



Sierra Pacific Synod
Office of the Bishop

DATE: August 2025

RE: Synod Financial Update & 2026-27 Budget Summary

FROM: Scott Taylor, Treasurer
Simon Wong, Vice President
The Rev. Jeff R. Johnson, Bishop

Dear siblings in Christ, partners on the way,

“I am confident of this, that the one who began a good work among you will bring it to completion by the day of Jesus Christ.” – Philippians 1:6

We write in this spirit of confidence with an important update about the financial situation of our synod—a story of progress, perseverance, and faithful stewardship. Over the past year, we have seen encouraging signs of stability and growth, all made possible by your generosity, trust, and renewed commitment to God’s mission in this place.

Signs of Hope: Expenses Down, Deficits Eliminated

We have good news to share. Thanks to faithful stewardship and disciplined spending, our budgeted expenses for fiscal year 2025–26 are projected to be \$126,000 lower than the previous year. Additionally, income from interest and investments will rise by \$366,000, largely due to careful investment of property sale proceeds.

For the first time in 15 years, we will be presenting a balanced budget for the next fiscal year 2026–27—even as we anticipate congregational Mission Support will be \$225,000 lower than what we expect to receive this year.

This marks a dramatic and positive shift after years of deficit budgets—a result of hard choices, careful financial oversight, and shared accountability. We are no longer digging deficit holes. Instead, we are building on the bedrock of predictability and sustainability. The tide is turning, even faster than we expected.

Mission Support: Our Shared Responsibility

Congregational Mission Support remains the backbone of our shared financial life. It is not a tax or membership fee, but an intentional act of faith and generosity, much like a tithe. Many congregations aim to give 10% of their offerings toward Mission Support, a proportionate share, 40% of which we pass along to churchwide to support wider ministry.

We recognize that Mission Support is under the same pressures that affect all giving, and we thank you for your faithfulness in these challenging times. We encourage you to prayerfully consider ways to sustain and strengthen this vital contribution to our collective work.

Building Toward the Future: Growing Our Endowment and Legacy

To ensure a sustainable future, we are stewarding resources within the Mission and Ministry Endowment Fund—a fund designed not only to support our ministries today but to carry the witness of Christ into future generations.

Over the past year, thanks to the dedicated efforts of Synod Property Manager Ed Babcock, Pastor Charlane Lines, Treasurer Scott Taylor, our Synod Trustees, and partners at DCG Strategies, we have sold several synod-owned properties to grow this fund. As of January 31, 2025, the endowment had grown by \$4,022,275—resources that are invested and protected for ministry. During July 2025 we closed on two additional property sales, adding another \$7.40 million to this important fund.

Annually we draw 5% from this fund to support mission and ministry. This 5% draw model is widely used by universities, nonprofits, and foundations. It's time for the church to join them – investing wisely, drawing sustainably, and planning for the long haul.

Leaving a Legacy That Lasts

Every congregation has a story—woven through baptisms and confirmations, community meals and mission trips, weddings and funerals, and the faithful worship of generations. These stories are the treasures of our shared life in Christ. Yet each community of faith eventually faces moments of transition, when one chapter gives way to the next.

At such turning points, the question is not simply “*What comes next?*” or “*How do we close?*” but “*How will our story continue to bear witness to God's love?*” Through the Mission and Ministry Endowment Fund, the faithful witness of each congregation endures. Legacy gifts—whether through property, endowments, or other assets—ensure that your ministry will continue planting seeds: funding new faith communities, supporting leaders, and serving those most in need for decades to come.

We urge you not to let this be the final chapter of your story or allow your legacy to be scattered. Instead, let the Synod walk alongside you. Our team of pastoral advisors, property managers, and trusted legal and financial experts can help you make faithful decisions that honor your past and bless the future. Together, we can steward a legacy of hope and promise that will outlive us all, proclaiming the gospel for generations of disciples.

Greater Financial Transparency

This past year, we have taken significant steps toward greater financial transparency. Monthly unaudited financial reports are reviewed by our Finance Team and Synod Council and shared with Conference Representatives and Deans. Moving forward, we aim to publish clear, accessible summary reports that communicate both our challenges and progress.

