



St. James Lutheran Church

God calls us to follow Christ, make disciples, and live the Gospel

ANNUAL FINANCIAL REPORT OF THE CONGREGATION Annual Financial Meeting Lake Forest, Illinois 10:45 a.m. January 31, 2016

Schedule

9:30 a.m. Service of Holy Communion

10:45 a.m. Annual Meeting

(supervised activities for children in Fellowship Hall)

Agenda

Opening Prayer

Call to Order

Report of the Tellers (Quorum)

Adoption of the Agenda

Approval of the Minutes, June 7, 2015

Report of the Endowment Committee

Final 2015 Review

Presentation of the 2016 General Fund Budget

Discussion and Adoption of the 2016 General Fund Budget

Election of Synod Assembly Voting Members

Announce Refugee One Project

Adjournment

Closing Prayer



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Minutes of June 7, 2015 Governance Meeting

Congregation President Randy Daniel asked Pastor Holmer to open the meeting with prayer. Pastor Holmer read a prayer written by St. Francis.

The meeting came to order at 10:55 a.m.

The tellers reported the presence of a quorum.

Randy Daniel asked if there were any questions or comments on the proposed agenda. There was a motion and a second that the agenda be adopted as presented. The agenda was adopted.

Randy Daniel proposed that the reading of the minutes of the January Financial Meeting be waived. He asked if there were any questions or corrections for the minutes. There was a motion and a second that the minutes from the January 25, 2015 Annual Financial Meeting be approved as written. The minutes were approved.

REPORT OF THE PRESIDENT:

Randy Daniel thanked the congregation for their confidence and support during the past year. It was an eventful year focused on renewing. The church was renewed with the completion of a number of projects. The sale of a portion of our land was completed resulting in an endowment. There were many people involved in making both of these a reality. Randy gave special thanks to Pastor Holmer, the office staff, and fellow Council members. He felt blessed to have served as President.

REPORT OF PASTOR HOLMER:

Pastor Holmer recalled the faith stories of Jenn Basgall and Evie Bennett from last year's youth service. Their stories and the ones we heard in this year's youth service are emblematic of what we're about as a church. He noted that the

children now going off to college were babies in the nursery when he first came to St. James. There have been many transformations in the past year. He thanked Chic Martin again for all of the work he has done in the renewal of the church building. His work is an excellent example of service. The Holy Land trip last fall was a blessing. Changing to one service on Christmas Eve filled the church. The age for first communion was lowered to fourth grade. The Speaking of Faith series continued with impressive presentations. Pastor Holmer praised the paid staff who keep the office running. He thanked the many volunteers, without whom the church could not get things done. In particular, he thanked Randy Daniel, who served in an eventful year with much to be done. Randy exhibited great leadership. Pastor Holmer also thanked the other Council members completing their time of service: Suzanne Gerber, Glenn Basgall, and Sarah Lewis. He thanked Pete Clemens for all of the work he has done with property renewal and the land sale. He urged everyone to participate in the many activities scheduled this summer and to bring a friend. St. James will be hosting the community Thanksgiving service this fall.

REPORTS OF THE COMMITTEES:

Randy Daniel asked if there were any questions or comments concerning the committee reports. The following commented:

Sarah Lewis for the **Social Ministry Committee:**

She noted that small things can add up to something significant. Jewel stamps that the congregation brought in enabled Ann Anderson to purchase kitchen equipment to give to PADS. She also noted that the refugee support that the committee had chosen would begin with our help of the Bakwash family.

Minutes of June 7, 2015 Governance Meeting

Chic Martin for the **Property Committee:**

Chic thanked Council members for their support of the renewing projects. He also thanked the members of the congregation who helped on the property workdays. He noted the committee could use more members and said that he would be stepping down as chairperson and John Tanner will be taking over.

Detlef Koska for the **Memorial Garden:**

Detlef pointed out that there were still choice lots available in the Memorial Garden.

ELECTIONS

Randy Daniel introduced the nominees for Church Council: Mark Eck, Melinda Hill, Bud Lowell and Mark Wanda. A motion was made and seconded to elect these individuals for three-year terms on the Church Council. They were elected without dissent.

Randy Daniel and Carey Cotey are nominees for the Memorial Garden Board of Trustees. A motion was made and seconded to elect Randy to a three-year term and Carey to a four-year term on the Memorial Garden Board of Trustees. They were elected without dissent.

Nominees for the Edowment Board are Bill Shinn, Dave Van Singel, Jim Davoux and Ron Kok-Albias. A motion was made and seconded to elect Bill and Dave for two-year terms and Jim and Ron to three-year terms on the St. James Endowment Board of Trustees. They were elected without dissent.

The nominee for the Audit Committee is Susan Paul. A motion was made and seconded to elect

Susan to a three-year term on the Audit Committee. She was elected without dissent.

Randy Daniel noted that the Nominating Committee would be made up of the four people who had finished their time on Church Council plus two members from the congregation. The nominees are Pete Clemens, Kathy Lowell, Glenn Basgall, Randy Daniel, Sarah Lewis and Suzanne Gerber. A motion was made and seconded to elect these nominees to one-year terms on the Nominating Committee. They were elected without dissent.

