



Here we  
**STAND**

*Synodical Council District Report*

# Here we **STAND**

## Synodical Council Membership



1 Synod President



12 District Lay  
Representatives

✓  
Voting  
Member



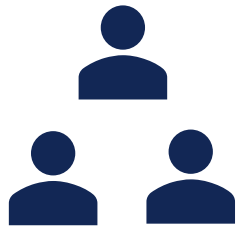
2 Pastors at-Large

✓  
Voting  
Member



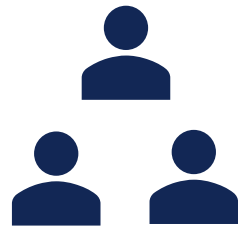
1 Teacher at-Large

✓  
Voting  
Member



3 District Presidents

✓  
Voting  
Member



3 Area of Ministry  
Chairmen

✓  
Voting  
Member



2 First and Second  
Vice President



10 Advisors

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## Synodical Council Responsibilities

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*"Except for those responsibilities specifically conferred on the Conference of Presidents, **the Synodical Council shall be responsible for the possession, care, control, and management of the property and activities of the synod in pursuit of its mission, including but not limited to planning, programs, operations, and legal and fiscal matters.**"<sup>(1)</sup>*



**Administration  
Committee**



**Ministry  
Committee**

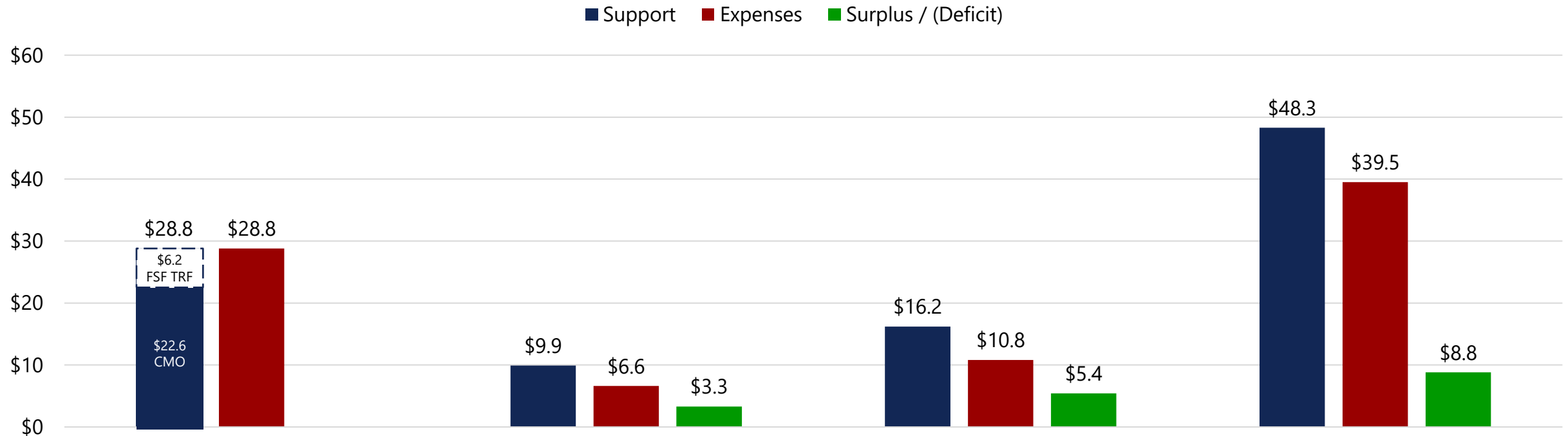


**Finance  
Committee**

(1) Excerpt from Article VII, Section 2 of the WELS Constitution and Bylaws.

# Here we STAND

## Fiscal Year 2021 Summary *(in millions)*



### Operating Fund

Used to account for ministry expenses funded by sources of support that have no restrictions on use, the largest of which being Congregation Mission Offerings (CMO), followed by transfers from the Financial Stabilization Fund.

### Financial Stabilization Fund

Established to prevent mid-year adjustments to ministry plans given the unpredictable nature of its funding sources (primarily gifts, grants, bequests, and investment income). Funds are held for a minimum of one year before being transferred to the operating fund based on ministry needs and opportunities.

