regular offerings received in the congregation (according to the last reported figures to the ELCA Office of the Secretary). This document is different than in previous years and we hope that you appreciate the change. Your congregation's individual mission support was reported to your treasurer for accuracy earlier this year."

Respectfully submitted,  
I. Robert Emmerich, Treasurer

# Mission Support Report

Thank you for your generosity this past year with gifts totaling \$1,200,062. With your gifts to our shared mission in Northeastern Ohio, we were able to:

- Support our congregations in transition between rostered ministers.
- Walk with seminarians through the candidacy process.
- Provide resources to congregations through the Kaufman Resource Center.
- Engage congregations as they look to partner and collaborate with other congregations.
- Offer stewardship and vitality programs and resources to our congregations.
- Write and distribute stories of how our ministries are impacting the lives of others.

The following congregations contributed\* to our calling to make Christ known in Northeastern Ohio between the following percentages of their regular congregational giving:

## **10-19%**

Christ The Redeemer, Brecksville  
Emmanuel, North Georgetown  
Evangelical Lutheran Church of the Master, Bedford  
Good Soil Lutheran Ministries, Rocky River  
New Covenant, East Cleveland  
St John, Baltic  
St Paul, Alliance  
St Paul, Ravenna  
St Paul, Sharon Center

## **8-9%**

Abiding Savior, Alliance  
Advent, Mentorj  
Divinity, Parma Heights  
Faith, Fairlawn  
First, Lorain  
Holy Trinity, Akron  
Holy Trinity, Cantonj  
Good Shepherd, Conneaut  
Messiah, Ashtabula  
St Jacob, Massillon  
St James, Jewett  
St Stephen Martyr, Belden/Louisville  
Zion, North Cantonj

## **6-7%**

Advent, Uniontownj  
Bethesda On The Bay, Bay Villagej  
Emmanuel, Salemj  
First, Strongsville  
Jerusalem, Sevillej  
Lutheran Church of the Covenant, Maple Heights  
Martin Luther, Youngstown  
Our Saviour, Hinckley  
Peace, Cleveland Heights  
Salem, Wooster  
St John, Canal Fultontj  
St Paul, Leetonia  
St Peter, Wooster  
Trinity, Girard  
Trinity, Sebringj  
Trinity, Vermillion  
Zion, New Middletown  
Zion, Wooster

## **3-5%**

Bethel, Boardmantj  
Advent, Cleveland  
Advent, Solon  
Bethany English, Cleveland  
Bethel, Middleburg Heights  
Canaan, Creston  
Celebration, Chardon  
Christ, Avon Lake

# Mission Support Report

Christ, Lorain  
Emmanuel, Elyria  
First, Beach City  
First, Canton  
First, Plymouth  
Good Shepherd, Canton  
Grace, Hubbard  
Grace, Wadsworth  
Holy Trinity, Massillon  
Living Lord, Howland  
Living Word, Medina  
Messiah, Akron  
Messiah, Fairview Park  
New Horizons, Homerville  
New Life, Youngstown  
Parma, Parma  
Peace, Ashland  
Pleasant Valley, Lucas  
Prince of Peace, Westlake  
Redeemer, Elyria  
Rejoice!, Hudson  
Shanesville, Sugarcreek  
St Jacob's, North Canton  
St John, Lakeville  
St John, Perrysville  
St John, Warren  
St Luke's, Cuyahoga Falls  
St Matthew, Medina  
St Paul, Bellville  
St Paul, Lucas  
St Paul's, Massillon  
St Paul, Ontario  
St Paul, Smithville  
St Stephen, Stow  
St Timothy, Mansfield  
Trinity, Carrollton  
Trinity, Clinton  
Trinity, Kent  
Trinity, Lakewood  
Trinity, Magnolia  
Zion, Doylestown  
Zion, Valley City

## 1-3%

Christ, Struthers  
Christ, Willoughby  
Emmanuel, Warren  
Good Hope, North Lima  
Grace, Austintown  
Grace, Stuebenville  
Holy Trinity, Brunswick  
Holy Trinity, Salem  
Iglesia Luterana la Trinidad, Akron  
Israel's, Paris  
Lord of Life, Canfield  
Lord of Life, Chagrin Falls  
Lordstown, Lordstown  
Messiah, Lyndhurst  
Messiah, Newton Falls  
Mt Moriah, Berlin Center  
Peace, Canton  
Prince of Peace, Poland  
Redeemer, Brook Park  
St James, Tuscarawas  
St John's, Minerva  
St John, Petersburg  
St Mark, Tallmadge  
St Mark, Warren  
St Paul, Berea  
St Paul, Jefferson  
St Paul's, Warren  
St Peter, New Philadelphia  
Trinity, Madison  
Trinity, Niles  
Trinity, Norton  
Zion, New Waterford  
Zion, Youngstown

## Less than 1%

Bethel, Bath  
Christ the King, Twinsburg  
Emmanuel, New Philadelphia  
Grace Evangelical, Dover  
Jerusalem, Columbiana  
Oasis Outreach Opportunity, Akron

# Mission Support Report

Prince of Peace, Cortland  
Shepherd of the Valley, Sandyville  
St John, East Liverpool  
St. John's, Highland Heights

St Michael, Marshallville  
Triune, Broadview Heights  
Zion, Canton  
Zion, Loudonville

This congregation that did not give last year but has indicated an intent to give to our shared mission this year:

Augsburg, Orrville  
THANK YOU!

*\*Mission support as a percentage of the last reported to the ELCA regular member giving within the congregation.  
† Congregations that have indicated an intent to increase their giving in 2023.*