Randy Daniel thanked Dave Clough (Audit Committee) and Faye Holm (Endowment Fund Board), whose terms are complete, for their service. He also thanked Jim Davoux (Endowment Fund Board) and himself (Memorial Garden Board) for agreeing to serve another term.

Randy Daniel thanked the executive committee for their work.

Linda Berner read the resolutions.

The meeting was adjourned at 11:20 a.m.

Pastor Holmer led the congregation in a closing prayer.

Respectfully submitted,
Linda Berner

Treasurer's Report

2015 was a special year for us! We were blessed in so many ways by your time, talent and treasures which allowed us to operate responsibly as well as bless many others outside our church.

We had a milestone event which you approved early in 2015, the land sale for \$1,012K. Future earnings from our investment of these funds as overseen by the Endowment Committee will help provide funds for major maintenance and additional benevolence as Jim Davoux will outline during this annual meeting. Unfortunately it took longer to get funds invested than we would have liked, after the market had climbed up by mid-year, and we finished down \$28k for the year in addition to fees of \$5k.

Your generous support enabled the General Fund to finish with a slight surplus of \$6k. Member giving exceeded budget by \$5k, helped by non-pledged and seasonal giving in addition to meeting regular pledges. Your timely giving allowed us to not need to tap into the line of credit until the fall, which we paid off by year end. Expenses came in \$4k under budget, even with higher property repairs. We received \$5k from the Viola Long fund early in 2015 for the Sagrado Corazon church in Waukegan we help support. Because of the flat capital markets, there was a slight loss of \$5k in our other endowment funds, so we didn't take a second budgeted transfer of \$3k from the Viola Long fund.

You also helped the Renewal Campaign in the second year with \$192k in gifts. We completed \$79k in projects, including repairs to the stained glass fixtures in the sanctuary, putting in a new HVAC system and replacing gutters. We are thankful for the leadership of Chic Martin, Pete Clemens and John Tanner for our Renewal Campaign projects as well as their ongoing oversight of our property. We are grateful for all our members who stepped in to help out with work days and other special property repairs. \$79k was also given to the General Fund which went towards paying down our mortgage.

We also had other outside work done. \$29k was spent on landscaping and parking lot repairs (after all the heavy truck traffic) from the Property Restoration Fund.

You gave \$26k for special outreaches in 2015, including Help within the Family, Syrian Refugees, the Bakfwash family, Pads, Souper Bowl of Caring, COOL change and the ELCA buck-a-chick program. We hosted the joint Thanksgiving service, raising \$3k. In addition, you made regular gifts of food, clothing and supplies to causes like PADS, AJ Katzenmeier, COOL and others. On top of all this, we made \$82k in gifts to a variety of causes through the benevolence budget in our General Fund.

The Tony Danielson fund gave \$12k for seminary expenses of Sheila Rawn and Yakubu Bakfwash.

You pledged \$531k for 2016, up 3% from 2015, which allows us to come with a balanced budget once again for the General Fund. The total budget is up 2.2% from 2015 (before transfers) which includes increases in personnel and property costs. We also have \$80k budgeted to come from Renewal Campaign contributions which will go right towards the mortgage. With continued Renewal Campaign payments, the mortgage should be paid off by April 2017 when the campaign ends.

In 2016, we will have an audit done. We have engaged a nonprofit accounting firm to give us oversight on our reporting practices while our audit committee will audit our records following ELCA guidelines.

Thanks to Chris Meyer for watching over all these funds, to our counters who stay late after the second service each Sunday, to our Pastor Richard Holmer and our Finance Committee, Endowment Committee, Stewardship Committee and Council for their oversight, and to all committees for being good stewards.

Jon Paul, Treasurer

General Fund 2016 Budget Summary

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Receipts				
Member Contributions Pledged	499,812	511,000	510,028	526,500
Member Contributions Non-Pledged	52,276	47,400	52,353	48,750
Member Contributions	552,088	558,400	562,381	575,250
Other Revenue	5,869	3,200	4,030	3,300
Investment Income	43	48	37	48
Transfers In From Renewal Campaign	0	75,000	79,300	80,000
Transfers In From Other Funds	11,323	8,000	5,000	0
Total Receipts	569,322	644,648	650,748	658,598
Disbursements				
Personnel	341,045	357,486	357,307	367,016
Benevolence Budgeted	81,769	82,700	82,428	78,800
Administration	20,746	19,753	20,768	20,003
Finance	29,951	105,069	104,351	108,189
Property	73,322	56,030	57,655	60,485
Christian Education	9,454	10,150	11,161	10,395
Worship & Music	7,451	7,010	5,944	7,460
Evangelism, Fellowship, Stewardship	5,169	6,450	4,928	6,250
Total Disbursements	568,907	644,648	644,541	658,598
Surplus (Deficit)	415	0	6,207	0

We finished with a \$6,207 surplus for the General Fund in 2015. Receipts ran slightly ahead (excluding the \$79,300 from the Renewal Campaign which went right towards the mortgage). Pledges came in very close to budget, while non-Pledged giving exceeded budget by almost \$5,000. This more than offset not getting \$3,000 anticipated from the Viola Long Fund at the end of 2015; capital markets were fairly flat for the year, so enough income wasn't generated.