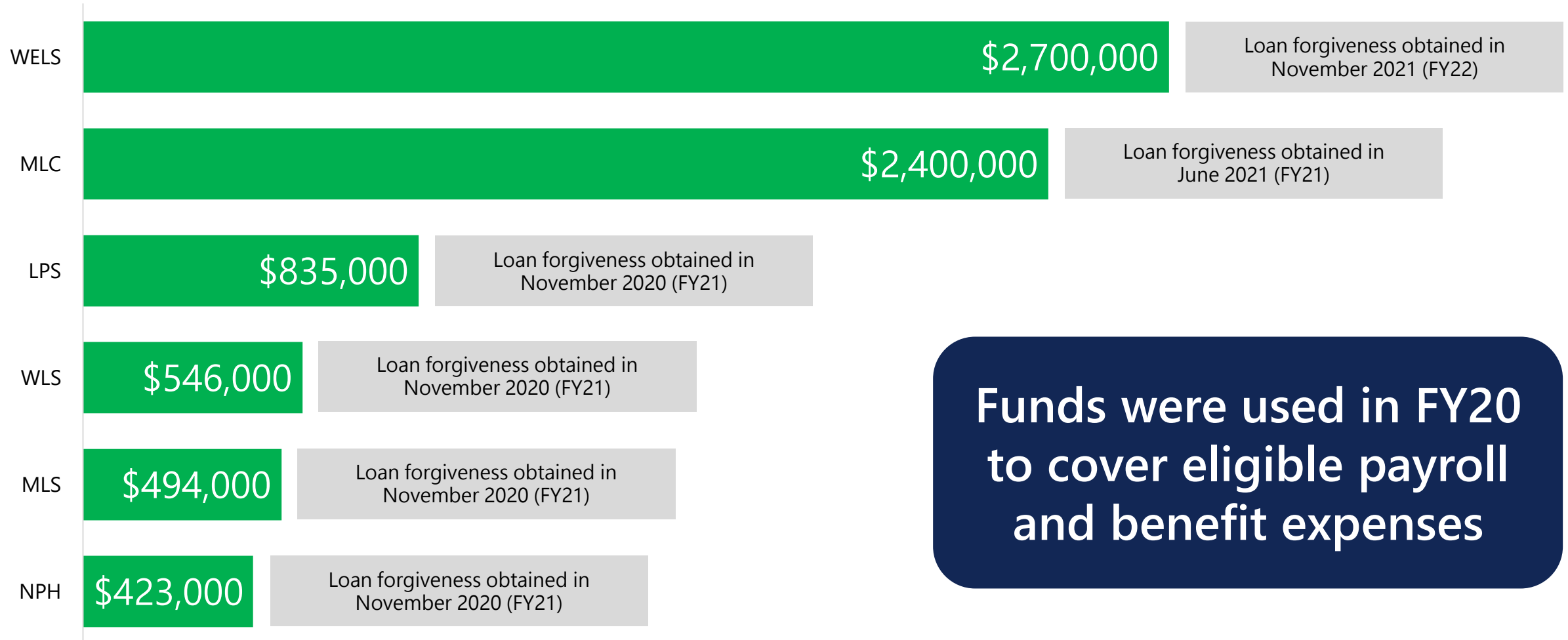
### Special Funds

Special Funds are used for gifts that are restricted by donors for a specific ministry OR have been designated by the ministry for a specific purpose. Some gifts may not be immediately available for ministry. The planning for and use of these gifts is initiated by areas of ministry with guidance from WELS Financial Services and approval from the Synodical Council.

