

**Oregon Synod ELCA
Treasurer's Report to the 2025 Synod Assembly**

March 26, 2025 – The Third Week of Lent

From Luke 13: Then he told this parable: "A man had a fig tree planted in his vineyard, and he came looking for fruit on it and found none. So he said... 'cut it down! Why should it be wasting the soil?' [The vineyard worker] replied, 'Sir, let it alone for one more year, until I dig around it and put manure on it. If it bears fruit next year, well and good...'"

Greetings to all in the Oregon Synod!

It is my duty, and my joy, as your Synod Treasurer, to bring you the important information you need to understand and join in discussions regarding the financial matters of our Synod. I identify a lot with the vineyard worker in The Parable of the Barren Fig Tree (from Luke 13, above). First and foremost, I am a farmer, I get tending crops to produce fruit, or vegetables, or seeds, or flowers, or beer, or whatever else might "gladden the human heart" (Ps. 104:15). But just as important, I fear my messages regarding dollars are sometimes about as well-received as so much "you know what." But seriously, friends...

As Bp. Laurie, and I, have said so many times, money is not the mission of the Church, but it is the fuel that allows us to do ministry. It also is one way to measure the accountability and faithfulness of our stewardship of your gifts. So, with the same joy and enthusiasm for digging and fertilizing shown by the vineyard worker in Jesus' parable, I share with you this report. Like the vineyard worker, I am an eternal optimist, expecting much fruit from our labors!

I am also a realist: I know my audience for this report is diverse, with a wide range of desire for details...or not! It's possible for the worker to dig to aggressively, or over-fertilize. I'm going to start with an "**Executive Summary**." You can read it for a big picture of the finances of the Oregon Synod.

For those of you who like the numbers, I will follow the Summary with a more in-depth section. I like numbers, I can get lost in them, I can get lost in sharing them with you. Knowing this is not my church, or my job alone, and remaining committed to transparency, I'm going to "dig around it, and..." I hope everyone will find the things they want, and need, to know!

EXECUTIVE SUMMARY:

To repeat the same first message that I gave you last year: The **overall financial health of the Oregon Synod is good**, but there are several significant factors impacting us:

- Mission Support (MS), the unrestricted regular gifts congregations send to the Oregon Synod, are flat over the last six years (2019-2024). We continue to send 42% of MS on to Churchwide.
- Outside General Fund Revenues are up, particularly due to dramatically higher interest earnings; unrestricted gifts are down.

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- Draws from our Restricted and Reserve Funds are up compared to last year; we are using our “savings” to do our ongoing work.
- General Fund Expenses are up from last year, though not as much as authorized in the Revised Budget passed by last year's Assembly. This allowed us to transfer ~\$35,000 INTO the Primary Reserve, rather than drawing a similar amount from it.
- The Total Assets on our Consolidated Balance Sheet, ~\$5,323,000, have increased dramatically, up over \$1,500,000, or ~47%, more than one year ago. This is almost entirely due to the revenues received from three congregations who have completed Holy Closure and given portions of their ending legacies to the Synod. Three other congregations have completed Holy Closure in the last two years. One of those, Bethany/Portland, deeded its real property to the Synod; the FY 2024 ending Balance Sheet does NOT have an amount shown to represent that property's value.
- Deposits and investments of the Synod's cash are being stewarded to both protect them, but also to generate income during the time we hold them. About 35% of our cash is invested at ELCA Foundation Ministry Growth Fund, about 44% is on deposit earning reasonable interest at ELCA Mission Investment Fund, and the balance is on deposit at banks, earning market rate interest. We are using a dollar-cost-averaging approach to increase our investment at Ministry Growth Fund, to achieve a more equal balance between that fund and the Mission Investment Fund.

