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66TH BIENNIAL CONVENTION OF THE
WISCONSIN EVANGELICAL LUTHERAN SYNOD

Financial Results and Ministry Financial Plan

July 27, 2021



Agenda

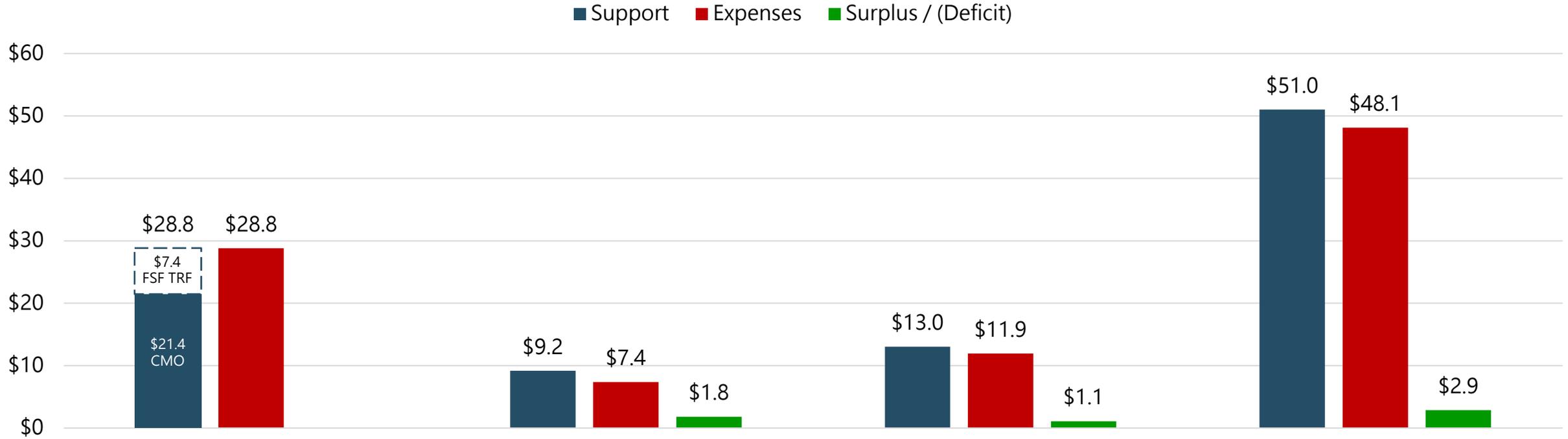
- Fiscal Year 2019-20 (FY20) Results
- Fiscal Year 2020-21 (FY21) Projections
- FY22 & FY23 Ministry Financial Plan

Fiscal Year 2019-20 (FY20) Results

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FY20 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.