### Collective Total

# Paycheck Protection Program

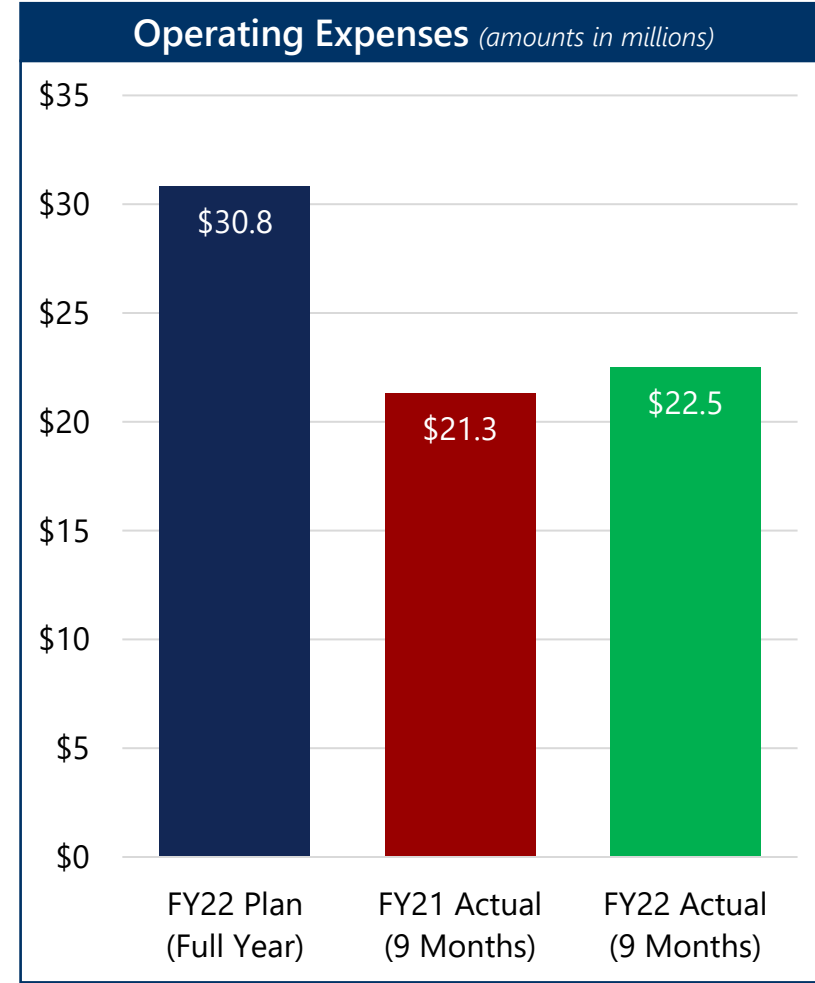
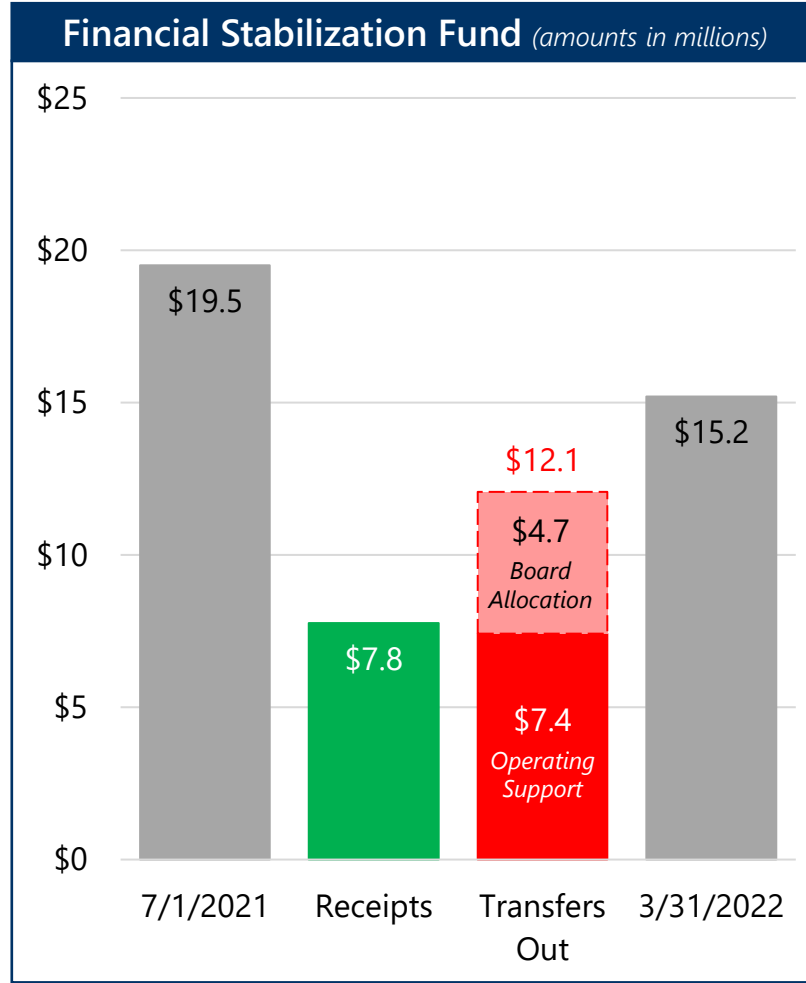
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**Funds were used in FY20  
to cover eligible payroll  
and benefit expenses**