We have also strengthened our financial infrastructure:

- Contained costs and reduced reliance on consultants.
- Restructured staff for efficiency.
- Appointed an active Treasurer and revitalized Finance and Investment Committees.
- Hired Logan Rimel (University Chapel, Berkeley) as our new Finance Assistant, following many faithful years of service by Debbie Cook (St. Paul, Lodi).
- Contracted with FASS for day-to-day accounting and upgraded our systems for accuracy and reporting.
- Completed the annual financial audit for FY2024–25, which was presented at the Synod Assembly on June 14, 2025.
- Launched new giving strategies, raising \$30,000 from individual donors in December 2024 and January 2025 alone.

Looking Ahead: A Balanced Budget

The Finance Team has prepared a balanced budget for Synod Council approval at this month's meeting, which will be presented online on November 1st. This was made possible through your generous Mission Support and income generated from careful stewardship of our endowment. A summary of the proposed budget is attached.

Forward in Faith

These are challenging times for ministry, yet we remain people of hope. With St. Paul, we are "confident of this, that the one who began a good work among you will bring it to completion by the day of Jesus Christ."

Thank you for your leadership, generosity, and faithfulness. We are building something together: a church that is resilient, responsive, and ready to walk boldly into God's future.

Please take time to reflect on what we have shared. We are deeply grateful for the relationships that allow us to hold this truth together. Thank you for your unwavering commitment to the mission and ministry we share.

Summary - 2026-27 Sierra Pacific Synod Draft Budget Materials
Budget ending 1/31/2027

	1/31/25 Actuals	5/31/25 Annualized	25/26 Budget	26/27 Budget	% of 26/27 Income	Comments
Income						
Mission Support and Development	\$ 1,360,622	\$ 1,159,611	1,550,000	1,325,000	52%	Note #1
Registration Revenue	114,015	76,524	62,500	45,500	2%	Note #2
Churchwide Support	318,497	291,144	319,623	310,019	12%	CCL Grants and DEM
Other Income	5,717,265	708,921	502,847	868,981	34%	Note #4-6
Total Income	\$ 7,510,399	\$ 2,236,200	\$ 2,434,970	\$ 2,549,500	100%	
Expenses						
Salaries & Benefits	962,052	957,180	1,006,601	1,011,997	40%	Note #7 & 8
Support to Churchwide (40% of cong mission support)	532,139	456,246	580,000	500,000	20%	Note #1
Mission & Ministry Support Grants	435,672	240,234	518,560	419,600	16%	\$80,000-\$100,000 more from reserve funds
Synod Teams & Program	-	-	60,546	74,506	3%	Lay leadership, candidacy, youth etc.
Synod Assembly & Convocation	111,553	62,043	47,950	43,000	2%	Budget neutral (see income)
Administration & Property	490,424	617,124	453,744	500,397	20%	Inflation, admin, and property
Total Expenses	\$ 2,531,840	\$ 2,332,827	\$ 2,667,401	\$ 2,549,500	100%	
NET SURPLUS/(DEFICIT)	\$ 5,078,559	\$ (96,627)	\$ (232,430)	\$ 0		

Assumptions

Budget ending 1/31/2027

Note #1: Mission support from congregations continues to decline (\$1.25 million), which reduces the 40% share to churchwide

Note #2: Same model for Synod Assembly in 2026 (3 regional gatherings + online assembly) reduces the income / expense

Note #3: Estimated \$75k of 26-27 development revenue

Note #4: Other income: 5% spend rate of our investments means we have a sustainable stream of future income

Note #5: Other income: we earn more on investments above the 5% that we draw. Our management fees are 1% or about \$150,000 in 2026-27

Note #6: Other income: balances assume sale of Epiphany Lutheran in 2025-26

Note #7: Salaries will increase 3%

Note #8: A replacement Finance Assistant at 25 hours per week. A new admin assistant will join 2/26 at \$75,000

Note #9: A grant to Lutheran Disaster Response has not been included in this proposal. We should know shortly if we have received this funding and can amend budget if needed.