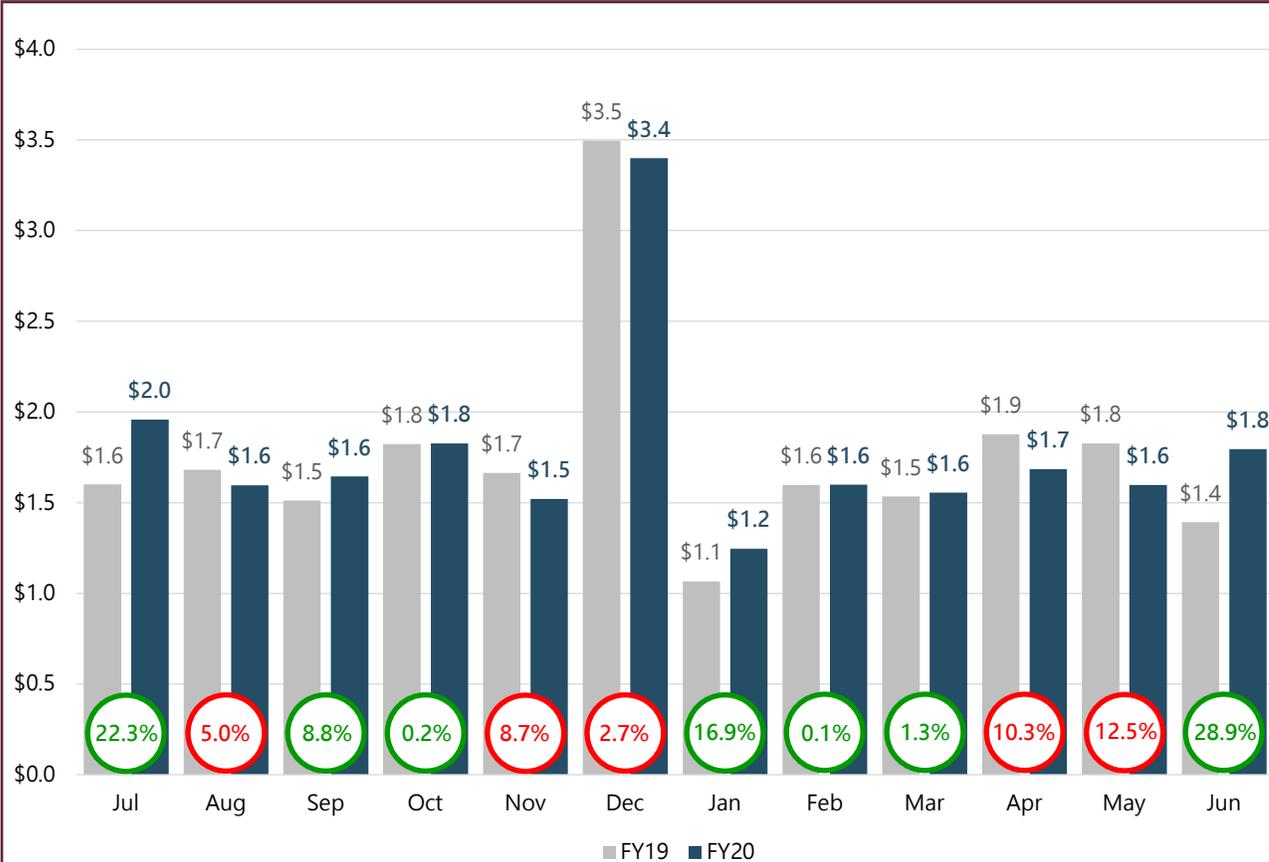
Collective Total

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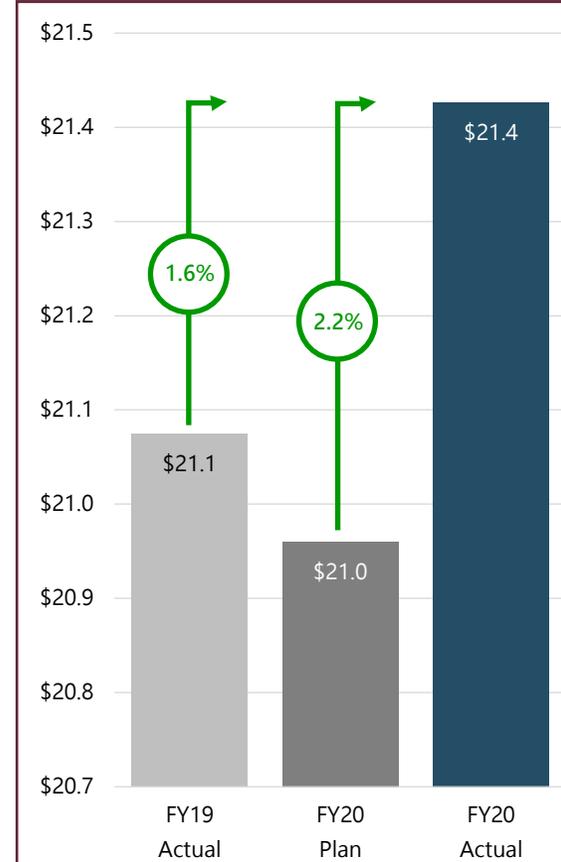
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FY20 Congregation Mission Offerings (CMO)

By Month (in millions)



Full Year (in millions)



Key Takeaways

- CMO from the end of March to May 2020 were below subscription levels due to the COVID-19 pandemic.
- A strong front portion of the fiscal year combined with a strong June 2020 helped to drive FY20 CMO of \$21.4 million.
- FY20 CMO was \$466,000 (or 2.2%) better than plan and \$352,000 (or 1.6%) better than FY19.
- Results have generally deviated from the historical trend of either flat or declining CMO that has been seen for more than a decade.

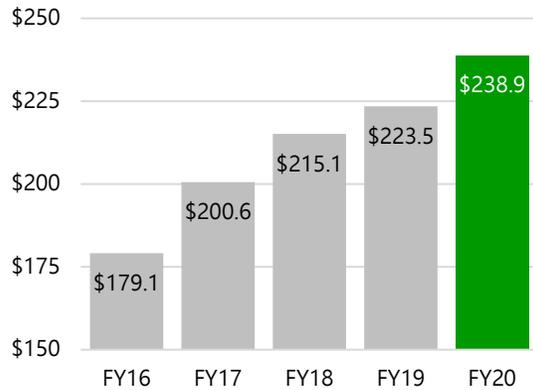
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FY20 Support Service Subsidiaries *(in millions)*

WELS Investment Funds

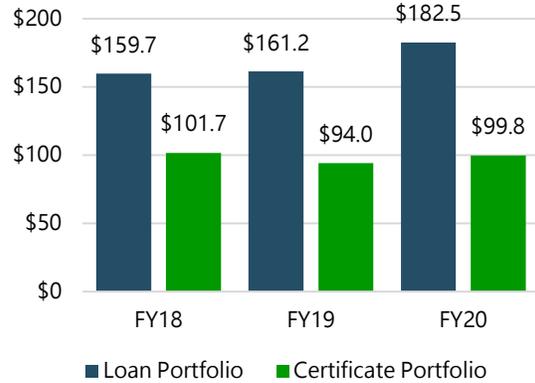
Net Assets Under Management



Key Financial Metric	6/30/2020	6/30/2019
Net Investment Income	\$ 4.4	\$ 4.6
Net Realized and Unrealized Gains	10.8	8.2
Net Contributions/(Redemptions)	0.2	(4.5)
Change in Net Assets	\$ 15.4	\$ 8.3