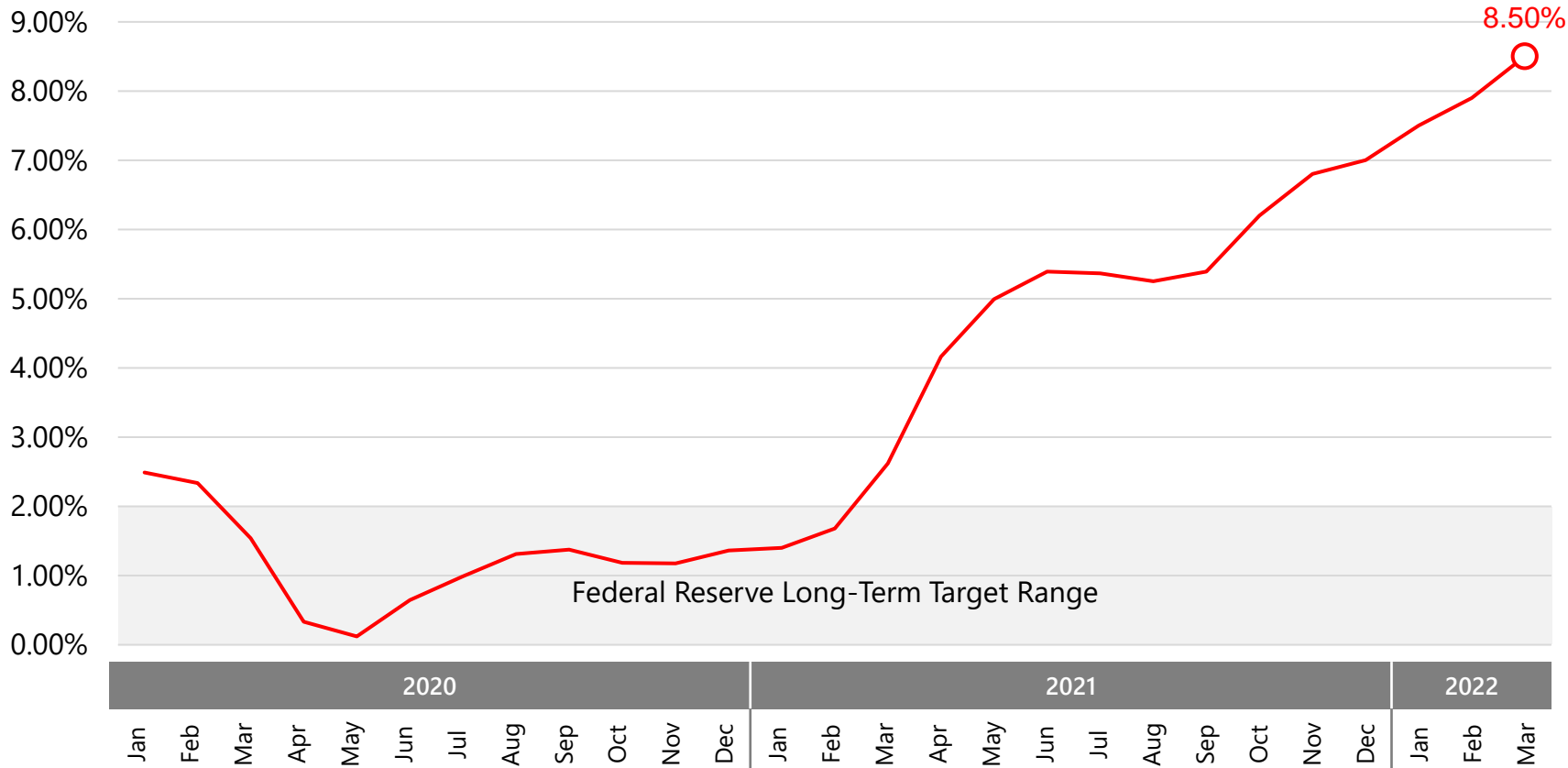
# Here we **STAND**

## Nine Month FY22 Financial Summary



# Inflation and Wages

Consumer Price Index (Year-over-Year)

