

FINANCE AND PERSONNEL

LaWAYNE ROGNESS

OPERATIONS:

Greetings from the Finance Department of the CLB. I count it a privilege to serve the Church in the ministry of the CLBA. Finances in the CLB have been quite strong this past year. We have had months where we did not meet our anticipated goal, and others where we exceeded our anticipated goals. Overall we were blessed this past fiscal year with being able to meet and exceed our anticipated goals. At this writing, we have not closed our FY2021-22 books with the final numbers fully accounted for, but indications are that they will be favorable. Truly the Lord has provided for his mission.

- We started the fiscal year strong, and we were able to meet our anticipated goal throughout the complete year. We started the year strong in May (our first month of our fiscal year), followed with the slow summer months. Our strong May carried us through the summer months, and we went into September strong. During the fall, we put together an aggressive fund drive for our North American Church Planting Ministry and were blessed by a very great outcome. We raised a total of approximately

\$160,000. With that influx into our regular giving we went into December very well. December, always a good month for giving, again went well and we entered January in very good shape. In late January and February, we again were aggressive in raising for the Seminary approximately \$260,000 through the “Giving Hearts” fund drive, again putting us in very good shape to start winding down our FY2021-22. The numbers are not completed at this writing, but as of April 15 we have met the contribution portion of our budget. But we still have some way to go in our other revenues to complete our \$4,005,637 revenue budget. The story does not end there. We found that our operations income (business done in our Seminary and Communication department) was over on sales of tuition and communication sales. Coupling that with our strong estate gifts, we were just \$190,000 short for the year, at this writing. Very doable in meeting our full Revenue Budget. Looking at our spending in our operating budgets, we are finding, again at this writing, that we may come in underspending as

much as 7-10%. This would translate in the area of \$280K–\$400K in underspending. There were several budgeting positions and items that were just not completed in this fiscal year and are moving into the next fiscal year. Finishing up the year, we expect to show a net operating gain. We feel very blessed and thank the Lord for his provision.

- So, as we look back on FY2021-22, we are thankful. We see the Lord leading in our finances, in both supplying our needs through gifts from you and your churches and watching our spending as we seek to fund the ministries which have been entrusted to the CLB. We say, “Thank you.”

CAPITAL

- On the capital side of the “financial house,” we have multiple different accounts. Much of our investments are in the financial markets and we have been watching those markets, seeing the Dow Jones fluctuate continually, up big time and then down big time. World economics have hit us hard. We were seeing a 20-30% decrease in the Dow Jones

2021-2022 Contribution Goal

Actual Received
\$3,178,754

Exceeded by
\$278,754

Fiscal Year Goal
\$2,900,000

Fiscal Year End:
April 30, 2022

and how it has affected our balances. Over the past months the returns on our financial portfolio have plummeted. For example, our returns on the Edward Jones Portfolio show the last 3 months: <5.12%>; last 6 months: <7.66%>; 2021: 6.48%; 2020: 6.17%; and then coming off the downtrend of 2008 at a rate of .49%. We also have other financial portfolios in which funds are invested. In our Trust Accounts, we also have our Endowment Fund. This fund is funding our church loans and the balance is invested. Over this past year, we have seen this account grow with new endowments and adding to existing endowments that are already in place. This account has a new balance of just over \$9.0M, of which about \$6.3M is invested in Church Loans and the balance in one of our Edward Jones Accounts.

- We entered the fiscal year with well over \$2.5M in cash reserves in our Endowment Fund. Those reserves are especially designed to assist our churches in their building and facility needs. We have one loan application at present and are looking to assist if needs arise.

- Hillcrest Lutheran Academy has a \$1.5M line of credit with the CLB. During the academic school year, they debit and credit the account as needed. Since our last Convention, Hillcrest has added a lower school to the existing high school, thus making it a prekindergarten to 12th grade school. They have purchased a building for the lower school, and plan to move into it in June 2022. This is a significant investment, which is using much of the \$1.5M line of credit.

PENSION BENEFIT

All our licensed pastors have the option to be part of this account where we house our Pension Retirement account. It is here that we bill and account for each of their pension payments. We also offer to our churches the opportunity to be part of our Benefit program. In this program we offer three different benefit policies. We offer \$50,000 of Life Insurance, \$50,000 of Accidental Death, and a Long-Term Disability policy. The Life and Accidental Death benefits can be added to at the participant's desire. Many of our participants take advantage of the extra protection.

OFFICE INFORMATION

- I'm very grateful for the Finance Office staff. Krista Hexum is new to our office and works with donor development, in filing, and assisting in the various duties of the Finance Office. I/we are blessed in the Finance Department with the good work of Krista and other employees who step in and help as needed.
- The Finance Committee has held many electronic meetings during the months of FY2021-22. It's not uncommon to have issues come up that really cannot wait until the next scheduled COD meeting and I'm grateful that the Finance Committee members willingly and cheerfully operate through email or Zoom as a way of conducting business when the need arises. The members of the committee are:
 - Matt DeKok – Chairman
 - Joel Torgerson – Member
 - Mark Nienow – Member
 - Scott Skones – Member
 - Michael Swenson – Member

LaWayne Rogness serves the Church of the Lutheran Brethren as Director of Finance and Personnel.