WELS Church Extension Fund

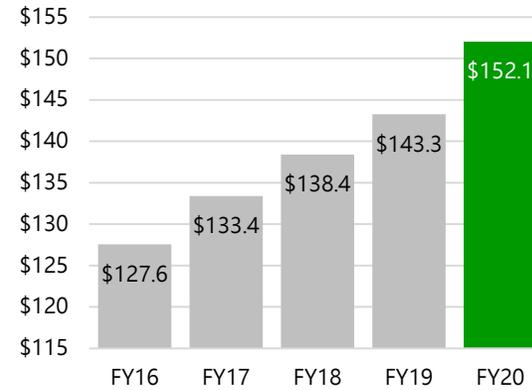
Loan & Certificate Portfolio



Key Financial Metric	6/30/2020	6/30/2019
Support (without donor restrictions)	\$ 9.1	\$ 9.9
Expenses (without donor restrictions)	8.3	8.2
Change in Net Assets (without donor restrictions)	0.8	1.7
Net Assets (without donor restrictions)	\$ 78.0	\$ 77.2

WELS Foundation

Deferred Giving Instruments



Key Financial Metric	6/30/2020	6/30/2019
Support (without donor restrictions)	\$ 6.8	\$ 4.9
Expenses (without donor restrictions)	4.9	5.3
Change in Net Assets (without donor restrictions)	1.9	(0.4)
Net Assets (without donor restrictions)	\$ 11.7	\$ 9.8

Northwestern Publishing House

Change in Net Assets *(without donor restrictions)*



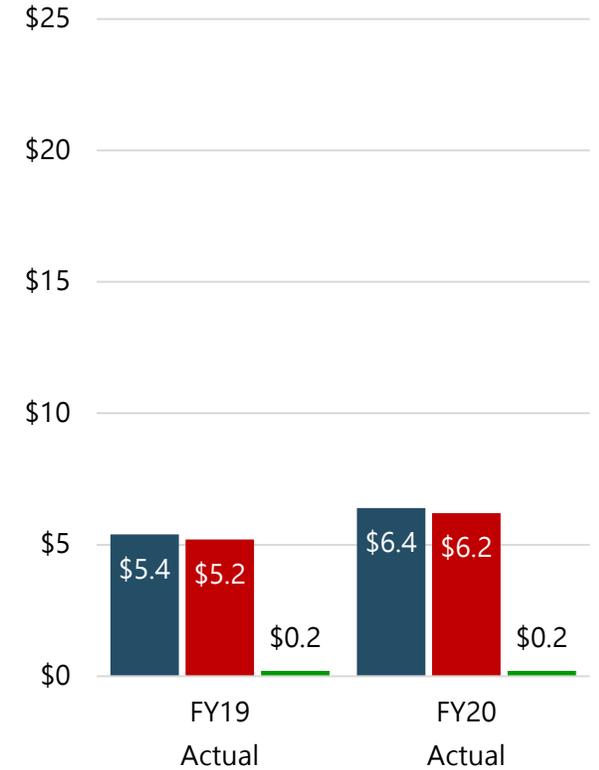
Key Financial Metric	6/30/2020	6/30/2019
Revenue (without donor restrictions)	\$ 4.9	\$ 4.5
Expenses (without donor restrictions)	4.4	4.7
Change in Net Assets (without donor restrictions)	0.5	(0.2)
Net Assets (without donor restrictions)	\$ 7.4	\$ 6.9

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FY20 Ministerial Education Schools *(in millions)*

