



SAINT LUKE'S

P R E S B Y T E R I A N C H U R C H

Annual Financial Report For Year Ending December 31, 2017

We are distributing this Report via e-mail to all church members and copies will be available in the church office. Please contact a member of the Finance Committee with questions regarding the church's finances.

As 2017 came to a close, the Lord blessed St. Luke's and our finances ended the year in good shape. We ran a \$30,500 surplus for the year, which will be carried over to support the 2018 Budget. The Endowment Fund grew by \$300,000 and ended the year at just over \$1.0 million. We completed a successful Commitment Campaign for 2018, but pledges were a little less than 2017 so we were unable to increase spending for most programs; however, we provided for limited pay increases for Pastors and staff. At St. Luke's, we have been forced to manage tight budgets every year due to the mortgage on the building. The annual cost is \$369,000 and a balloon payment of \$2.5 million comes due in August of 2021. The Finance Committee established a Four-Year Financial Plan last Spring designed to reduce the principal to be refinanced; hopefully, get a lower interest rate; and get a mortgage note that allows us to pay the mortgage off in full, as quickly as possible. The ultimate goal is to be debt free. We are enthused with the job at hand, and with God's good grace, see a clear path to achieving these goals.

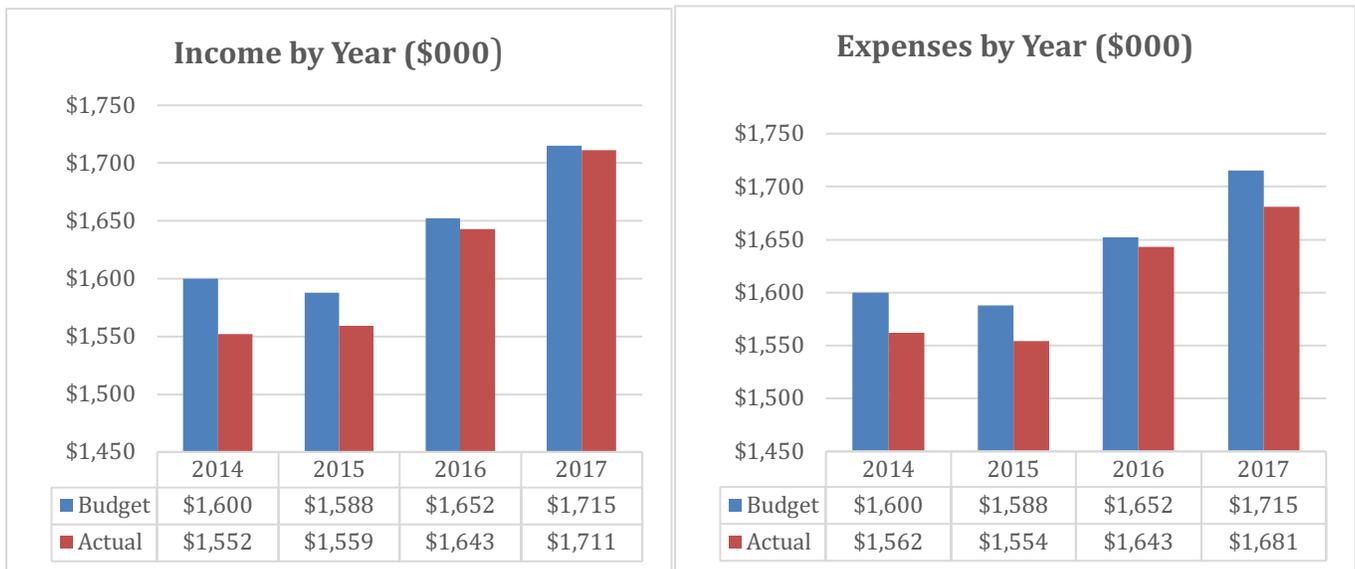
2017 Financial Performance

Pledged giving came within 1% of total pledges budgeted for the year, a gratifying result. Unpledged giving exceeded budget by a small amount. Many members who pledge also make donations above their pledge. Income for the year was just short of budget by \$3,157. However, Expenses were under budget by \$33,706 due to an excellent job of managing expenses. Building & Grounds accounted for most of the expense savings. Way to go Roby!

Source of Funds	2017 Actual	2017 Budget
Member Pledged Giving	\$1,285,190	\$1,297,000
Member Unpledged Giving	\$233,776	\$230,000
Endowment Fund Distribution	\$45,000	\$45,000
Designated Giving	\$92,140	\$92,000
Other	\$55,737	\$51,000
Total Income	\$1,711,843	\$1,715,000

Use of Funds	2017	2017
	Actual	Budget
Mortgage	\$369,000	\$369,000
Building & Grounds	\$233,950	\$264,125
Personnel	\$791,853	\$787,825
Outreach		
Saint Luke's Little Saints	\$35,000	\$35,000
Other Outreach	\$135,715	\$138,000
Sub-Total Outreach	\$170,715	\$173,000
Programs	\$57,612	\$60,200
Operating	\$58,165	\$60,850
Total Expense	\$1,681,295	\$1,715,000
Surplus/(Deficit)	\$30,548	\$0

The following charts show Budget vs. Actual Income and Expense performance by year from 2014 through 2017. Actual Income has increased in each of the past four years, and Actual Expenses have been well managed allowing for a balanced budget each year except for 2014 when we carried a \$9,083 deficit forward into 2015. As mentioned above, 2017 experienced a net surplus of \$30,548 which will be carried forward into 2018.