At the Assembly, I will place on the floor a motion to approve a General Fund Budget for FY 2026 (February 1, 2026 – January 31, 2027). This budget has been drafted in conversation with Bp. Laurie and her staff, reviewed by the Synod Finance Committee, and discussed and reviewed by the Synod Council, who now **recommend it to you, with a DO PASS recommendation**. You will find the budget document in the Assembly materials after this report. **I earnestly solicit your support of this budget, not only with a favorable vote, but also with the continued, regular, faithful Mission Support of your congregation.**

FOR THOSE WHO LIKE MORE DETAILS:

As we continue, I will be referring to two documents that you also have in your Assembly materials:

One is titled: **OREGON SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
SELECTED FINANCIAL REPORTS
JANUARY 31, 2025 (February 1, 2024 – January 31, 2025)**

The other is titled: **Fiscal Year (FY) 2026 Oregon Synod ELCA General Fund Budget**

I will arrange the rest of this report to follow those two documents.

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- **Mission Support** (the unrestricted regular remittances each congregation makes to the Synod): On the two graphs, you can see Mission Support is variable, month to month and year-to-year. Mission Support in FY 2024 increased slightly over the prior year (~\$7,000) but was under goal/budget ~\$8,000. Over the last five years, it appears Mission Support has leveled off, but if we take a longer view it's easy to conclude the trend is negative.
- The **Consolidated Balance Sheet** at the end of FY 2024 (FYE) shows Total Assets of ~\$5,323,000, which is over ~\$1,500,000, or ~47%, more than the ~\$3,764,000 one year ago. I believe it is the highest level in the history of our Synod; in the prior nine years (FY 2014-2022), it ranged between ~\$1,972,000 and ~\$3,141,000. This increase is primarily due to the Holy Closures of six congregations over the last two years, as well as receipt of two bequests totaling ~\$500,000. These numbers DO NOT include any amount for the church property (real estate) which Bethany/Portland gifted to the Synod in January. I'll talk more about these things later in this report.
- **Most of these dollars, ~\$4,349,000, are held in our Reserve and Restricted accounts**, earmarked for specific projects or uses. Notably, our Primary Reserve Fund balance is ~\$544,000.
- Our **Synod Endowment Fund is ~\$302,000** at FYE, almost **84% more** than one year ago.
- Besides Mission Support, all other Synod General Fund Revenues were ~\$2,600 under budget, with no significant individual variances. This brought **Total Revenues** to ~\$1,463,000, **about \$10,700 under budget**. This variance is less than 1%.
- **Expenses are well controlled**. FY 2024 ended with **total expenses ~\$75,900 under budget**. This means we were able to transfer **~\$33,800 to the Primary Reserve**, instead of drawing \$33,500 from the Reserve. The Synod continued its commitment to send 42% of your Mission Support dollars to Churchwide, for the work of our Presiding Bp. Elizabeth Eaton and her staff, around the world.

Before discussing the proposed FY 2026 General Fund Budget, I will cover some other information that is not in the Selected Financial Reports:

- With our increased assets, all of which are in cash (again, no value has been placed on our Consolidated Balance Sheet for the Bethany/Portland real property), it has been important to me, the Synod Finance Committee, and the Synod Council to ensure **we are good stewards** of this treasure, as we won't use it all at once. We hold cash in four places:
 - We have a checking account at US Bank. That account is used for depositing revenues that come through the Bishop's office; Mission Support from

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congregations that mail checks to the lockbox also lands there. Our employees are paid from this account. The balance at FYE was ~\$253,000.

- We have a checking account at Merrill Lynch Bank of America. That account is used for paying our bills and receiving electronic remittances. That account is also tied to a market-rate interest bearing demand account, and they help us keep some of our dollars earning market-rate interest. The balance at FYE was ~\$851,000.
- We have accounts at ELCA Mission Investment Fund that draw interest, primarily at fixed rates. Our weighted interest rate there was ~3.83% at FYE, on a balance of ~\$2,340,000.

Cash that earns interest in these three locations provides **significant interest income**, which supports the General Fund.

- We have dollars invested "in the market" at ELCA Foundation Ministry Growth Fund (MGF). **Strong investment earnings** continue to strengthen the Synod Endowment Fund, and several Synod Reserve funds, particularly the Primary Reserve fund. During FY 2024, that investment grew 13.6% to ~\$1,879,000 at FYE.

