



*For the well-being of all!*

July 2017–June 2018

Annual Report

# Financial Addendum

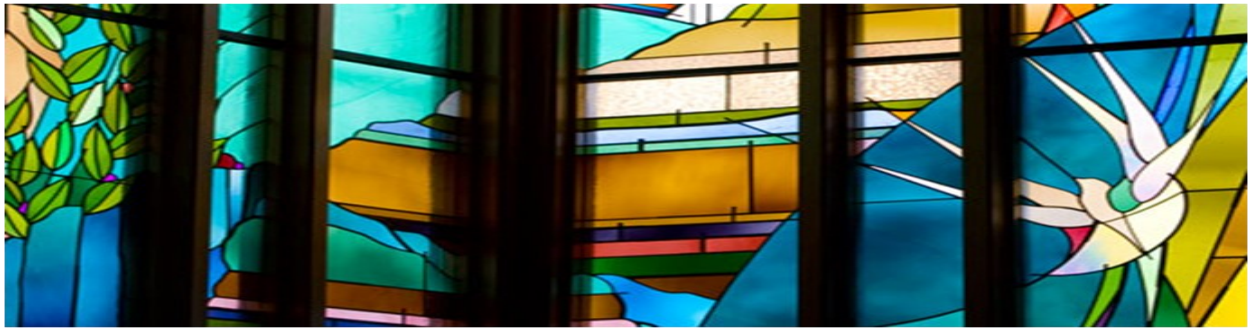
St. Mark's Lutheran Church by The Narrows

Tacoma, WA



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## **Fiscal Year-End Financial Narrative**

This past fiscal year – running from July 1, 2017 through June 30, 2018 (FY17-18) – was characterized by both “highs” and “lows” from a financial perspective. It must be emphasized from the outset that in both cases, we are extremely grateful for the generous, Spirit-led giving of our congregation! From a purely budgetary viewpoint, this year we missed our goal. Total general ministry offerings were \$985,217, which were 6.0% below budget and 6.0% below actual giving in the prior fiscal year.

We were able to partially offset the income shortfall through savings on expenses. We spent \$999,426 in FY17-18, which was 4.9% under budget and 5.4% below actual spending in the prior fiscal year. The largest, unbudgeted savings came through lowered monthly mortgage payments after two reamortizations of our loan. (That’s the main “high.” More on this later...) The second largest area of underspending was the Ministry Teams line item. Some of that was for “good” reasons – such as higher-than-anticipated donations that offset costs of Wednesday night meals, Sunday lunches and Sunday morning hospitality. Other Ministry Team savings reflect certain events that were not held this year (e.g., National Night Out), recoupment of budgeted costs (e.g., people paying for their own adult education books) and budget-conscious management by the teams overseeing those budgets. The third largest area of budget-relative savings was in the Staff line item due to reconfigurations of positions toward the beginning of the fiscal year and lower-than-budgeted medical increases, workers’ compensation, etc.

Overall, we spent \$6,239 more than we brought in for general ministry during the fiscal year. This loss will be covered by funds from our operating reserve, with the hope that we will be able to re-build those reserves next year.

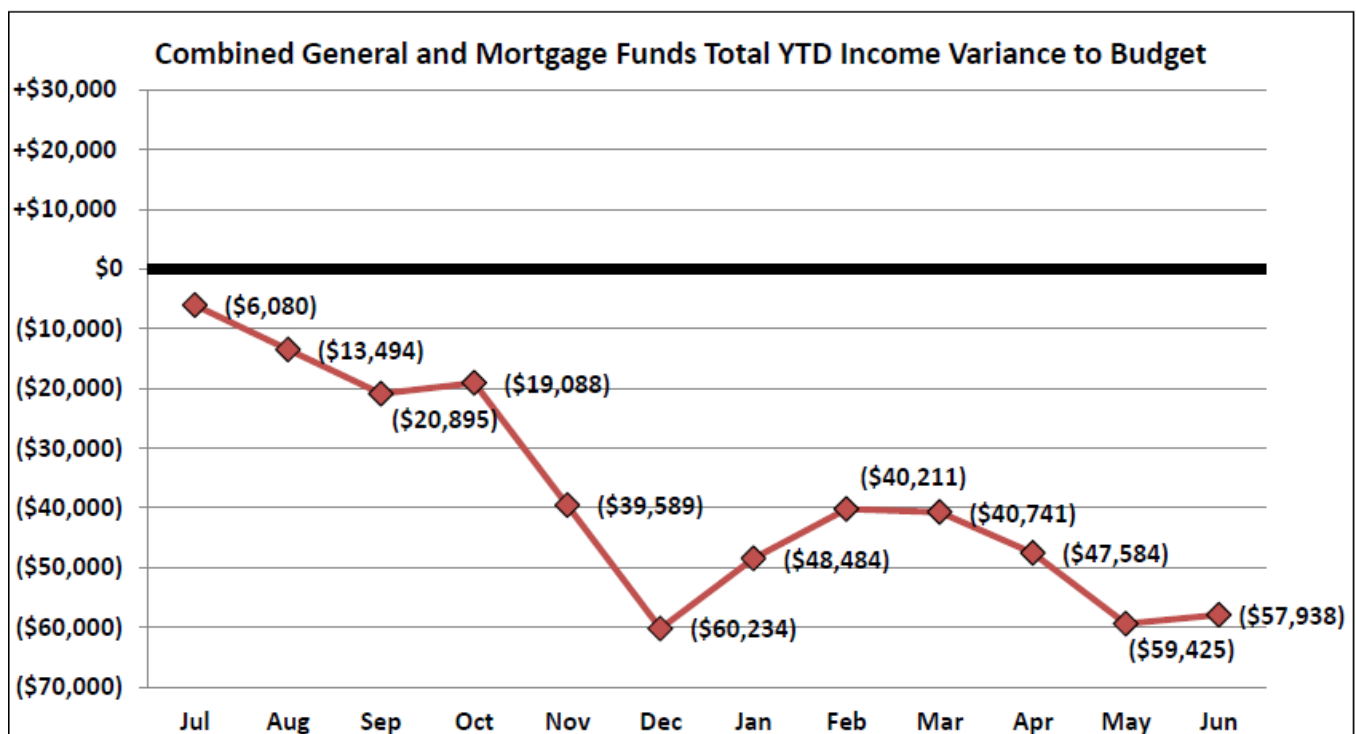
To end on a high note, we can celebrate our collective progress on paying down our mortgage! We were financially blessed by donations through our three-year Blessing in Abundance capital campaign, as well as significant undesignated bequests from the estates of Arthur and Bernice Bowers and Nina deRek. We sent more than \$800,000 in principal-only payments in FY17-18 which allowed us to reamortize our mortgage twice. Our lender – the Mission Investment Fund (MIF) of the ELCA – charged us nothing for these reamortizations. We also sent tithes on the campaign donations to our benevolence partners Rock City mission church and Peace Community Center. As we continue to send funds to MIF, we will free up even more money for other areas of ministry.