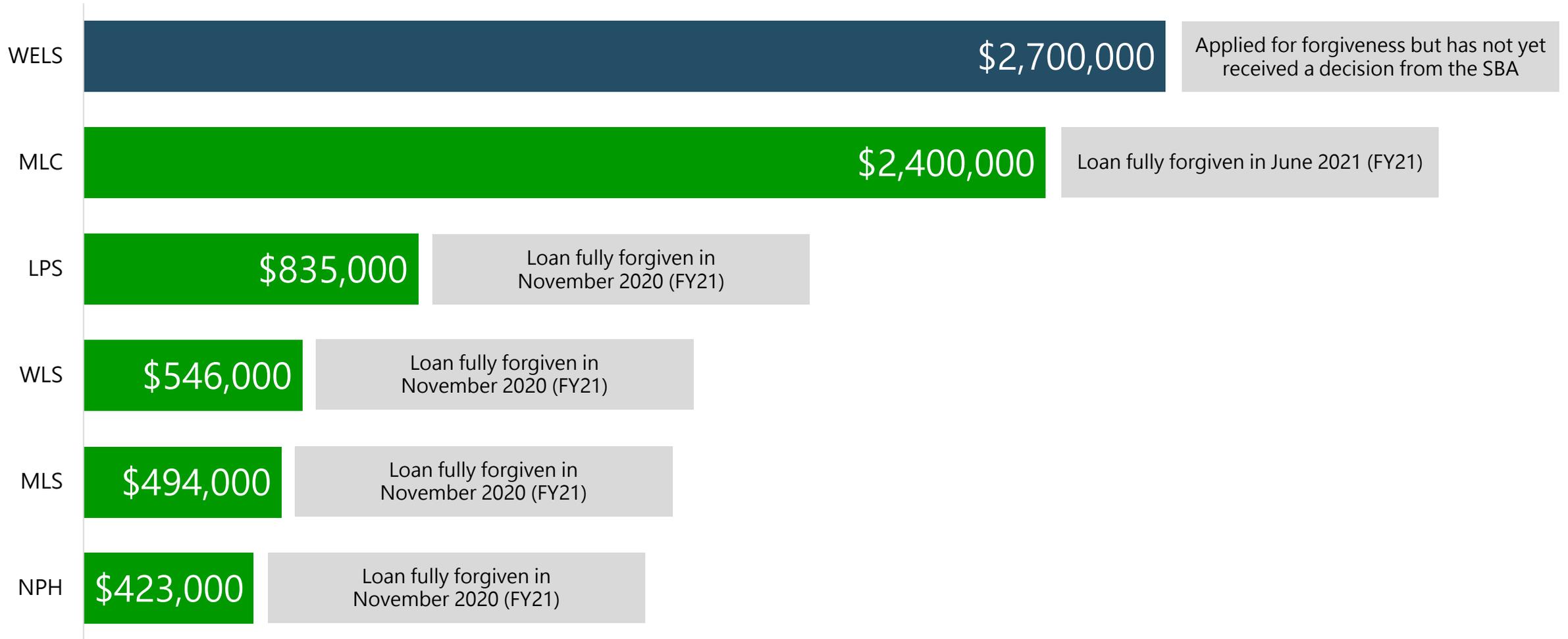


■ Support (Without Donor Restrictions)
 ■ Expenses (Without Donor Restrictions)
 ■ Change in Reserves (Without Donor Restrictions)



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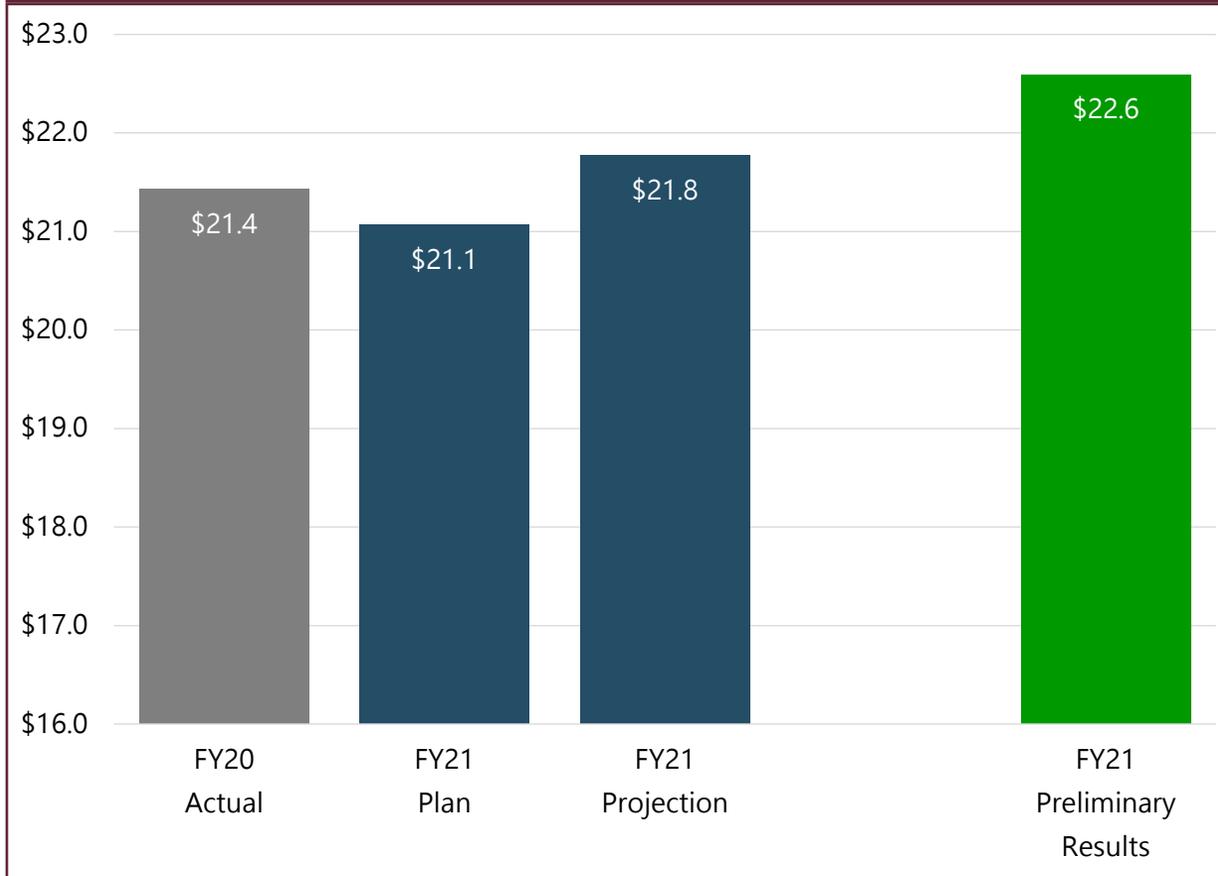
Paycheck Protection Program ("PPP")



