

**Finance Committee**  
**Annual Report 2018**

Members: David Brayfield, Erwin Dressel, Dwayne Masse, Joseph Novak, Carl Schmidt and Ted Stevenson

Our significant special activity reserves supplemented the 2017 revenue to end the year with a slight positive balance. Our useable income received during the year increased 6.2%, while expenses held firm and under budget Contributions increased 3%. Refer to the ICON Fund Summary for our income by category. A Property & Maintenance reduction offset a slight raise in Salary Expense. The Annual Performance Report displays our operating expenses for the year and compares our actual annual expenses to the 2017 budget.

Our 2017 Operating Income and Expenses are summarized below:

Balance January 1, 2017		\$633
Operating Income	\$128,274	
Less: Expenses	<u>\$157,558</u>	
Actual Operating Income Balance	<u>\$-29,284</u>	
Special Fund Reserves added	<u>\$36,298</u>	
Net		\$7,014
Balance December 31, 2017		\$7,647

First Lutheran continued to be involved in a significant number of Special interests during 2017. The results for most of these activities are highlighted separately in The Operations and Activities Summary Report. In addition to the Special Activities, this report includes our operating results and transfers made to the Memorial fund.

The Balance Sheet shows our financial condition as of December 31, 2017. You will note in the Equity section there are fewer funds to draw upon next year. Basically we are limited to the Parsonage Income, interest and year ending (2017) balance.

Based on the results of the past few years, we will likely have exhausted all undesignated funds, including Parsonage Fund, around the end of the third quarter 2018. At this point we may have to seriously consider addressing the use of designated purpose funds such as Memorial, Sunday Camp, and Youth Group accounts to eliminate a possible deficit. This is pretty much in line with what we discussed in previous years.

Accordingly, we have proposed a very stringent budget as displayed in the Proposed Budget, a 6% decrease that is in line with 2017 expenses.

The finance Committee acknowledges the significant support and generosity provided by current members. Further, the committee understands that our viability will necessarily have to be met through congregational expansion.

Respectfully submitted,

Finance Committee