Aside from the Renewal Campaign gift spent on the mortgage, expenses ran \$4,400 under. We shifted insurance carriers in mid-2015, which reduced our finance department costs and also helped cash flow by going to monthly billing. Worship and Music had less outside help filling in and less maintenance costs. We also spent less on food for fellowship events.

Some other costs were slightly higher. We had a variety of small property repairs so property costs rose even with lower utility costs from better lighting

and lower gas prices. Christian Education had higher participation of both students and adults. Administration had more software upgrades and repairs.

We have a balanced budget for 2016, almost \$9,000 more in revenues and expenses budgeted for 2015 (excluding the Renewal Campaign gifts). Our pledges have increased \$17,000; however, we won't have the \$8,000 like we had budgeted to come from endowments in 2015.

Personnel costs are budgeted about \$9,500 more for modest raises and rising benefit costs. We increased property by \$4,500 to cover potential higher costs; this area is tough to project. Benevolence will be \$4,000 less without Sagrado Corazon, the church in Waukegan, offset slightly by \$1,000 more to the ELCA tied to member giving.

General Fund Receipts

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Receipts				
Member Contributions				
Member Contributions Pledged				
Current Operations	372,166	445,817	376,405	392,500
Current Operations/Prepaid	127,646	65,183	133,623	134,000
Member Contributions Pledged	499,812	511,000	510,028	526,500
Member Contributions Non-Pledged				
Current Operations/Non-Pledged	39,423	35,700	37,530	37,500
Seasonal Offerings	8,429	7,500	9,620	6,000
Loose Offerings	3,911	3,600	4,520	4,500
Sunday School Offerings	512	600	683	750
Member Contributions Non-Pledged	52,276	47,400	52,353	48,750
Total Member Contributions	552,088	558,400	562,381	575,250
Other Revenue				
Miscellaneous Income	1,901	600	1,710	600
Church Use	575	600	450	600
Chase Reward Credit	428	500	605	600
Thrivent Choice	2,965	1,500	1,265	1,500
Other Revenue	5,869	3,200	4,030	3,300
Investment Income				
Interest Income	43	48	37	48
Investment Income	43	48	37	48
Interfund Transfers				
From Endowments	5,000	8,000	5,000	0
From Renewal Campaign	0	75,000	79,300	80,000
From Contingency Fund	5,765	0	0	0
From Other Memorials	480	0	0	0
From Major Maintenance	78	0	0	0
Total Interfund Transfers	11,323	83,000	84,300	80,000
Total Receipts	569,322	644,648	650,748	658,598
Without Renewal Fund transfer	569,322	569,648	571,448	578,598

Our member families supported us faithfully in 2015. Pledged donations came in very close to budget. Non-pledged donations including seasonal offerings came in \$5,000 ahead. Based on our pledge campaign for 2016, we have increased the pledged donation budget by \$15,500. Miscellaneous income included a \$1,000 matching gift through a member's employer.

Endowment gifts came in less than expected; there was no year-end gift since it was a flat year in the capital markets. No endowment gifts are budgeted in 2016.

We were blessed with \$79,300 received from the Renewal Campaign, which went right towards reducing the mortgage. We have \$80,000 budgeted for 2016.

General Fund Disbursements - Personnel

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Personnel				
Ministry - Pastor				
Salary	56,921	59,039	59,039	61,200
Housing Allowance	49,000	49,000	49,000	49,000
Social Security	14,538	14,862	14,862	15,185
Pension & Benefits	36,771	43,256	42,784	46,321
Auto Expense Reimbursement	1,635	1,800	1,374	1,800
Books & Subscriptions	0	200	143	200
Professional Expenses	195	250	210	250
Continuing Education	0	900	900	900
Total Ministry	159,060	169,307	168,312	174,856
Administration Personnel				
Administrative Assistant				
Administrative Assistant Salary	0	0	1,562	30,600
Admin Asst ER SS & Med	0	0	118	2,341
Admin Asst Pension & Benefits	0	0	207	4,437
Administrative Assistant	0	0	1,887	37,378
Director of Discipleship Salary & ER SS & Med	22,061	22,502	22,502	22,952
Youth Ministry Coordinator Salary & ER SS & Med	9,150	9,333	9,333	9,519
Business Manager				
Business Manager Salary	29,623	28,771	28,771	28,710
Business Manager ER SS & Med	2,075	2,010	2,010	2,001
Business Manager Pension & Ben	18,565	21,464	21,115	23,111
Business Manager	50,263	52,245	51,896	53,822
Secretary				
Secretary Salary	17,070	16,579	16,579	0
Secretary ER SS & Med.	1,153	1,115	1,115	0
Secretary Pension & Benefits	16,428	18,920	18,632	0
Secretary	34,651	36,614	36,326	0
Nursery Supervisor Salary & ER SS & Med	2,928	3,294	2,858	3,015
Total Administration Personnel	119,053	123,988	124,803	126,686
Music Personnel				
Director of Music Salary & ER SS & Med	22,286	22,731	22,731	23,185
Organist Salary & ER SS & Med	22,848	23,304	23,304	23,770
Bell Choir Director Salary & ER SS & Med	4,020	4,100	4,100	4,182
Youth Choir Director Salary & ER SS & Med	5,098	5,201	5,201	5,305
Brass Ensemble Dir Salary & ER SS & Med	4,020	4,100	4,100	4,182
Damascus Road Coord Salary & ER SS & Med	4,661	4,755	4,755	4,850
Total Music Personnel	62,932	64,191	64,192	65,474
Total Personnel	341,045	357,486	357,307	367,016

Personnel costs came in right near budget for 2015. The budget goes up for 2016 with increases in benefit costs as well as modest raises. Our new Administrative Assistant, Corrine Mattioli started in mid-December 2015, after Donna Jarvi retired after serving us faithfully for fourteen years.