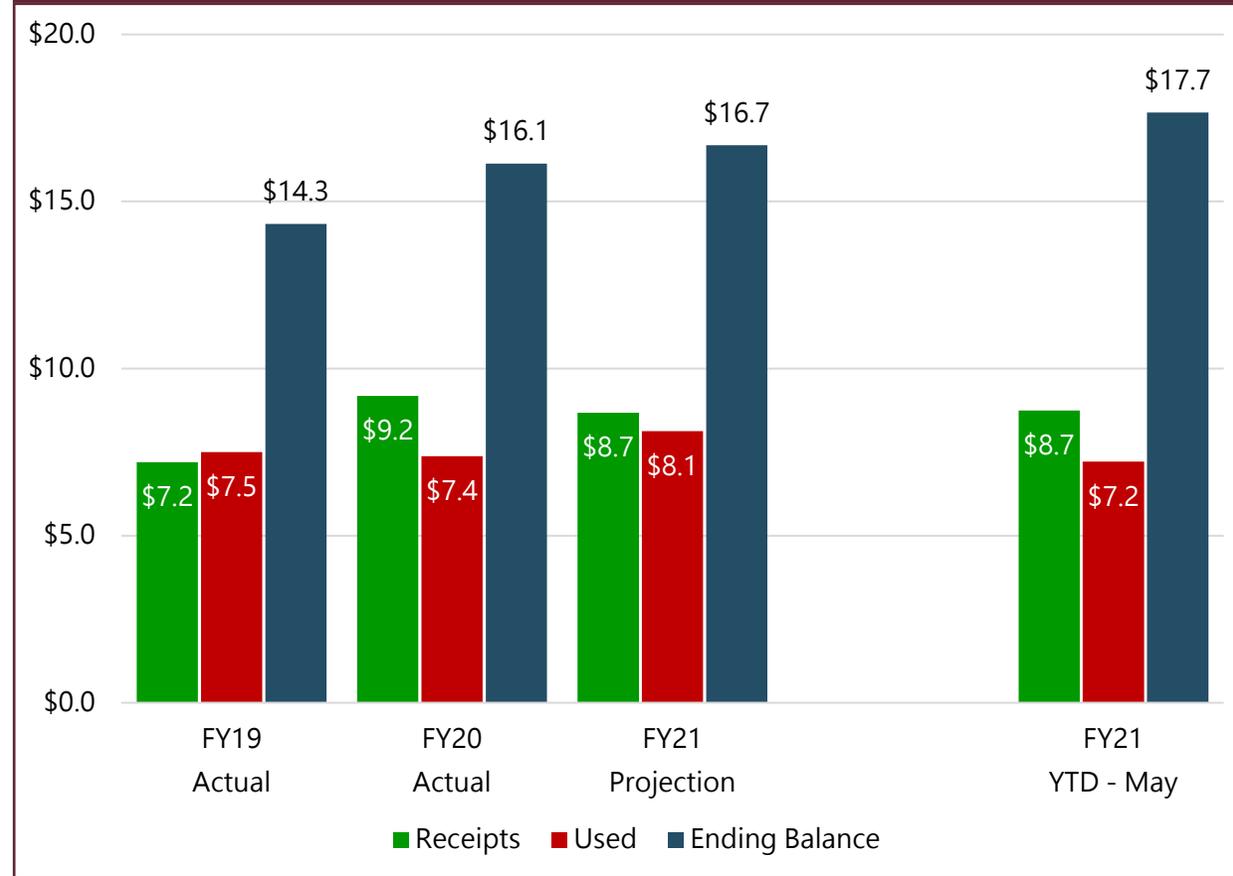
Fiscal Year 2020-21 (FY21) Projections

FY21 Projections

Congregation Mission Offerings (in millions)

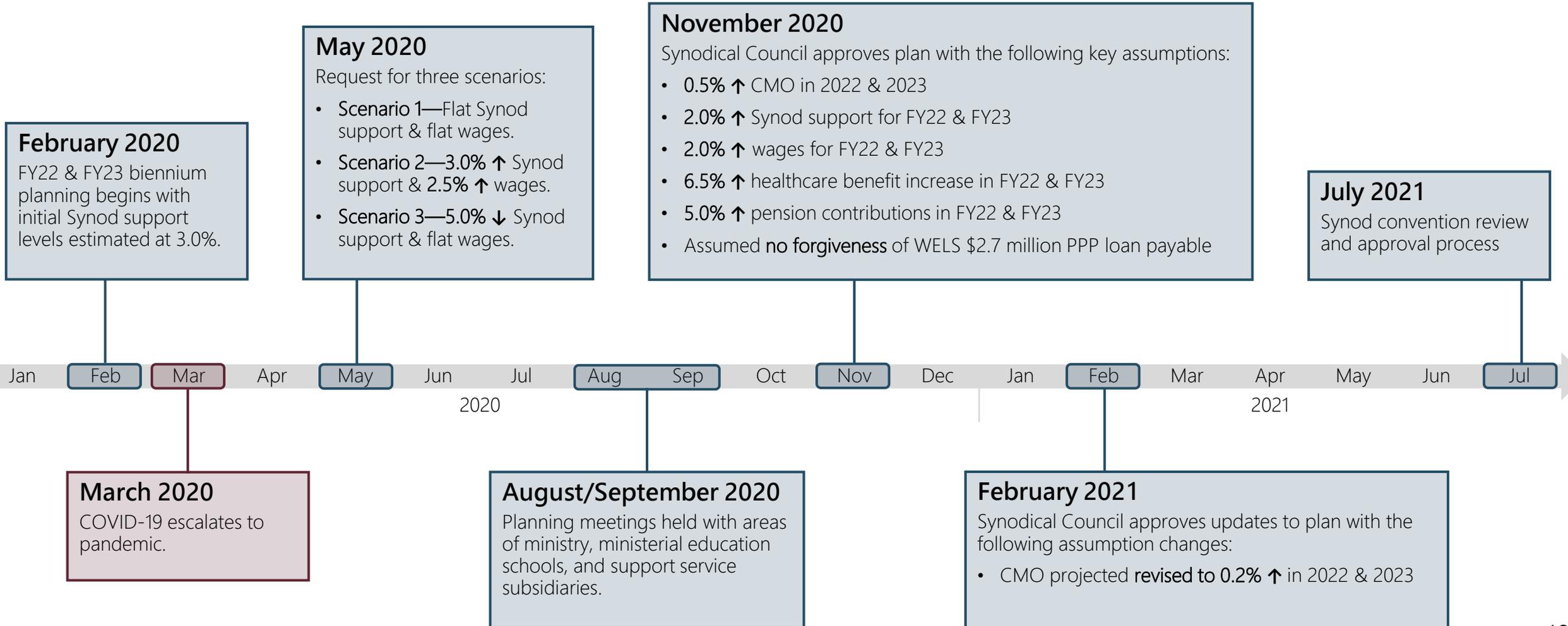


Financial Stabilization Fund (in millions)