**St. Mark's Total Income and Expense - General and Mortgage Funds Combined  
FY 2017-18 thru June Actual vs. Budget**

	Jul-Jun Actual	Jul-Jun Budget	Var. from Budget
<b>Income:</b>			
Offerings	\$985,217	\$1,048,125	(\$62,908)
Other Income	7,970	3,000	4,970
<b>Total Income</b>	<b>\$993,187</b>	<b>\$1,051,125</b>	<b>(\$57,938)</b>
<b>Expense:</b>			
Ministry Teams/Benevolence	\$113,729	\$129,819	(\$16,090)
Facilities/Administration	119,410	130,006	(10,596)
Mortgage	142,911	157,443	(14,532)
Staff	623,376	633,939	(10,563)
<b>Total Expense</b>	<b>\$999,426</b>	<b>\$1,051,207</b>	<b>(\$51,781)</b>
<b>Income vs. Expense</b>	<b>(\$6,239)</b>	<b>(\$82)</b>	<b>(\$6,157)</b>

Mortgage Details:	Jul-Jun Payments		Balance at 6/30/18
	Interest	Principal*	
	\$74,283	\$870,779	\$1,256,044

\* includes addl. principal payments of \$300,000 in Jul 2017 and \$502,151 in Jan 2018.



St. Mark's Lutheran Church by The Narrows  
FY 2017-18 General & Mortgage Fund Summary - Month and YTD thru June

	FY 2017-18	FY 2017-18	Var. from Budget		FY 2016-17	Change from Last Yr		No. of Sundays
	Actual	Budget	Amount	Pct.	Actual	Amount	Pct.	
<b>Month of June</b>								
<b>Income:</b>								
Offerings	\$90,478	\$89,759	\$719	0.8%	\$93,831	(3,353)	(3.6%)	FY 2017-18 = 4
Other Income	1,018	250	768	307.2%	737	281	38.1%	FY 2016-17 = 4
Total Income	91,496	90,009	1,487	1.7%	94,568	(3,072)	(3.2%)	
<b>Expense:</b>								
Benevolences	9,875	9,450	425	4.5%	10,897	(1,022)	(9.4%)	
Ministry Teams	5,721	6,957	(1,236)	(17.8%)	3,089	2,632	85.2%	
Office/Admin	3,251	4,754	(1,503)	(31.6%)	3,697	(446)	(12.1%)	
Bldg/Property	6,482	6,994	(512)	(7.3%)	18,804	(12,322)	(65.5%)	
Mortgage	9,227	12,860	(3,633)	(28.3%)	15,983	(6,756)	(42.3%)	
Staff	52,613	53,104	(491)	(0.9%)	49,386	3,227	6.5%	
Total Expense	87,169	94,119	(6,950)	(7.4%)	101,856	(14,687)	(14.4%)	
<b>Income vs. Expense</b>	\$4,327	(\$4,110)	\$8,437		(\$7,288)	\$11,615		
<b>Fiscal YTD thru June</b>								
<b>Income:</b>								
Offerings	\$985,217	\$1,048,125	(\$62,908)	(6.0%)	\$1,047,901	(\$62,684)	(6.0%)	FY 2017-18 = 52
Other Income	7,970	3,000	4,970	165.7%	9,079	(1,109)	(12.2%)	FY 2016-17 = 52
Total Income	993,187	1,051,125	(57,938)	(5.5%)	1,056,980	(63,793)	(6.0%)	
<b>Expense:</b>								
Benevolences	84,104	89,068	(4,964)	(5.6%)	81,575	2,529	3.1%	
Ministry Teams	29,625	40,751	(11,126)	(27.3%)	31,143	(1,518)	(4.9%)	
Office/Admin	45,672	51,784	(6,112)	(11.8%)	49,478	(3,806)	(7.7%)	
Bldg/Property	73,738	78,222	(4,484)	(5.7%)	88,947	(15,209)	(17.1%)	
Mortgage	142,911	157,443	(14,532)	(9.2%)	191,794	(48,883)	(25.5%)	
Staff	623,376	633,939	(10,563)	(1.7%)	613,951	9,425	1.5%	
Total Expense	999,426	1,051,207	(51,781)	(4.9%)	1,056,888	(57,462)	(5.4%)	
<b>Income vs. Expense</b>	(\$6,239)	(\$82)	(\$6,157)		\$92	(\$6,331)		

