

FINANCIAL REPORT

2023-24 Operating Budget Narrative

Budget Year February 1, 2023 – January 31, 2024

The 2023-24 Budget calls for expenditures of \$1,388,000, an increase of \$20,000 over the 2022-23 budget. The 2023-24 budget is significantly higher when compared to 2021-22 actual expenditures of \$1,240,589. 2021-22 actual expenses should not be used as a comparison since COVID still dominated much of the country, contributing to much lower actual expenses. It's worth noting that year to date, activities are starting to quickly return to a pre-COVID levels of normalcy. If this trend continues, 2023-24 expenses should be considerably higher and more in line with pre-COVID actual expenses for 2019-20 (\$1,352,914). The budget plan is balanced with revenues equal to planned expenditures.

Benevolence

	Budget	Actual
2023-24	\$446,200	
2022-23	\$440,600	
2021-22	\$441,000	\$385,880
2020-21	\$447,046	\$402,894
2019-20	\$486,946	\$445,311

The largest area of the budget is Benevolence - local, national, and global. This includes support for the work of the ELCA churchwide organization, which is funded by 28% of all congregational mission share contributions (budgeted at \$369,600 for 2023-24). Our Synod also supports Lutherhill, the Lutheran Seminary Program of the Southwest, Wartburg Seminary, the Lutheran School of Theology in Chicago, Texas Impact (Texas Interfaith Center), Interfaith Ministries of Houston, The Metropolitan Table, Louisiana Interchurch Conference, Campus Ministries, and the Seafarers' Ministry.

Mission Share

	Budget	Actual
2023-24	\$290,400	
2022-23	\$286,000	
2021-22	\$286,000	\$249,423
2020-21	\$295,304	\$251,309
2019-20	\$299,200	\$285,029

As part of the pilot program (a 3-year program that began January 1, 2016, and has been extended), 22% of congregational mission share contributions go directly to engage in the work of developing and supporting new starts, redevelopments, and restarts. The 22% allocation includes 9% for Bishop's Associate for Mission (DEM) and 13% for Mission Share. With the Mission Table, the Bishop's Associate for Mission (DEM) is responsible for all new starts, redevelopments, and restarts in the Synod, as well as helping the Synod and congregations grow in the areas of hospitality, generosity, and vitality. Mission also includes campus ministry reaching out to college students by providing support for Houston-area campus ministries and ELCA Campus Ministry of the Brazos Valley, as well as development of campus ministry in Baton Rouge and greater New Orleans. (Financial support for campus ministry is included in Benevolence.)

Word and Sacrament

	Budget	Actual
2023-24	\$206,912	
2022-23	\$202,460	
2021-22	\$199,808	\$190,239
2020-21	\$195,519	\$149,455
2019-20	\$190,835	\$189,550

Word and Sacrament includes the Bishop's salary and benefits, and a budget for continuing education, travel, and meetings related to the work of the Synod. The budget also includes expenses for the conferences. Each conference has a dean, who receives a stipend and plays a key role in implementing the Strategic Plan at the local level. Word and Sacrament also includes support of global missions, our companion synods, youth and family ministry, the Hunger Appeal, and ecumenical work. Through the Bishop's role in the Synod, a portion of this budget item also supports leadership, mission starts, and redevelopment, as well as stewardship.

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Leadership

	Budget	Actual
2023-24	\$150,061	
2022-23	\$146,231	
2021-22	\$144,169	\$137,066
2020-21	\$128,400	\$105,552
2019-20	\$140,770	\$142,842

This section of the budget includes the salary and benefits of the Bishop's Associate for Leadership and a budget for continuing education, travel and meeting expenses, and candidacy expenses. Leadership development on the Synod level includes the following activities, which are also supported by periodic meetings and retreats:

- Call process, to help congregations choose the most effective leader for their ministry
- Candidacy Committee, to select and guide qualified candidates for rostered leadership in the ELCA
- Supervision of students in Distributed Learning and Theological Education for Emergent Ministry (TEEM)
- Conflict management and clergy discipline
- First Call Theological Education, a three-year program of practical guidance to congregational leadership

Administration and Communications

	Budget	Actual
2023-24	\$258,034	
2022-23	\$257,042	
2021-22	\$242,562	\$248,167
2020-21	\$237,931	\$312,716*
2019-20	\$245,951	\$245,087

Administration includes communications, one of the most critical tools in connecting a geographically diverse church, and one of the ways that we accomplish leadership development. The synod property management, office equipment, annual audit fees, banking fees, and insurance are in this budget area.

Administration also encompasses recordkeeping, bookkeeping, office management, event planning, and compensation for the people who carry out these important tasks.

*The Synod received the Paycheck Protection Plan loan (PPP) from the Small Business Administration (SBA) in the 2020-21 fiscal year. All PPP covered payroll expenses for the staff were recorded under administrative expenses, thus increasing this budget area. This is an anomaly that should only occur in 2020-21.

Revenues to Support the Budget

Mission Share

	Budget	Actual
2023-24	\$1,320,000	
2022-23	\$1,300,000	
2021-22	\$1,300,000	\$1,130,022
2020-21	\$1,300,000	\$1,142,315
2019-20	\$1,360,000	\$1,295,587

Mission share from all congregations of the Synod funds 95% of the planned budget for 2023-24.

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Donations from Individuals

	Budget	Actual
2023-24	\$4,000	
2022-23	\$4,000	
2021-22	\$4,200	\$4,000
2020-21	\$1,200	\$3,780
2019-20	\$1,200	\$7,280

The budget does not make assumptions of significant gifts from individuals. However, such contributions are welcome. Note that gifts restricted for specific purposes are separately budgeted in restricted accounts for that purpose and not used for the general support of the Synod.

Interest and Other Income

	Budget	Actual
2023-24	\$64,000	
2022-23	\$64,000	
2021-22	\$48,000	\$59,573
2020-19	\$48,000	\$50,066
2019-20	\$48,000	\$49,289

Interest income (budgeted at \$44,000) is received from the Synod's endowment account, which is invested with the ELCA Foundation. Other income for general mission share (budgeted at \$20,000) is received from the Lutheran Foundation of the Southwest and from Thrivent.