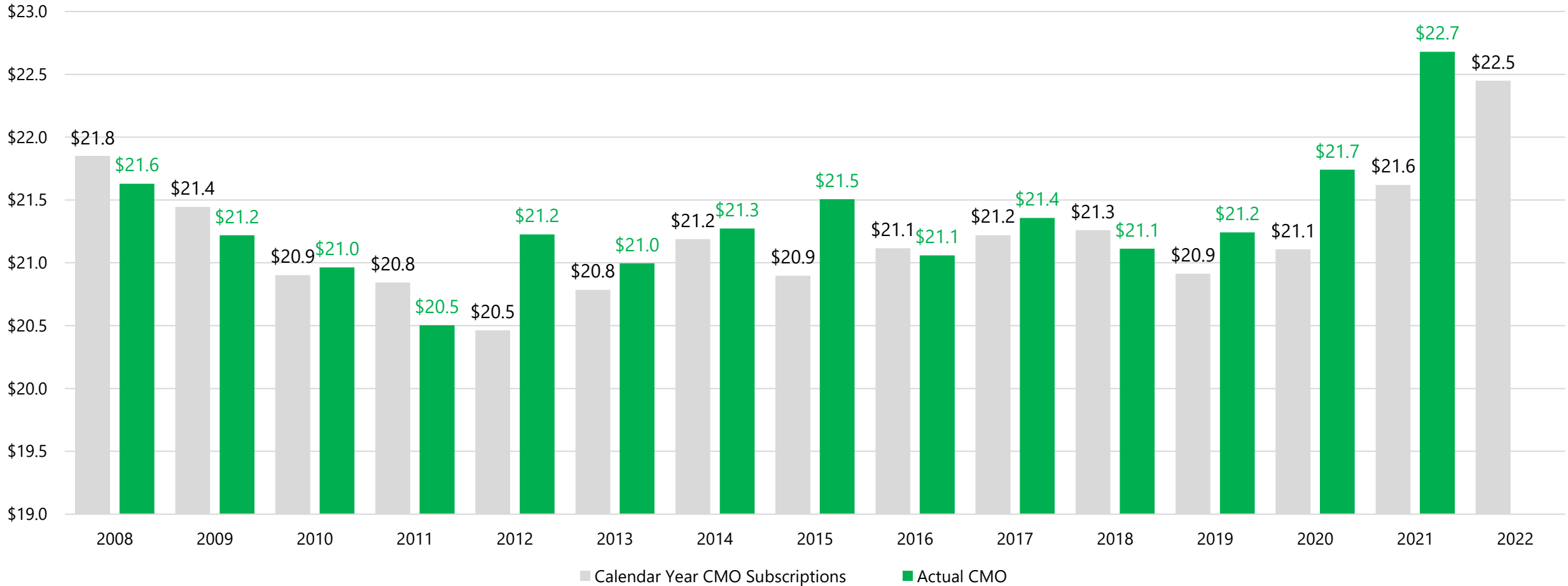


## Key Takeaways

- U.S. inflation has reached the highest levels seen over the last 40 years.
- From 2015 through 2020, WELS annual wage increases kept pace with inflation.
- The Synodical Council approved a change to wage increases for Fiscal Year 2023 (starting in July 2022) to an average of 3.5%, 1.5% higher than the previously approved average of 2.0%.

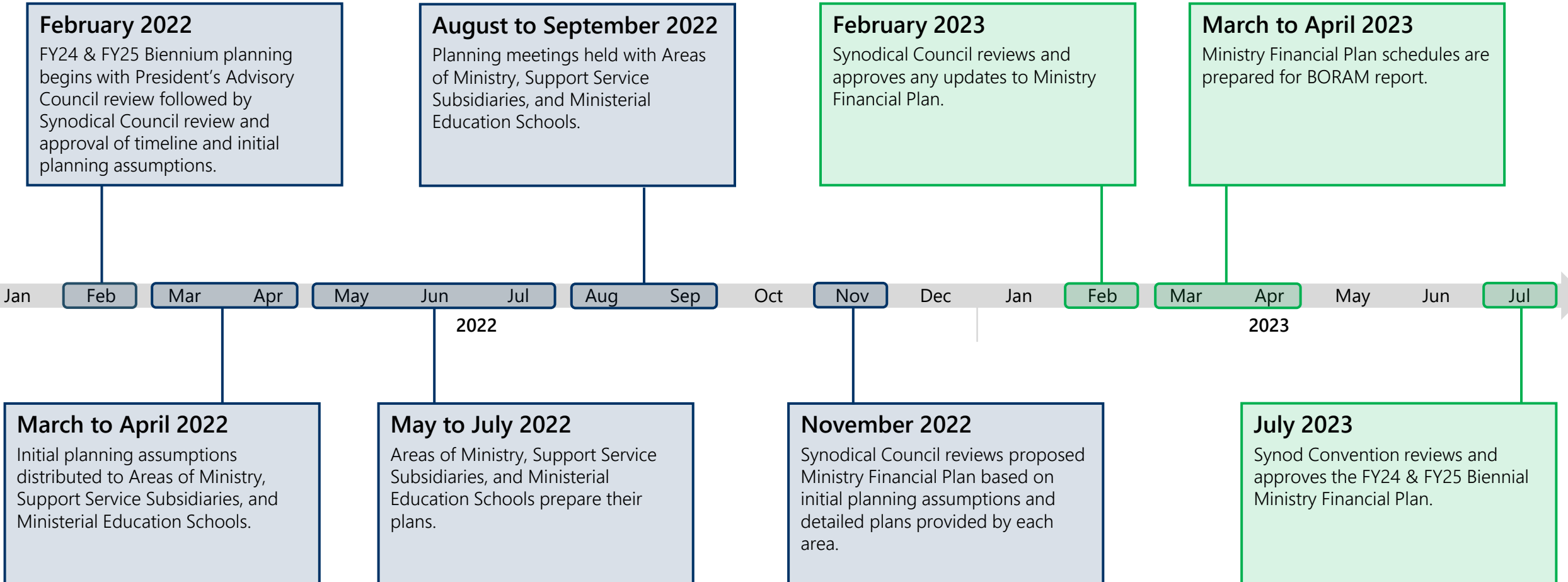
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## Calendar Year CMO Trends *(in millions)*