General Fund Disbursements - Benevolence

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
ELCA Benevolences				
ELCA Monthly Benevolence	60,000	55,000	55,000	56,000
ELCA Synod Related Special				
Bethel New Life	2,000	2,000	2,000	2,000
C.O.O.L.	5,000	5,000	5,000	5,000
Lutheran Social Services IL	3,000	3,000	3,000	3,000
LSSI Prisoner/Family Ministry	2,000	2,000	2,000	2,000
Sagrado Corazon	0	5,000	5,000	100
Total ELCA Synod Related Special	12,000	17,000	17,000	12,100
Total ELCA Benevolences	72,000	72,000	72,000	68,100
Non-ELCA Benevolences				
A.J. Katzenmeier	269	600	328	600
Habitat for Humanity	3,000	3,000	3,000	3,000
PADS	2,000	2,000	2,000	2,000
PADS Plus	500	500	500	500
5220 Resource Center	1,500	1,500	1,500	1,500
Lake County United	2,000	2,000	2,000	2,000
Hospital Chaplaincy	500	500	500	500
Help within the Family	0	600	600	600
Total Non-ELCA Benevolences	9,769	10,700	10,428	10,700
Total Benevolence Budgeted	81,769	82,700	82,428	78,800

Benevolence continues to be an important part of our budget. We reduced the ELCA budget for 2015 to be in line with our regular giving, as approved by the congregation. However, for 2015, that was offset by a corresponding gift to Sagrado Corazón, the church in Waukegan.

For 2016, most line items remain the same. The ELCA gift was taken up \$1,000 for 2016 based on increased member pledges. When we set the budget, Sagrado Corazón did not identify a specific need. We anticipate they may need more; if so, we can use the surplus in the General Fund from 2015.

Through Special Offerings additional money was raised as follows:

Bakfwash Family	9,383
COOL	793
ELCA Buck a Chick	290
ELCA World Hunger	745
Help within the Family	12,200
PADS	150
Syrian Refugees	2,600
Thanksgiving Service (from 3 congregations)	3,409
Total Special Offerings	\$29,570

Fundraisers sponsored by St. James raised additional funds as follows:

FOODSTOCK for COOL	19,350
COOL 5K/10K	6,700
CROPWalk	3,510
WOSJ Bake Sale	600

General Fund Disbursements - Administration

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Equipment Lease & Repair	9,177	8,000	7,962	8,000
Technology	109	200	360	360
Computer Software & Update	1,041	1,050	2,505	1,250
Telephone	2,053	2,100	2,054	2,100
Web Hosting Fee	240	240	240	240
Office Supplies	3,396	3,200	3,339	3,300
Postage	1,996	2,100	1,799	2,000
Offering Envelopes	318	323	288	300
Synod Assembly	640	640	640	640
Admin Staff Training	523	300	0	300
Online Giving transaction fees	213	200	83	100
Miscellaneous Administrative	1,040	1,400	1,498	1,413
Total Administration	20,746	19,753	20,768	20,003

Administrative costs ran slightly over budget in 2015 due to some software upgrades and a laptop repair. We expect those costs to be back to normal in 2016.

General Fund Disbursements - Worship & Music

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Guest Musicians	775	900	800	1,100
Guest Organist	525	700	525	825
Pulpit Service	1,500	1,350	1,000	1,750
Professional Growth	270	280	273	175
Music Equipment	644	430	0	110
Music/License	1,463	1,450	1,441	1,600
Altar Guild	374	400	985	400
Piano, Organ, Bells Maint.	1,900	1,500	920	1,500
Total Worship & Music	7,451	7,010	5,944	7,460

Guest Musicians: Includes substitutes and/or additional musicians for music ensembles for special occasions or when volunteer ensemble members are not available.

Guest Organist and Choir Director: To provide for substitutes when the organist and choir director are on paid time off.

Pulpit Service: Allows for five guest preachers annually.

Professional Growth: Includes professional dues for music staff.

Music Equipment: Includes equipment for either Damascus Road or other music groups.

Music/License: Includes sheet music for all choirs and ensembles as well as copyright licenses to several

organizations so that liturgy and music can be reproduced in our worship bulletins.

Altar Guild: Includes wine and wafers (volunteers bake and donate the bread that is used), new linens, hand candles, oil for oil candles, supplemental flowers for special services, albs worn by worship servants and acolytes and their maintenance. The cost of the weekly flowers is \$48. Congregation members sponsoring this expense are asked to contribute \$45 per week.

Piano, Organ and Bells Maintenance: Includes periodic tuning and repairs to 4 pianos, the pipe organ and the handbells.