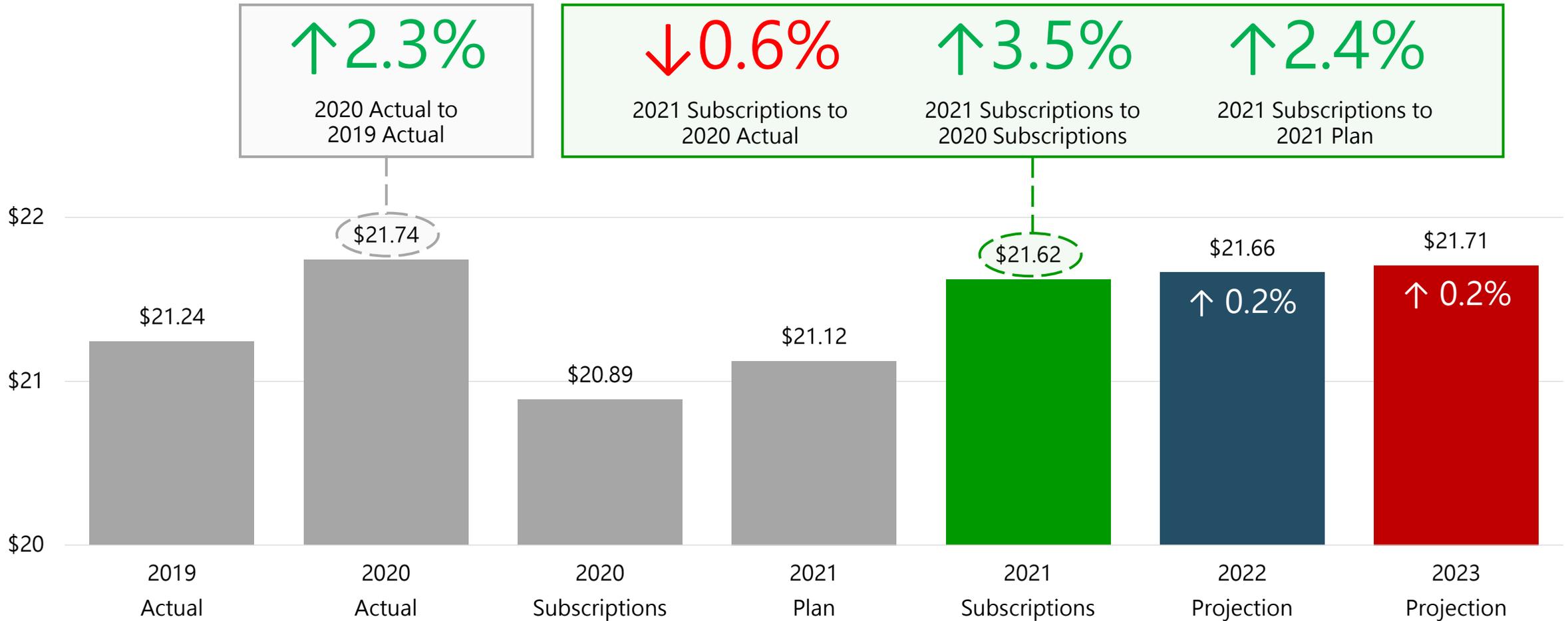


FY22-FY23 Ministry Financial Plan

Development of Ministry Financial Plan



CMO Subscriptions & Projections *(in millions)*



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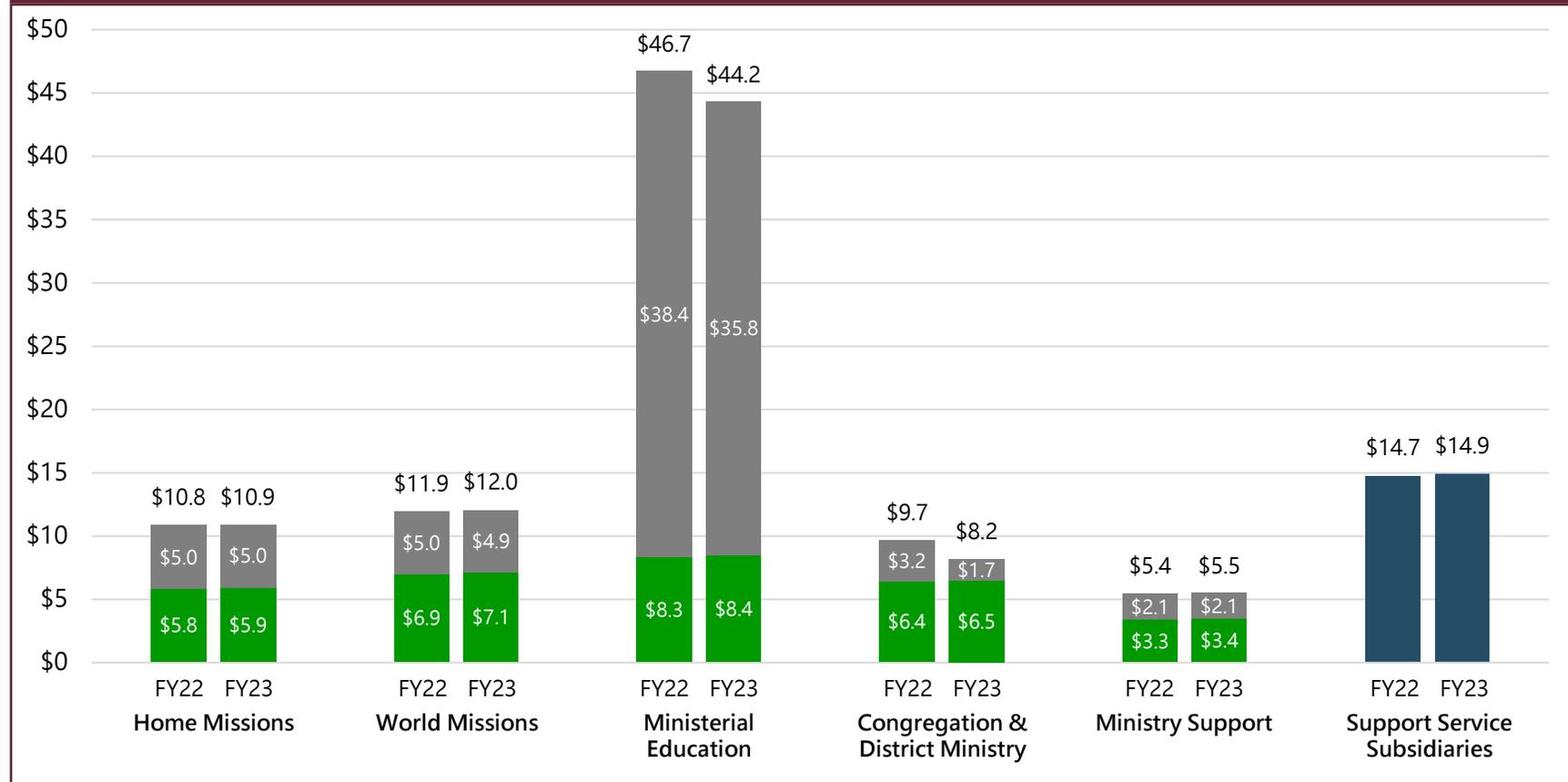