I believe, and the Finance Committee concurs, that **our balance between fixed returns and market returns is correct**, to match our risk tolerance but give us a return. We have a degree of diversity. We also believe **we have the necessary liquidity** to meet cash flow needs. I believe we are heeding the challenge Jesus gave in Matthew 25, The Parable of the Talents: **We're not just burying it!**

- The Synod has received an unusually large amount of cash in the last two Fiscal Years.
 - As mentioned in past years, Together Lab received a total of \$2,250,000 in grants for multi-year projects; the last was received in FY 2023. That cash is being used according to the budgets submitted with the grants.
 - In FY 2023 and 2024, **we received a total of ~\$502,000** from the estates of two individuals:
 - William Hamann bequest \$490,582
 - Kristine Berney bequest \$11,225
 - During the same period, **we received a total of ~\$1,780,000** from five congregations that have completed Holy Closure and given a portion of their cash legacy to the Synod:
 - Good Shepherd Lutheran Church/Eugene \$127,008
 - St. Paul of Damascus Lutheran Church/Damascus \$107,000

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▪ Community of Christ Church/Hillsboro	\$575,000
▪ Faith Lutheran Church/Keizer	\$258,000
▪ Holy Trinity Lutheran Church/Portland	\$713,047

We are grateful, and give thanks to God, for the vision, hard work, and generosity of these faithful people.

- **We are also grateful, and give thanks to God,** for the gift of the real property which was the home of Bethany Lutheran Church, at 37th and Skidmore in NE Portland. This land, building and all the contents (not to mention intangibles like the hopes, dreams, aspirations, missions and ministries, and echoes of the Word, hymns and prayers) are the earthly remains of a part of the body of Christ that labored in the Lord's vineyard for over 150 years. It sits on part of an even older human community. **It is sacred, and we now hold it in sacred trust.**
 - This property has a significant dollar value (which is NOT shown on our Consolidated Balance Sheet). Title transfer was closed mid-January 2025, so we've only been the owners for a little over two months. Bp. Laurie and the Synod Council have determined we won't be in a rush to make "permanent" decisions about this property, while we are investing significant thought, discussion, and prayer discerning the appropriate way or ways to utilize this valuable gift.
 - **In the short term, this property will have** a variety of "**costs**" to us, both in dollars, and in staff time, not to mention time and emotion for the Synod Council and officers. While there are three tenants (all are non-profits, two are Christian churches) renting various parts of the building, the rental income is not sufficient to cover all of our costs (utilities, insurance, security and critical repairs). I am not concerned that owning this property is going to create a cashflow problem, because of our overall strong cash position. I also believe sometime in the future we will have opportunity to offset the expenses we are incurring now.
 - Ownership of real property is a new experience for our Synod. We are not currently equipped to be landlords, property managers, or to do any other part of property stewardship. There will be a learning curve. Two members of the Synod Council, **Jan Smith and Jon Erickson, have stepped up to serve as "Trustees" for the property,** overseeing the ongoing responsibilities we now have as the owners; **please tell them thanks!**
- **There is still significant, important work for the Synod Council,** under the leadership of our Bishop, to make additional decisions regarding the proper use of our Reserved Funds, as well as the ultimate utilization or disposition of the Bethany property.
 - Bp. Laurie has already asked the Finance Committee to set aside part of a day for a planning/brainstorming session to discuss a long-term strategy for management and utilization of these increased assets

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- As you have or will hear from others, the Synod Council is going through a careful process to properly discern the future of the Bethany property. I will work to ensure the financial aspects of that discernment are properly understood.
- We know **there will be more congregations going through Holy Closure**. We know we will have more congregations looking to us for assistance as they face important discussions about their futures. These are not financial issues, but they have financial implications, some of which will not be easy to deal with but must be faced. I ask all of you to **hold in prayer our Bishop and staff, the Synod Council and its officers**, and all others who engage in the tasks of our Synod. These are times of great challenge, and great opportunity.
- The annual outside audit of the Synod is now underway. The auditors (Jacobson Jarvis & Co, PLLC, Seattle) expect to complete it around the time of our Synod Assembly. If it is available by then, I will report the results to you. Although it's a long time ago, I am happy to tell you last year's audit was entirely satisfactory.

Again, this is one of the benefits we get from having our accounting and financial work done at the Region 1 Financial Services Office. The Region together hires the auditors, and they audit all six synods, as well as the Region 1 books, in one place, at one time.