We had less outside worship and music help than anticipated in 2015. We increased the budget slightly for 2016. We spent less in other costs in 2015 with no additional music equipment and less maintenance. Altar guild costs went up as we received fewer donations for holiday flowers than normal.

General Fund Disbursements - Property

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Utilities - Church				
Utilities - Electric	10,101	9,000	8,368	9,000
Utilities - Gas	12,373	10,500	8,726	9,500
Utilties - Water/Sewer	2,003	1,200	1,273	1,500
Total Utilities - Church	24,478	20,700	18,367	20,000
Custodial Service & Supply				
Cleaning - General	7,650	7,800	7,800	7,800
Cleaning - Windows	1,694	850	1,224	1,250
Custodial - Supplies	496	500	567	500
Total Custodial Service & Supply	9,840	9,150	9,591	9,550
Maintenance & Repairs				
Disposal	1,219	1,220	1,354	1,400
Fire Alarm	923	950	677	800
HVAC Maintenance	1,860	2,480	2,480	2,480
Lawn Service/Treatment	7,604	6,800	7,889	7,900
Maint/Repair Other	14,979	3,000	4,781	6,000
Maint/Repair Supplies	1,285	750	1,208	1,350
Pest Control	677	680	677	680
Security System	707	800	539	600
Snow Removal	9,750	9,500	9,281	8,700
Sprinkler System	0	0	810	1,025
Total Maintenance & Repairs	39,005	26,180	29,696	30,935
Total Property	73,322	56,030	57,655	60,485

Property costs are the most challenging area of our costs to budget; to be safe, we put more into the budget for 2016 in various areas.

Fortunately for 2015, utility costs came in under budget with milder weather and lower gas prices. We also benefited from our more efficient lighting.

Window cleaning was above budget for spring cleaning, yet was well below the year before. Otherwise custodial costs were in line.

Maintenance and repair costs ran over budget, but were way under 2014 spending. We now have

sprinkler system maintenance with the sprinklers put in place with the Renewal Campaign. Our lawn service was more than we budgeted, but only slightly higher than what we spent in 2014.

Throughout the year we got hit with a variety of smaller projects- parking lot and sanctuary lighting repairs, a new water heater for the kitchen and removal of five dead elm trees. We had some minor additional supply costs like parts to go with work done with the Renewal Campaign projects, including carpet cleaner supplies.

General Fund Disbursements - Christian Education

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Sunday School Programs	326	300	213	300
Sunday School Text/Supplies	1,019	1,600	2,000	1,600
First Communion	100	100	45	50
Confirmation	991	1,600	2,106	1,500
Vacation Bible School	(203)	150	131	150
GIVE 5	14	500	(15)	500
Junior High Activities	373	450	122	375
Senior High Activities	412	200	191	200
Sr High Mission Trip Next Year	500	500	500	0
Sr High Mission Trip Current Yr	4,658	3,200	4,149	4,200
College Youth Activities	0	150	130	120
Adult Education Costs	1,230	1,300	1,600	1,300
Adult Library	0	100	0	100
Adult Education Reimbursables	32	0	(10)	0
Total Christian Education	9,454	10,150	11,161	10,395

Programs: Special events such as Rally Day, Happy Birthday Jesus Party after the Christmas Pageant and Year End Party .

Sunday School Supplies and Texts: Includes all books, movies and craft materials for the 2 curricula in use: a rotational series on bible stories for kindergarten through 6th grade plus a classroom style curriculum for pre-school and 7th and 8th grade.

Confirmation: Includes curriculum and one half the cost of the 7th grade kick-off retreat and the 8th grade campfirmation week at Augustana College. The cost of the program depends on the number of students.

Vacation Bible School: The registration fees are less than the total cost of this program. All leaders are volunteers and VBS is open to members and non-members alike.

GIVE 5: This line item assists in covering additional costs in order to keep registration fees reasonable.

Junior High Activities: Costs above participant payments are covered by this line item.

Senior High Activities: In 2015, all high school activities are funded through this line item and participant fees.

Youth Activities College: Mailings have been done to keep in touch with our college students. This area covers cost of postage and cost of items (ie. Starbucks gift cards).

Adult Education: Quarterly devotion books, Lent and Advent devotions and other study materials for adult education series in between services.

Adult and Children's Library: Incidental supplies.

A number of costs went up with more participation this year. Give 5 came in less thanks to donations.

General Fund Disbursements - Evangelism

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Total Evangelism	251	1,000	386	1,000

This is the area that provides funds for means of reaching out to our neighbors to invite them in as well as reaching out to our own members to encourage them to be an active part of our community of believers.

General Fund Disbursements - Finance

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Mortgage Expense				
Mortgage Interest	12,557	12,109	11,818	6,000
Mortgage Principal Payment	4,113	4,560	4,851	10,669
Mortgage Principal from Renewal	0	75,000	79,300	80,000
Total Mortgage Expense	16,669	91,669	95,969	96,669
Line of Credit Interest	0	0	211	0
Insurance				
Property Insurance	8,816	9,000	5,936	8,000
Umbrella Liability Insurance	1,750	1,750	900	1,400
Worker's Comp. Insurance	2,019	2,050	1,123	1,900
Total Insurance	12,585	12,800	7,960	11,300
Prop Taxes/Drainage Fees Land	696	600	211	220
Total Finance	29,951	105,069	104,351	108,189
Total Without Renewal Fund payment	29,951	30,069	25,051	28,189

We were blessed to receive in \$79,300 from the Renewal Campaign to make additional payments on the mortgage. We budgeted for another \$80,000 in 2016. These donations allow us to make earlier payments with the goal of having the mortgage paid off by the end of the Renewal Campaign.