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FY22 & FY23 Ministry Financial Plan Summary

Support (in millions)



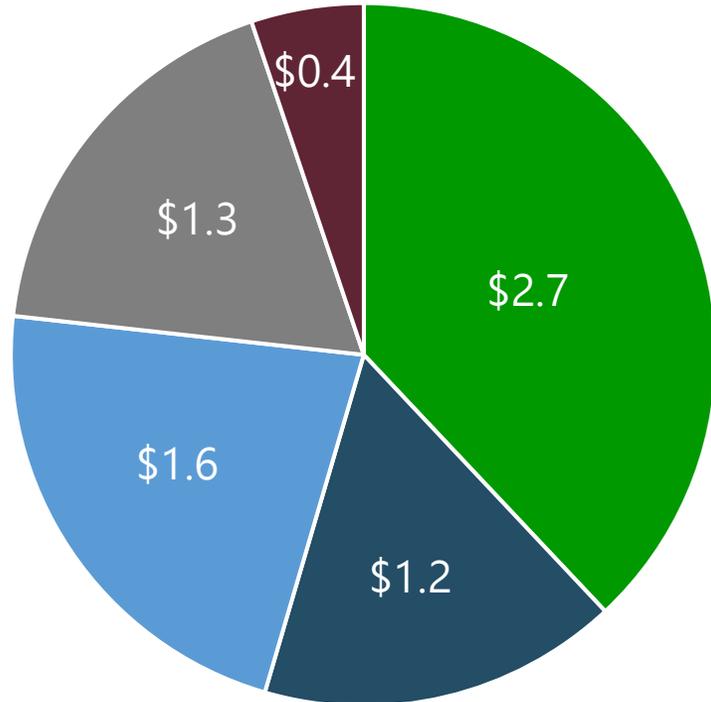
Expenses by Area (in millions)



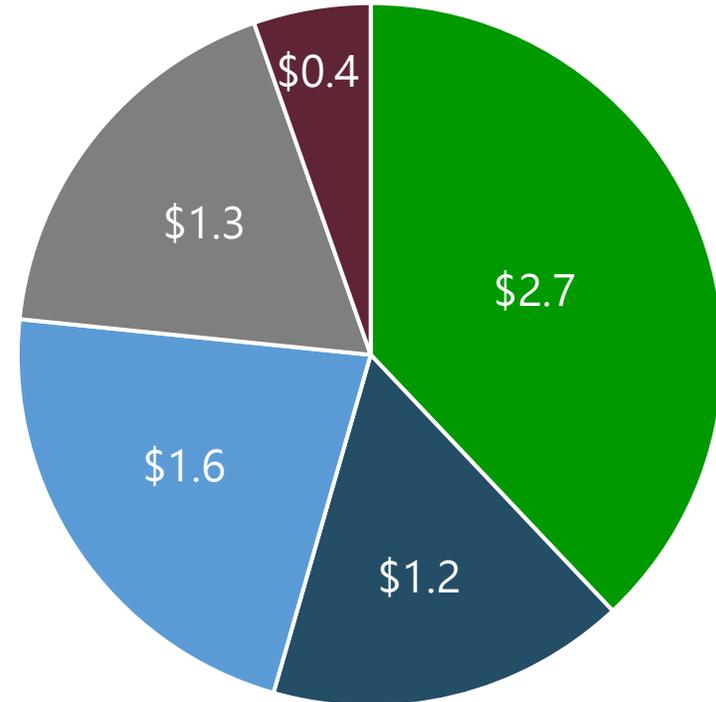
■ Synod Operating Support
 ■ Reserves, Tuition, Gifts & Grants
 ■ Subsidiary Support