Now, let's turn to the Budget. Those of you who were at last year's Assembly, or who just like to pay attention to these sorts of things, will remember that the Synod Council came to the Assembly, not only to ask you to adopt a General Fund Budget for FY 2025 (this current year), but also asked the Assembly to modify the budget for FY 2024. Circumstances, financial and otherwise, had changed a great deal. Bp. Laurie wanted to add some staffing, particularly to work with congregations going through discernment of their futures, and to help work through the backlog of congregations looking for pastors. There were funds available to do this, because of the generous vision of William Hamann, a long-time member of St. James/Portland, as the Synod had received a bequest from Mr. Hamann's estate.

It is permissible for the Synod Council to "adjust" a budget already approved by the Assembly. The **Council can move dollars** from one area to another within the budget **or reduce the total** amount. **The Council cannot increase the total** spending authorized in the budget the Assembly adopts. That's why we took the unusual action of asking the Assembly to consider increasing the FY 2024 General Fund Budget, which it did. We also asked for a further increase for FY 2025, which was also approved.

The FY 2025 General Fund Budget IS adequate to do the work. At the request of Bp. Laurie, we have "adjusted" several line items, but **the bottom line remains the same**.

Bp. Laurie also requested the Synod Council bring a **FY 2026 General Fund Budget** to this Assembly which would **fund a "status quo" year**, that is, that we would not add any significant staffing or programs beyond what's provided in this year's budget. Although this Budget has some minor changes from last year, **the total budget is only \$54,456, or 3.42%**,

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more than FY 2025. Bp. Laurie and her staff, the Synod Finance Committee, and the Synod Council all concur this budget is correct for the work we anticipate will be necessary in 2026.

I must give you several caveats:

- First, as every year, **budgeting** for work that's 11-22 months in the future **is always uncertain**. We have made no attempt to predict anything about the economy, inflation, or other factors that might affect our costs, or cause our revenues to change. We bring this to you, not only with our best judgment, but also with prayerful consideration; **this is what God wants us to do. We trust God** to walk with us.
- Second, I want you to know **this budget does not cover the entirety of the work of our Synod**. Our Innovation Projects each have their own budgets. A portion of the funding for these projects comes from the General Fund (line 54, Synod Ministry Innovation Projects); the balance is paid for by outside grants, from ELCA Churchwide, and other organizations that believe in and support this work.

The total expenditures within the eight Innovation Projects for which we are the fiscal agent (we manage their money, pay their bills, etc.) in FY 2024 was \$1,025,720; only \$104,391 of that was from the General Fund. In addition, we have two more Innovation Projects that manage their own funds, but to which we contributed \$33,000 in FY 2024. While I don't have access to the financial records of those two projects at my fingertips, I think it's safe to say **we're leveraging our contribution to this work roughly 7:1; that is to say that each dollar from the Oregon Synod is matched with seven dollars from other sources**. We are truly partnered with the larger world, to do ministry, in the name of Jesus, outside of our church walls.

- Third, **the current year's budget, and the proposed FY 2026 Budget, is counting on your congregation's continued Mission Support**. Both budgets are optimistic: This year's budget calls for Mission Support of \$905,000, which is ~\$18,000 more than last year. FY 2026 calls for another \$10,000 increase, to \$915,000. We believe the people of God can do this; we hope you share our optimism (dig, dig, dig)!

Bp. Laurie, and the Synod Council, **sincerely solicit your support of this budget. We ask you to prayerfully consider it, and vote in favor of it at the Assembly. Even more important, I ask each of you reading this report to bring the important information to your congregation and ask them to walk with us by providing the dollars called for, on a regular basis.**

There will be a special **ZOOM meeting to discuss the Budget** and any questions you have about our Synod's finances on **Tuesday, April 29, at 6:30 p.m.** You can find out more about it on the Synod's website. Bp. Laurie and I will co-host this session, and hope many of you will join us. This will be a great opportunity to ask specific questions about anything I've talked about in this report. You are also welcome to contact me directly with any questions or concerns; my email address and phone number are at the end of this report.