We switched insurance carriers in mid-year 2015 while also generally improving our coverage. We also switched

to monthly billing which lowered what we paid in the second half of 2015.

We had to borrow on our line of credit for \$30,000 during two months in late 2015; the line was paid off in December. Prepaid donations as well as timely donations during the year allow us to get through most of the year without having to tap into this line.

General Fund Disbursements - Fellowship

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Fellowship Events	1,029	1,200	917	1,200
Church Food	3,941	4,000	3,560	3,800
Progressive Dinner	(140)	0	(185)	0
Total Fellowship	4,830	5,200	4,292	5,000

Fellowship Events: Funds are provided for rental of space at parks and beaches, etc. for beach parties and picnics. The Rally Day tent is covered by this line item (total cost \$675). Other outings and dinners are self supporting by the participants.

This is the area that plans opportunities for members to relax together and strengthen our "family ties."

Church Coffee and Food: Coffee system and supplies are included here.

General Fund Disbursements - Stewardship

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
Total Stewardship	88	250	250	250

The stewardship committee uses our own volunteer design talent to put together materials for the annual fall financial stewardship drive as well as the time and talent efforts.

Renewal Campaign Summary

St James Renewal Campaign	2013-14	2015		2016-17	Total
	Actual	Actual	Budget	Budget	
Donations	389,242	192,311	189,270	169,024	750,576
Projects	374,542	78,475	90,621	11,550	464,567
Mortgage	-	79,300	75,000	171,077	250,377
James Company	29,400	-	-	-	29,400
St James Expenses	4,548	-	-	-	4,548
Interest Expense	1,463	222	596	-	1,684
Total Expenses	409,953	157,996	166,217	182,627	750,576
Surplus (Deficit)	(20,711)	34,315	23,053	(13,604)	-
2015 Projects					
Upper Stained Glass Sanctuary	39,478	Stained glass unit repair in sanctuary			
New HVAC/Water Heaters	25,501	New HVAC, landscaping by units, new hot water heaters			
Gutters	7,960	Gutter replacement			
Carpeting	1,965	Carpeting in offices			
Restrooms	1,521	Wireless controls for exhaust fans			
Other	2,051	Office blinds, landscaping, narthex TV software			
Total 2015 Projects	78,475				

Thanks to your generous support again this year, we raised another \$192k. To date we have raised 77% of our budgeted gifts just 20 months into the 36 month campaign.

Some projects came in well under budget, leaving us \$11k for smaller projects to take on in 2016 which is already set aside in our checking account. We got some significant work done in 2015, in particular repairing the stained glass window fixtures, installing two new HVAC units for the office, a hot water heater for the kitchen, adding rain gutters on the fellowship hall, replacing office

bathroom exhaust fans and putting in new carpeting plus blinds in the offices. We are very grateful for the leadership of Chic Martin, Pete Clemens along with John Tanner.

The remaining portion of the campaign funds will go towards paying off the mortgage. With the ahead of schedule pace of renewal campaign donations, we've been able to reduce our mortgage by \$79k in 2015. Your continued timely payments allow us to amortize the mortgage faster and we are on track to have it paid off by spring 2017.

Statement of Financial Position

St James Lutheran Church Statement of Financial Position	December 31, 2014				December 31, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash	65,171	40,079	164,873	270,123	69,833	23,655	6,853	100,341
Prepaid Expenses	-	-	9,739	9,739	4,491	-	-	4,491
Investments	-	8,890	204,291	213,182	-	8,890	1,166,389	1,175,279
Total Current Assets	65,171	48,969	378,903	493,044	74,324	32,545	1,173,243	1,280,112
1350 Waukegan Road	250,000	-	-	250,000	53,846	-	-	53,846
Church Site	431,721	-	-	431,721	323,831	-	-	323,831
Church Building	3,074,831	-	-	3,074,831	3,151,255	-	-	3,151,255
Church Equipment	169,698	-	-	169,698	169,698	-	-	169,698
Memorial Garden	-	-	65,735	65,735	-	-	65,735	65,735
Equity in Pastor Residence	-	-	112,000	112,000	-	-	112,000	112,000
Total Fixed Assets	3,926,251	-	177,735	4,103,986	3,698,631	-	177,735	3,876,366
Total Assets	3,991,422	48,969	556,638	4,597,030	3,772,955	32,545	1,350,978	5,156,478
Credit Cards Payable	1,012	-	-	1,012	7,741	-	-	7,741
Prepaid Pledges	65,183	-	-	65,183	61,400	-	-	61,400
Deposits	-	-	165,000	165,000	-	-	-	-
Line of Credit	-	22,000	-	22,000	-	-	-	-
Total Current Liabilities	66,195	22,000	165,000	253,195	69,141	-	-	69,141
Mortgage Payable	268,942	-	-	268,942	184,791	-	-	184,791
Total Liabilities	335,137	22,000	165,000	522,137	253,932	-	-	253,932
Net Assets, Beginning of Year	3,260,846	79,250	382,474	3,722,570	3,656,285	26,969	391,638	4,074,893
Surplus (Deficit)	(5,348)	(52,281)	9,164	(48,464)	6,207	5,576	959,340	971,122
Mortgage Reduction	4,113	-	-	4,113	84,151	-	-	84,151
Land Sale	-	-	-	-	(304,044)	-	-	(304,044)
Capitalized Projects	396,674	-	-	396,674	76,424	-	-	76,424
Increase in Net Assets	395,439	(52,281)	9,164	352,323	(137,262)	5,576	959,340	827,653
Net Assets, Ending of Year	3,656,285	26,969	391,638	4,074,893	3,519,023	32,545	1,350,978	4,902,546
Total Liabilities & Net Assets	3,991,422	48,969	556,638	4,597,030	3,772,955	32,545	1,350,978	5,156,478