## Ministry Financial Plan Development

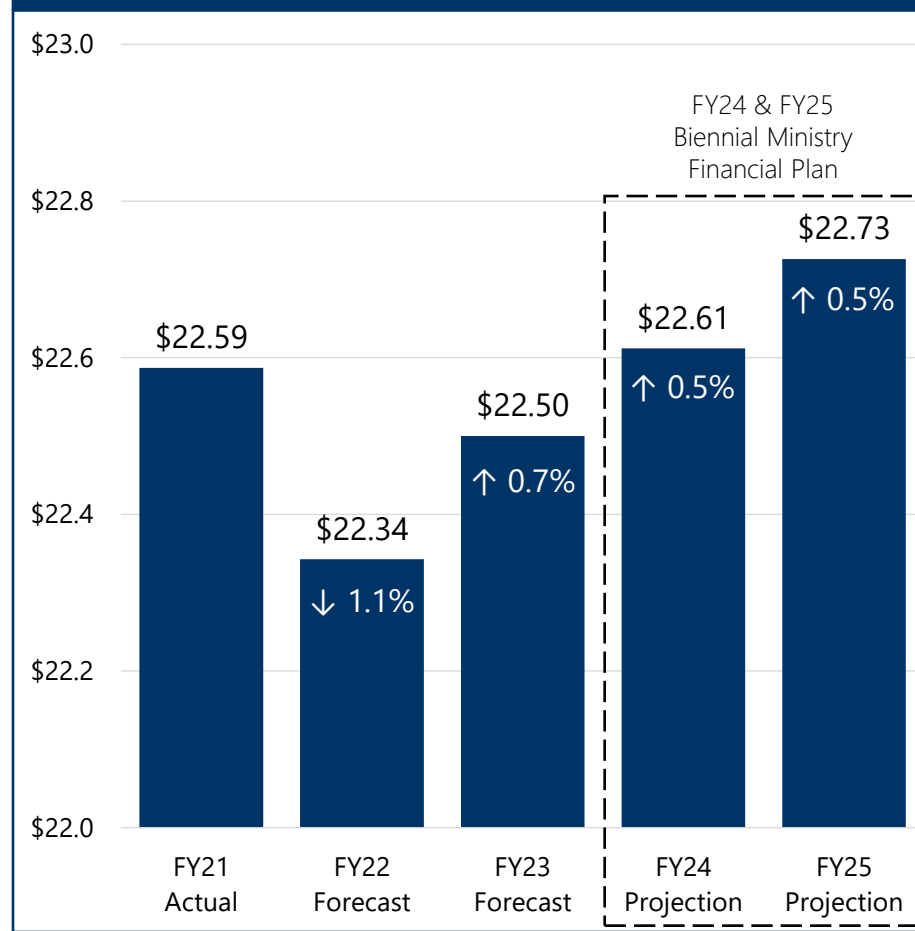


## CMO Subscriptions & Projections

**Calendar Year** (amounts in millions)



**Fiscal Year** (amounts in millions)



### Key Takeaways

- Fiscal year projections are based on a calendar year model.
- While calendar year 2022 CMO subscriptions are down 1.0% from 2021 actuals, at \$22,450,000 it represents the highest level of CMO subscriptions on record.
- CMO projections for calendar year 2023 through 2025 include increases of 0.5%, a conservative approach based on recent high levels of CMO receipts.