Financial Stabilization Fund Components *(in millions)*

FY22 Support
\$7.2 million



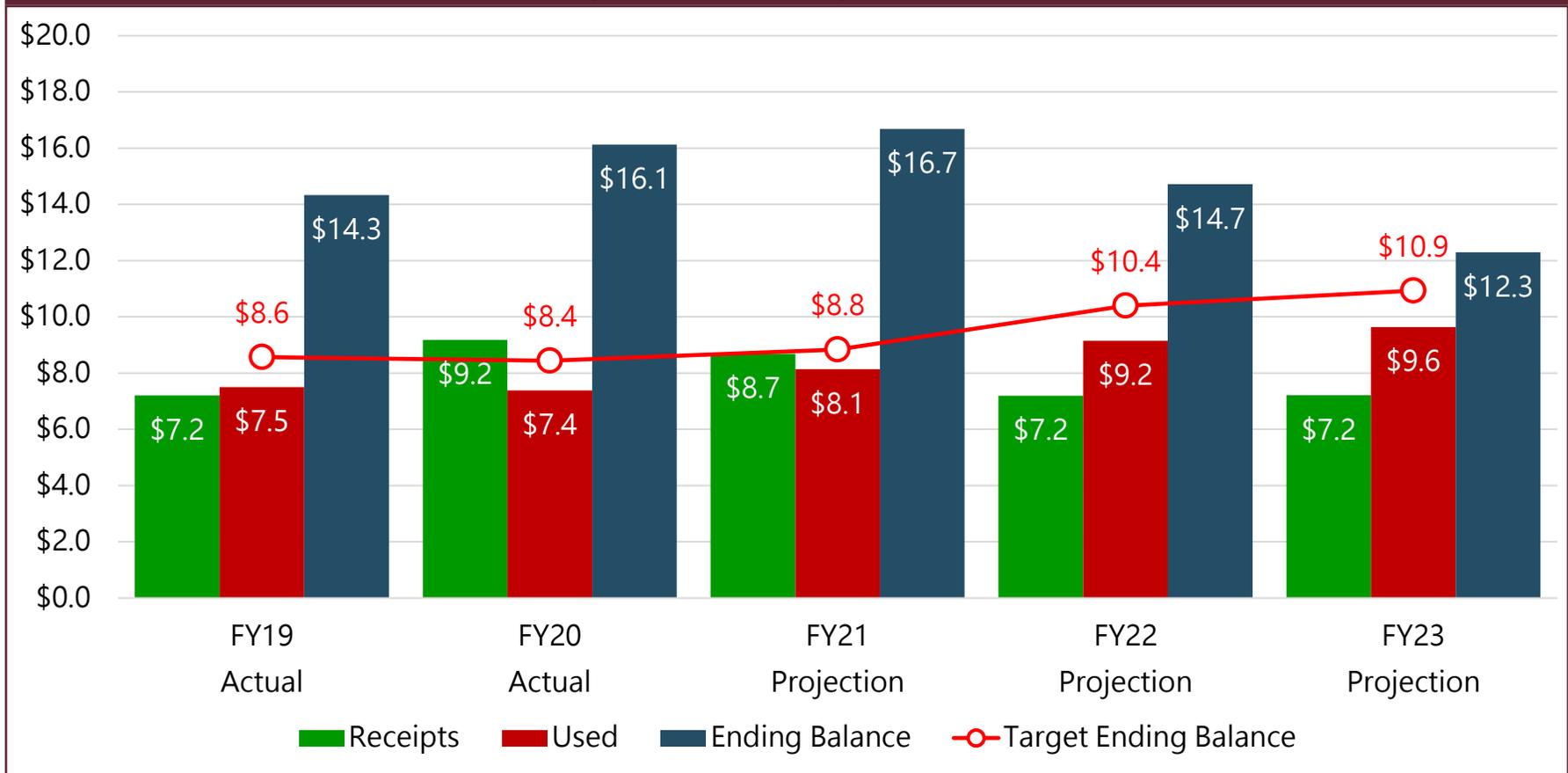
FY23 Support
\$7.2 million



Grants Gifts from Individuals Unrestricted Bequests Investment Income Endowment Distributions & Other

Financial Stabilization Fund Projection

Activity and Balance by Year *(in millions)*



Key Takeaways

- WELS \$2.7 million PPP loan has not been assumed to be forgiven within these projections.
- \$400,000 approved funding of items on the Unfunded Priority List included in projections.
- The gap between receipts and use of funds averages \$2.2 million over the FY22 & FY23 biennium.
- The excess in the FSF in FY21 is being used to provide the 2% increased Synod support for FY22 and FY23.

Thank you!