Cash. In 2014 we had \$165k on deposit for the land sale, which went to the land sale fund once the sale took place in January. Otherwise our cash balance remained close to last year-end.

Investments. We took in \$1,012k from the land sale. Investments dropped in value by \$37k during 2015; investment fees were \$7k. \$12k was taken from the Tony Danielson fund for seminary expenses and \$5k was taken from the Viola Long fund for benevolence.

Land. The land values for the church site and 1350 Waukegan Road were decreased by \$304k for the land sold to the Uihlein's. The value was based on the average cost per acre for each property.

Church Building. \$76k in enhancements were made during 2015 through contributions from the Renewal Campaign.

Prepaid Pledges. The pledges prepaid by the end of the year remained close to what we received a year ago. We

also get additional pledges typically in January which can double the year-end number. These gifts help our cash flow during the year and save us from borrowing from the line of credit as much as we can.

Deposits. The \$165k at the end of December 2014 was for the land sale which closed in January.

Line of Credit. We borrowed on the line of credit through the Renewal Campaign fund in 2014 to complete the extensive project list that year. It was paid off in early 2015. During later 2015, the General Fund borrowed \$30k from the line of credit; this was paid off by year-end.

Mortgage. This is down to \$185k thanks to \$79k from the Renewal Campaign and \$5k from the regular General Fund payments. The Renewal Campaign payments help us amortize this mortgage faster- we are on track to have it paid off by April 2017 with timely Renewal Campaign contributions.

Statement of Changes in Net Assets

St James Lutheran Church	Year Ended 2014					Year Ended 2015				
	Beginning Balance	Surplus (Deficit)			Ending Balance	Surplus (Deficit)			Ending Balance	
Regular Income (Expense)		Projects	Mortgage Reduction	Regular Income (Expense)		Projects	Land Sold	Mortgage Reduction		
General Fund	3,255,073	415	396,674	4,113	3,656,275	6,207	76,424	(304,044)	84,151	3,519,013
Contingency Fund	5,773	(5,763)			10					10
Total Unrestricted Funds	3,260,846	(5,348)	396,674	4,113	3,656,285	6,207	76,424	(304,044)	84,151	3,519,023
Major Maintenance Fund	88	(78)			10					10
Other Restricted Funds	8,274	616			8,890					8,890
Other Memorial Funds	4,163	1,415	(2,992)		2,586					2,586
Special Benevolence Funds	-				-	71				71
Pastor Education & Sabbatical	6,800	(4,355)			2,445	570				3,015
Property Restoration Gifts	32,726	181,000	(179,977)		33,749		(29,350)			4,399
Renewal Campaign	27,200	328,124	(376,035)		(20,711)	192,279	(78,696)		(79,300)	13,573
Temporarily Restricted Funds	79,250	506,724	(559,004)	-	26,969	192,921	(108,046)	-	(79,300)	32,544
Endowment Investment Funds	20,608	(3,108)			17,500	(7,723)				9,777
Viola Long Fund	121,405	4,045			125,449	(5,000)				120,449
Tony Danielson Fund	78,029	5,813			83,842	(11,937)				71,905
Land Sale Fund	-	29			29	979,229				979,258
Memorial Garden Fund	50,432	2,386			52,818	4,771				57,589
Pastor Residence Fund	112,000	-			112,000	-				112,000
Permanently Restricted Funds	382,474	9,164	-	-	391,638	959,340	-	-	-	1,350,978
Total All Funds	3,722,570	510,540	(162,330)	4,113	4,074,892	1,158,467	(31,622)	(304,044)	4,851	4,902,545

General Fund. We paid down the mortgage by \$84k in 2015; \$79k came from the Renewal Campaign. \$76k of projects paid by the Renewal Campaign were capital improvements to our building for the stained glass fixtures, new HVAC system and gutters. We sold roughly half our land valued at \$304k.

Property Restoration Fund. \$29k was spent for landscaping and parking lot repairs. The \$4k balance will get spent by mid-2016.

Renewal Campaign. \$192k was donated. \$79k was spent on projects (\$76k capital projects mentioned above, \$3k smaller projects). \$79k went towards the mortgage. \$22k paid off the line of credit.