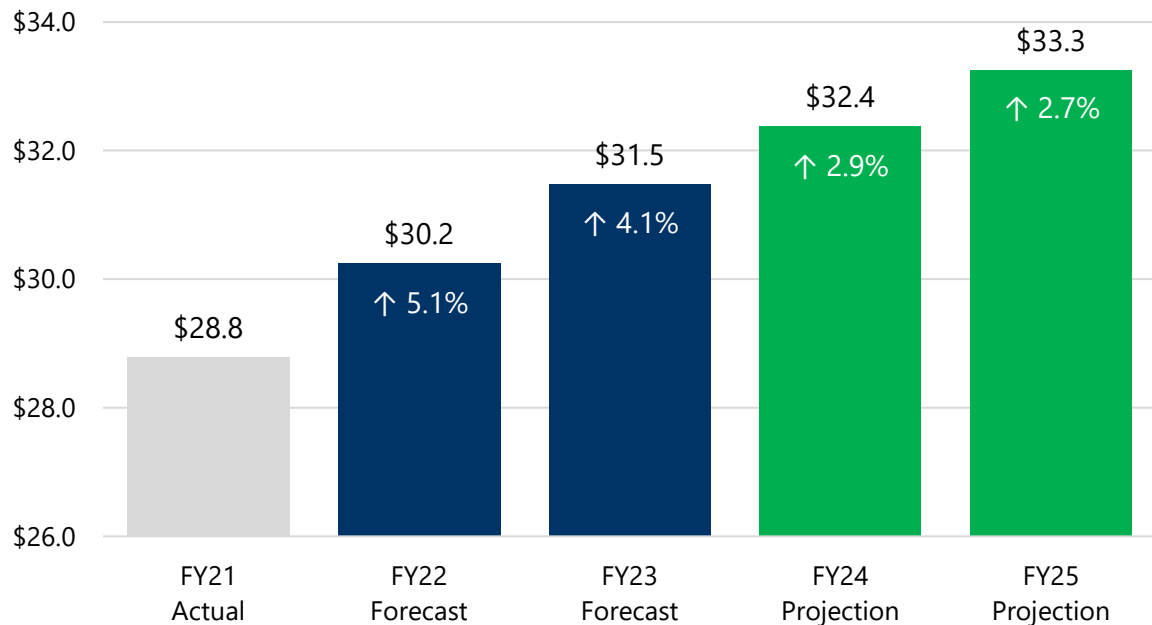


# FY24 & FY25 Key Assumptions

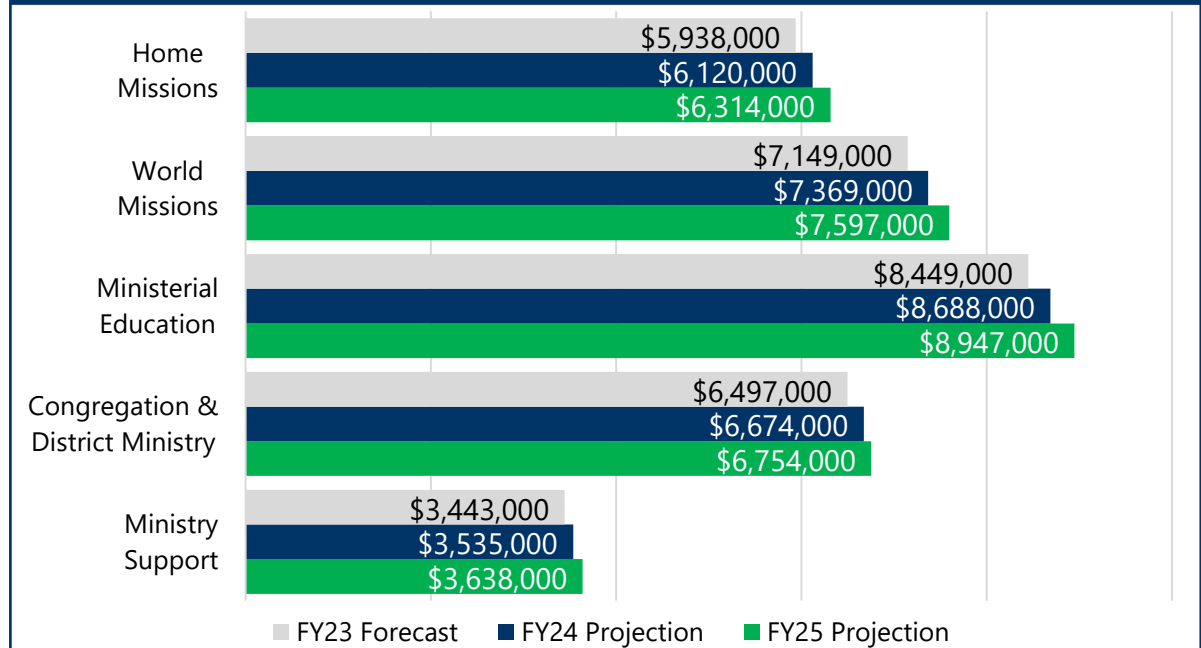
## Key Assumptions

Called Worker Wages <i>[Includes wages, housing allowance, &amp; SECA]</i>	↑ 2.5%	Healthcare Expense	↑ 7.0%	General Insurance Expense <i>[Includes all operating, non-worker comp insurance]</i>	↑ 5.0%	Operational/Program Expenses	↑ 3.0%
Non-Called Worker Wages <i>[Includes salary, hourly, part-time hourly, &amp; FICA]</i>	↑ 2.5%	Retirement Plan Expense	FLAT	Utilities Expense <i>[Includes gas, oil, electricity, water, sewage, TV/Sat]</i>	↑ 5.0%	School Subsidy	↑ 3.0%