2018 Member Commitment

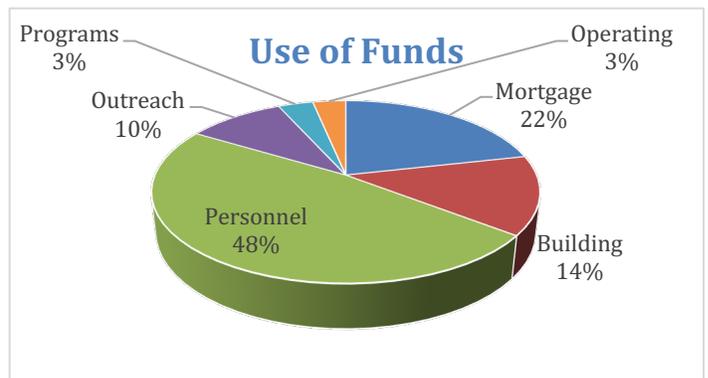
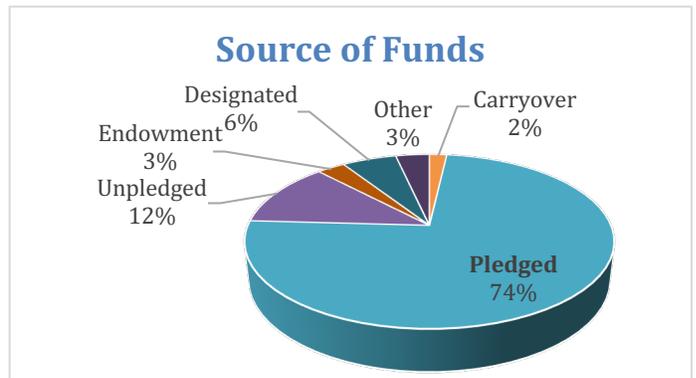
The Commitment Campaign goal this year was to increase member participation. We did not provide a monetary target and asked members to increase their pledge from 2017. The underlying theme was based on Paul's calling to the church: "We who are many, are one body in Christ, and individually we are members one of another" (Romans 12: 4-5). We count on each other so that we can resemble the ways of Jesus for our community and the world.

Saint Luke's Presbyterian Church 2018 Pledge Summary				
Pledge Statistics	Number	Percentage of Pledges	Dollars	Percentage of Dollars
Pledges Over \$20,000	11	5.58%	\$454,980	35.99%
Pledges Between \$10,000 and \$19,999	22	11.17%	\$296,200	23.43%
Pledges Between \$5,000 and \$9,999	42	21.32%	\$252,989	20.01%
Pledges Between \$2,500 and \$4,999	47	23.86%	\$164,016	12.98%
Pledges Between \$1,500 and \$2,499	28	14.21%	\$55,410	4.38%
Pledges Below \$1,499	45	22.84%	\$40,450	3.20%
Zero Pledges	2	1.02%	\$0	0.00%
2018 Actual Pledge Totals	197	100.00%	\$1,264,045	100.00%

2018 Budget

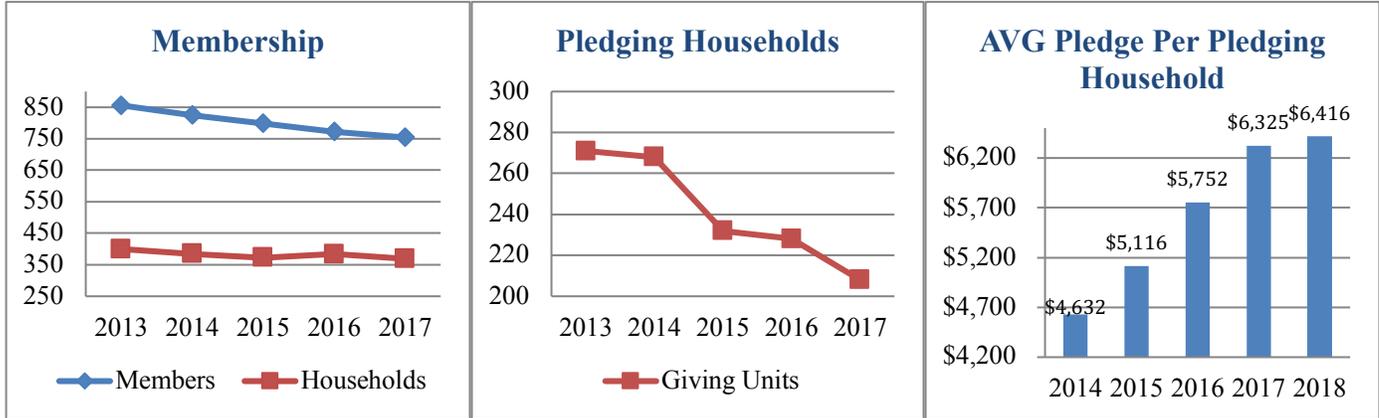
The following charts show the 2018 projected sources of church income and how the funds will be used. Your contributions directly enable Saint Luke's to be a beacon of faith, hope and love in the world.

