

Report of the Treasurer
2026 Upper Susquehanna Synod Assembly

First of all, thank you for your contributions to your congregations and to the ministries of our congregations, synod, and the Evangelical Lutheran Church in America through Mission Support.

As we prepare for our annual synod assembly, I share this written report with members of our synod, along with the financial reports, and share insights about the fiscal year that ended on January 31, 2026, and the proposed budget for the fiscal year ending January 31, 2028.

The biggest financial challenge that our synod faces is the expectation that our synod will continue to provide the same level of services and support each year in the midst of declining Mission Support from congregations and other income, while encountering inflation and rising operating costs. Since 2011, in order to present balanced budgets, the budgets have included transfers from restricted reserves. Some years, those transfers have not been required to balance the budget or were less than the full budgeted amount. In recent years, we have seen the amount of the budgeted transfers from reserve funds increase, while the total amount of the reserve funds is decreasing. We currently have approximately \$375,000 in reserve funds to cover future budget deficits.

Financial Report for the Year Ended January 31, 2026

General Operating Fund – Budget Vs. Actual

The full line-item report showing budget versus actual data for the fiscal year ending January 31, 2026, is attached. Here are some highlights:

- Mission Support from congregations was \$679,147.18 compared to an amended budget of \$690,000.00. This was 98.43% of the amended budget amount. This compares to the prior year when \$674,330.52 was received and a budget of \$715,000.00.
- Total Revenue was \$748,976.62 compared to a budget of \$787,655.56. This was 95.09% of the budgeted amount. A one-time gift from a congregation that closed for \$16,679 was immensely helpful in providing additional income for the year. The budget included a \$35,000.00 transfer from the restricted funds, but it was not necessary to offset deficit spending and balance the budget.
- Total Expenses were \$750,629.45 compared to a budget of \$785,722.80. This was 95.53% of the budgeted amount. The resulting deficit of \$1,652.83 will be covered by reserve funds.

Temporarily Restricted Funds

During the year, the synod maintains several restricted accounts. Some of these accounts are pass-through accounts, where contributions and gifts to ministry partners are received and then forwarded to the ELCA and ministry partners. Other contributions are designated by the donors for specific ministries and programs. At the 2025 Synod Assembly, actions were taken to transfer the Faith Church Loan Fund to the new Bold Ideas Grant Fund, and to transfer the Student Loan Fund to the USS Fund for leaders. A report showing the Summary of Restricted Accounts is included with this report.

Investments

Portions of the Restricted Funds are invested with the ELCA Foundation's Ministry Growth Fund. The market value of the investments fluctuates during the year based on the stock market values. The value of the investments on January 31, 2026, was \$969,887.48. The market value of the investments increased by \$106,710.26 during the fiscal year. We received income distributions totaling \$31,332.00. The income distributions were allocated to the corresponding restricted accounts, in accordance with our synod's investment policy.

Audit Report

The annual audit of the financial statements is in process. When finalized, a copy of the auditor's report and audited financial statements will be available via the synod office.

Current Fiscal Year Ending January 31, 2027

Based on updated projections and contract amounts, the synod council in November 2025 approved line-item amendments to the budget approved at the 2025 Synod Assembly. The net effect of all of the changes maintains a balanced budget.

At the end of the first quarter (April 30, 2026), preliminary results show Mission Support income of \$147,877.52, which is 21.91% of the amended budget of \$675,000.00.

Proposed Budget for the Fiscal Year Ending January 31, 2028

Bishop Miller and the Finance Committee began the budget process for 2027 (fiscal year ending January 31, 2028) in the fall of 2025. This was done simultaneously with making recommended adjustments to the 2026 budget. The committee desired to present a balanced budget that recognized the revisions made to the 2026 budget, compensates our staff fairly, and practices good stewardship of the synod's resources. The committee worked with the synod council and executive committee regarding priorities and ideas for presenting a budget for 2027. The budget presented still has a projected deficit of \$25,781. The Assembly may suggest amendments to the proposed budget, or the remaining projected deficit will need to be covered by reserve funds.

Overall, the budget for 2027 (fiscal year ending January 31, 2028) is quite similar to the 2026 amended budget. Here are some highlights of key differences between the budget for the fiscal year ending January 31, 2027, and the proposed budget for the fiscal year ending January 31, 2028:

- Total Revenue is decreased by \$40,358.00 to \$738,080.00.
 - Projected Mission Support from congregations is \$45,000 lower.
 - The anticipated transfer from reserves to cover any deficit increases by \$2,662.00 to \$60,000.00. (This could increase by the remaining projected deficit of \$25,781.)
- Total Expenses are decreased by \$11,780.00 to \$763,861.00.

- The percentage of Mission Support sent to the ELCA churchwide organization remains at 41.0% of Mission Support received from congregations. (The dollar amount shared with the ELCA decreases because we project less Mission Support income.)
- The proposed budget allows up to a 3.5% increase to compensation and benefit lines but does not include replacing the open Assistant to the Bishop purchase-of-service agreement. There is budget allowance for an increase for pension and health care costs.
- The budget is not yet balanced and projects a deficit of \$28,578.

An online budget hearing to present and discuss the proposed budget will be held on May 18, 2026, at 6:30pm. The link for the budget hearing is posted on the Synod Assembly website, and a recording of the hearing will be posted following the hearing.

Conclusion

Please join me in thanking those who deal with our financial records on a daily basis: Brenda Krouse (Administrative Assistant) and Linda Aurand (entering the Accounts Payable invoices and preparing checks).

Thank you to the members of the Finance Committee for your support in defining financial policies, reviewing our financial reports, reflecting on best practices, and guiding the budget preparations. Those serving on the Finance Committee during the past year include Scott Frost (chair), Pastor Rick White, Jeff Mitchell, Ron Mitchell, Bishop Craig Miller, and myself (synod treasurer).

During the year, I have enjoyed the pleasure of working one-on-one with a number of our congregation leaders in responding to questions about setting up online giving, best practices, and financial procedures. As my volunteer time and availability allow, I am pleased to join in conversation, answer your questions, and direct you to further resources if necessary. You may reach me at treasurer@uss-elca.org.

It is a privilege to partner with all of you in addressing our synod's finances and serving as your synod treasurer. We continue to support the mission of our synod, partner agencies, and ELCA churchwide organization, even in the midst of declining Mission Support projections. Working together and pooling our resources, we will be able to continue supporting and accomplishing great works of ministry using the gifts that God has provided for us. Together we can faithfully steward our resources and witness to God's mission at work in our Upper Susquehanna Synod.

Thank you for your partnership!

Respectfully Submitted,

The Rev. Chad A. Hebrink
Treasurer – Upper Susquehanna Synod, ELCA