## Preliminary Planned Level of Total Synod Support *(amounts in millions)*



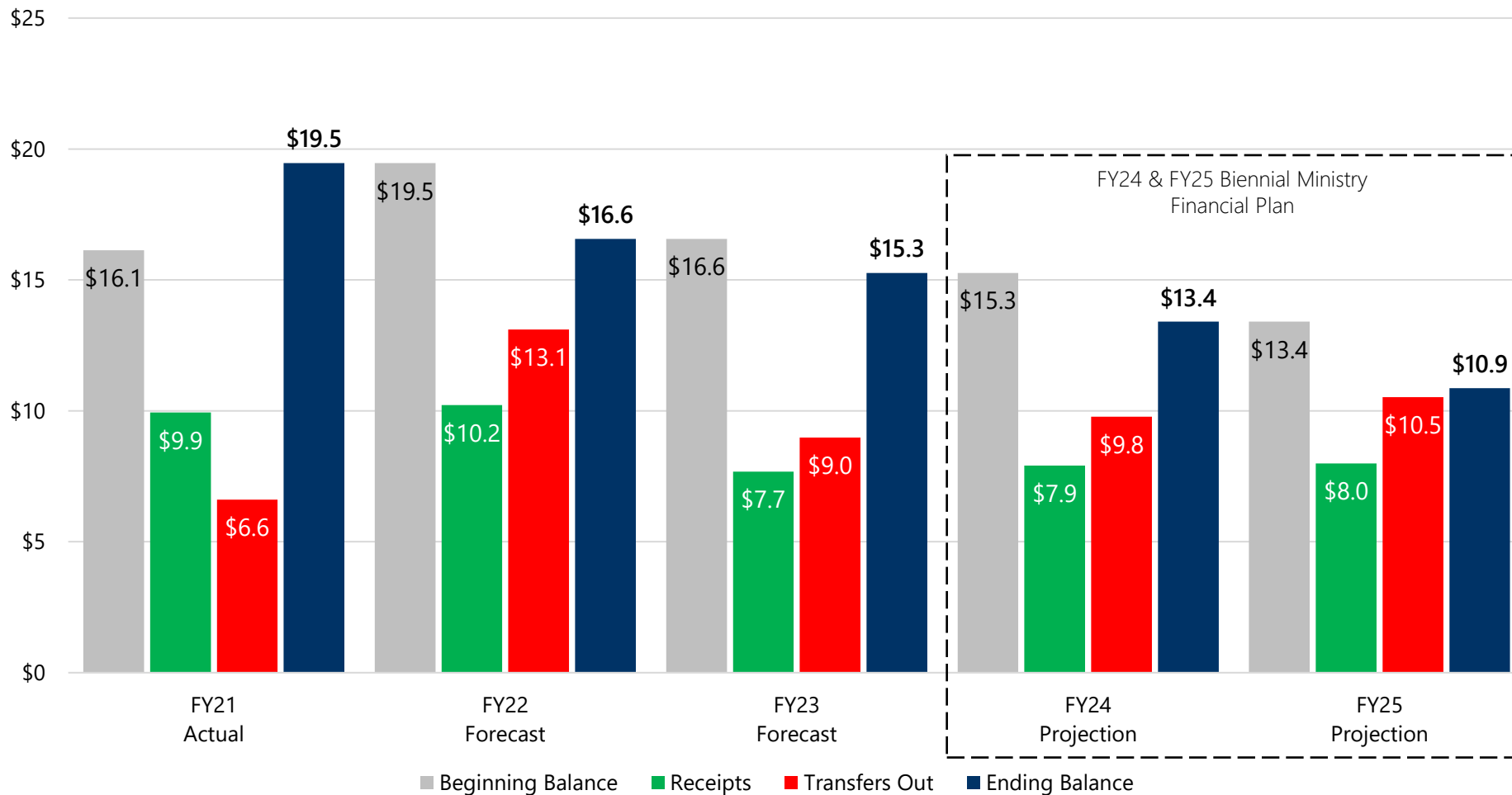
## Preliminary Allocation of Support by Area of Ministry



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## Financial Stabilization Fund *(in millions)*

FY22 & FY23 Forecast and FY24 & FY25 Biennial Ministry Financial Plan



### Key Takeaways

- The balance of the FSF through FY23 is projected to be utilized to fund the proposed 3.0% increase in synod support over the next biennium.
- The proposed plan is driving an aggressive spend down in the FSF over FY24 and FY25 leading to a FY25 balance of \$10.9 million, equal to estimated spending levels for the following fiscal year.
- The gap between receipts and operating subsidy is projected to increase from \$1.3 million in FY23 to \$1.9 million in FY24 and \$2.5 million in FY25. This type of gap over a prolonged period (2 to 3 years) will bring the FSF down to unsustainable levels.

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