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As mentioned earlier, Church is NOT about the money, but dollars fuel the work we do. I continue to strive for clarity and transparency; there's no need for secrets or surprises! I believe **we are stewarding your financial support, and all the treasures of the Oregon Synod, faithfully.** If you need more information to help you or your congregation understand the financial issues, please don't hesitate to reach out to me!

At this year's Assembly, **we have the important task of conducting an election to choose a Bishop to shepherd us for the next six years.** Although not nearly as important, **at the 2026 Assembly there will be an election to choose a new Synod Treasurer;** my service will end in August 2026. I'm confident you'll be looking for a person with the necessary skills to do the job; it should also be someone younger. God will raise up an individual for this; let's **pray the right person is listening to God's call.**

I want to **thank** the members of the **Synod Finance Committee**, who not only take the time to look over, review and advise us on money issues, but also are always supportive and encouraging of me! They include **Bp. Laurie, Vice President Paul Stromberg, Bryan Struve, Jon Erickson, and Louise Abbot. Violet Thetford**, who served almost four years, now sees Jesus face-to-face. **Pr. Newt Kerney** will be filling her position. I give thanks to God for each of these people! I'm also always looking for more individuals to engage in the money discussions as part of the Finance Committee; if you think that's something God's calling you to do, give me a call or email. I promise, I do NOT break arms!

I also want to call out the **Region 1 Financial Services Office (FSO)**, and particularly **Alyce Bakker**. When the ELCA came to life in 1988, it established regional "Centers for Mission" that brought churchwide staff, many of them specialists in particular areas of church work, closer to congregations and synods. In the Pacific Northwest, Region 1 included the Synods of Alaska, Eastern Washington/ Idaho (now called Northwest Inter-Mountain), Montana, Northwest Washington, Oregon, and Southwest Washington. The bishops of these synods wisely chose to establish the FSO, so that there might be professional accounting staff dedicated to doing the "grunt work" of finances for these six synods.

Alyce is retiring at the end of April, after over 37 years (!!!) of faithful service. I cannot imagine doing this job without this talented and gracious woman of God. Alyce, and her assistant, **Karen Dicken, for whom I am also thankful**, do all the work of deposits, payments, payroll, reporting and the accompanying bookkeeping and accounting tasks that go with it. **I thank God for the resources and help of this office, and I thank you for providing it!**

This means **synod treasurers don't handle money, go to the bank, or write checks...** you must wonder how I earn my wages! I am charged with developing budgets, plans for investments and deposits, sitting as part of the Endowment Board, the Executive Committee and Synod Council, chairing the Finance Committee, and approving payments. We have a process where payments go through several hands, from the office, across my computer screen, and on to the FSO in Mill Creek, Washington, so there's still plenty to do. I'm indebted to those who came up with this system; it would be impossible to do this task without it. I also think it provides a good system of accountability; our auditors like it.

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I'm very pleased to share with you that **the Region 1 Board has hired Mr. Rudy Vazquez** to take over Alyce's responsibilities. He's already on the job, learning as much as he can while Alyce is still around. I've spoken with Rudy; he's a man of faith, skill and enthusiasm, and I look forward to working with him.

It is a **privilege**, and an **honor**, to do this unique task; not everybody likes digging and fertilizing, but I rather enjoy it! I thank you for your trust, even as I solicit your prayers. As always, **I am thankful** to a patient and understanding **Bishop** (and her staff!) who recognizes and participates in a partnership to accomplish this work. **I'm thankful** to a supportive and encouraging **Synod Finance Committee** and a committed and engaged **Synod Council**, especially my fellow officers. Most of all, **I'm thankful for my bride** (of more than 50 years!!) for quietly cheering me on (or reining me in when necessary!). **I love you Nancy**, for so many things, but in this case, **for the love of our Church** that you share with me. Let's keep singing together!

Blessings in your day!

For the sake of the world, in Jesus's name,

Mark Dickman, Treasurer
(503) 991-7006
finance@oregonsynod.org

REMINDER:

SYNOD BUDGET DISCUSSION/Q&A via ZOOM

TUESDAY, APRIL 29, 6:30-7:30 pm

MORE INFORMATION AT: oregonsynod.org