Endowment Funds. Market value dropped by nearly \$6k. Fees were \$2k (roughly 1%).

Viola Long Fund. \$5k given to General Fund for benevolence, passed along to Sagrado Corazon church.

Tony Danielson Fund. \$12k given for seminary expenses of Sheila Rawn and Yakubu Bakfwash.

Land Sale Fund. \$1,012k raised from sale of land. \$28k drop in value of investments. Fees were \$5k (under 1%).

Memorial Garden. \$5k received from sales of sites and other gifts.

Statement of Net Activity

St James Lutheran Church Statement of Activites	Year Ended 2014				Year Ended 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
General Fund revenues (without transfers)	558,002	-	-	558,002	566,448	-	-	566,448
Land Sale	-	-	-	-	-	-	1,012,500	1,012,500
Renewal Campaign	-	352,242	-	352,242	-	192,311	-	192,311
Property & Building Project Gifts	-	181,000	-	181,000	-	-	-	-
Investment Income	-	650	13,965	14,615	-	22	(34,091)	(34,069)
Special Benevolence	-	2,598	-	2,598	-	29,570	-	29,570
Memorials & Memorial Garden	-	1,892	2,900	4,792	-	2,015	3,350	5,365
Transfers for Property Restoration	559,004	(559,004)	-	-	108,046	(108,046)	-	-
Transfers from Renewal for Mortgage	-	-	-	-	79,300	(79,300)	-	-
Transfers for Special Benevolence	2,598	(2,598)	-	-	29,498	(29,498)	-	-
Other Transfers	9,912	(4,912)	(5,000)	-	5,630	(2,645)	(2,985)	-
Total Contributions & Revenues	1,129,516	(28,132)	11,865	1,113,248	788,922	4,428	978,774	1,772,125
General Fund expenses (without transfers)	568,907	-	-	568,907	565,241	-	-	565,241
Mortgage Payments from Renewal Campaign	-	-	-	-	79,300	-	-	79,300
Benevolence- Special Offerings	2,598	-	-	2,598	29,498	-	-	29,498
Fund Raising Expenses	-	24,148	-	24,148	-	-	-	-
Investment Expenses	-	-	2,185	2,185	-	-	7,301	7,301
Property Restoration From Renewal Campaign	129,487	-	-	129,487	78,475	-	-	78,475
Property Restoration from Property Restoration	428,024	-	-	428,024	29,350	-	-	29,350
Pastor Sabbatical & Education	4,355	-	-	4,355	630	-	11,937	12,567
Memorial Garden	-	-	516	516	-	-	597	597
Other Costs	1,493	-	-	1,493	222	53	(400)	(126)
Total Expenses	1,134,864	24,148	2,701	1,161,713	782,716	53	19,434	802,203
Surplus (Deficit)	(5,348)	(52,281)	9,164	(48,464)	6,207	4,376	959,340	969,922

General Fund. Covered separately earlier in the report.

The \$566k revenues exclude the \$79k transfer from the Renewal Campaign for the mortgage and the \$5k transfer from the Viola Long fund for the Sagrado Corazon church in Waukegan. The \$565k expenses exclude the \$79k additional mortgage payment from the Renewal Campaign funds.

Land Sale. Our biggest single item for 2015 was the land sale in January, which generated \$1,012k that went into a new land sale fund.

Renewal Campaign. As noted earlier in this report, we received \$192k in contributions. \$79k was transferred for property restoration. \$79k was given to the General Fund to reduce the mortgage. Also \$22k was used to pay off the line of credit.

Property Restoration Fund. \$24k was spent for various landscaping projects including new bushes, stump grinding, and fencing for the garden; \$5k was spent for parking lot repairs needed after all the heavy truck traffic for the landscaping and other projects the last two years.

Investments. Values of our investments dropped \$34k (\$28.5k drop in land sale fund; \$5.6k drop in endowment funds). Investment management fees were \$7k.

Special Benevolence. Members and guests stepped up with \$30k for special benevolence beyond our regular General Fund benevolence giving. Causes supported included Help within the Family (\$12k), the Bakfwash family (\$9k), Syrian refugees (\$3k), COOL, Pads, Souper Bowl of Caring, and the ELCA Buck-a-Chick, as well as \$3k given through the Thanksgiving service we hosted this year.

Pastor Education. \$12k was spent through the Tony Danielson endowment fund for seminary expenses for Sheila Rawn (\$5.4k) and Yakubu Bakfwash (\$6.5k). \$0.6k was spent for Pastor Holmer through the Pastor Education fund.

Memorials and Memorial Garden. The Memorial Garden took in \$3k for new site sales and had only \$0.6k in burial expenses. \$2k came in from new memorials.

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Congregation
and Church Council**

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Vice President
Josh Hornaday

Secretary
Linda Berner

Treasurer
Jon Paul

Financial Secretary
Joe Voelcker

Council Members

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Tom Ebert

Mark Eck

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Craig Linn

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Brenda Shinn

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Pastor
Richard E. Holmer

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Barb Basgall

Church Property
John Tanner

Evangelism
Tom Ebert

Fellowship
Brenda Shinn

Finance
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Social Ministry
Shelly Holmstrom

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