Source of Funds	2017 Budget
Prior Year Carryover	\$30,500
Member Pledged	\$1,265,000
Unpledged Giving	\$205,000
Endowment Distribution	\$50,000
Designated Giving	\$96,900
Other	\$60,000
Total Income	\$1,707,400
Use of Funds	
Mortgage	\$367,200
Building	\$237,800
Personnel	\$822,500
Outreach	\$165,000
Programs	\$59,400
Operating	\$55,500
Total Expense	\$1,707,400
Net	\$0



MEMBERSHIP & GIVING TRENDS

Total membership as of January 1, 2018 stands at 754 **members** representing 369 **households**. For 2018, 197 households submitted their pledge. The following charts show that while the number of households who have pledged has decreased, the members pledging have consistently increased their pledge driving the pledge average up allowing Saint Luke's to maintain a budget comparable to prior years. Essentially fewer members are doing more, and we pray that all members will feel inspired to do their part.

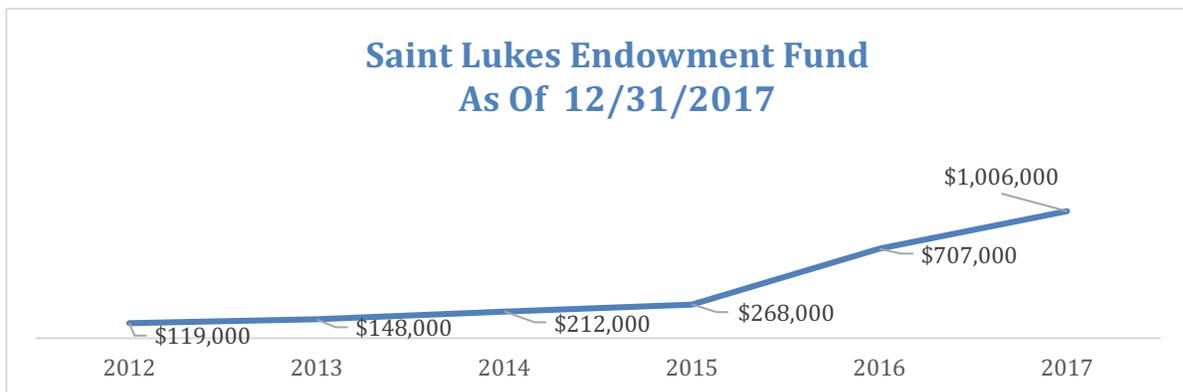


CASH RESERVES

Monthly expenses are usually consistent throughout the year, but income fluctuates, historically with December always being the largest giving month of the year. Cash Reserves are used to fund the operating account when expenses exceed income during any given month. Saint Luke's maintains a Cash Reserve account which allows us to use internal funds instead of borrowing from a line of credit account and paying interest on borrowed funds. The cash reserve account is fully funded at \$254,389 as of December 31, 2017.

SAINT LUKE'S ENDOWMENT

The Saint Luke's Presbyterian Church Endowment is separate from the Operating Budget and is overseen by the Endowment Committee. The funds in the Endowment are invested through the investment company Investment Research & Advisory Group, Inc. Contributions to the Endowment are maintained in perpetuity. At the discretion of the Endowment Committee excess earnings from the Endowment may be used to support the annual Operating Budget. In 2017, \$45,000 was distributed from the Endowment Fund to the Operating Budget. This represented approximately 5% of the fund at the time. The summary below details our recent growth. These blessings came through both the generosity of our members and the one-time, cell tower lease sale which closed in 2016.



CELEBRATING GOD'S BLESSINGS

Thank you to all members, staff, and friends of Saint Luke's for your stewardship and your continued contributions of time and talent to your church. Without you, the programs we all love, the pastors that guide and minister to us every day, the outreach which is relied upon by so many and the sanctuary that centers our lives and provides us with a place to worship would not exist. Through Christ and His blessings, you are what enables Saint Luke's to be a beacon of faith, hope and love in the world. On behalf of the Church Session and the Finance Committee, we are grateful for your service and sacrifice.

Finance Committee:

Dan Joyce– Chair
Mary Martin
Brad Troha

Steve Cashwell
Dave McKenney

Rich Crutchfield
Mark Rogers

Don Dill
Pete Shelton

David Lower
Rebecca Strickland