**St. Mark's Lutheran Church by The Narrows - Tacoma WA**  
**Balance Sheet as of June 30, 2018**

**Wednesday, August 08, 2018**

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Account #	Account Name	Beginning Balance	YTD Balance
<b>Assets</b>			
1.100.100	Columbia Bank General Checking Account	387,736	247,093
1.100.110	MIF General Checking Account	588,627	307,704
1.100.350	Columbia Bank Women's Checking Account	4,408	4,375
1.100.400	Charles Schwab Brokerage	1,000	1,000
1.300.400	Columbia Bank Preschool Checking Account	28,229	17,258
1.400.100	MIF Checking Account - Memorial Account	16	0
1.400.250	ELCA Endowment Fund Acct - SMLC Endowment Fund	72,386	77,028
1.400.300	ELCA Endowment Fund Acct - SMLC Scholarship Fund	163,199	165,882
1.500.001	Prepaid Expense	0	0
1.500.002	Payroll Advances	0	0
1.500.801	Prepaid Copy Allowance	0	0
1.500.842	Prepaid Insurance	2,799	2,783
1.700.000	<i>Fixed Assests</i>		
1.700.100	Buildings and Property	3,000,000	3,000,000
1.700.109	Landscaping	0	0
1.700.110	MPR Construction 2009	2,908,400	2,908,400
1.700.115	Remodel 2009	74,401	74,401
1.700.116	Kitchen 2010	175,774	175,774
1.700.200	Autos	0	0
1.700.310	Computers and Software	0	0
1.700.320	Audio/Visual Equipment	0	0
1.700.400	Furnishings	0	0
	<i>Total Fixed Assests</i>	<i>\$6,158,576</i>	<i>\$6,158,576</i>
	<b>Total Assets</b>	<b>\$7,406,979</b>	<b>\$6,981,701</b>
<b>Liabilities</b>			
2.000.000	<i>Accounts Payable/Vendors</i>		
2.110.100	St. Mark's Youth Account	27,793	34,285
2.120.100	Women of St. Mark's	0	0
2.200.100	Preschool L& I	151	10
2.200.105	Preschool L& I	0	0
2.200.105	St. Mark's Preschool	0	0
2.201.100	Preschool Taxes	0	0
2.700.000	<i>Long Term Debt</i>		
2.700.110	MIF Mortgage 2009	2,126,822	1,256,043
	<i>Total Long Term Debt</i>	<i>\$2,126,822</i>	<i>\$1,256,043</i>
2.900.100	Prepaid Giving - General Fund	0	0
2.900.200	Prepaid Giving - Mortgage Fund	0	0
2.900.300	Prepaid Giving - Regular Giving Fund	28,620	26,873
2.999.991	Employee Stipends	0	0
2.999.992	FSA Payroll Deductions	0	0
2.999.993	Voluntary Pension Contributions	0	0
2.999.994	P/R Deductions - Supplemental Life Insurance	0	0
2.999.995	Accrued P/R Benefits Clearing Account	0	0
2.999.995	Accrued P/R Benefits Clearing Account	5,882	0
2.999.998	Preschool Payroll Clearing Account	0	0
2.999.999	Payroll Taxes Clearing Account	0	0
	<b>Total Liabilities</b>	<b>\$2,189,270</b>	<b>\$1,317,212</b>
<b>Fund Balance</b>			
3.001.100	Gen & Benevolence Fund Balance	33,872	(6,238)



**St. Mark's Lutheran Church by The Narrows - Tacoma WA**  
**Balance Sheet as of June 30, 2018**

**Wednesday, August 08, 2018**

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Account #	Account Name	Beginning Balance	YTD Balance
3.002.000	Property Improvement Fund Balance	4,500	14,113
3.003.001	Mortgage Fund Balance	0	0
3.004.001	Mortgage Principal Reduction Fund Balance	203,749	129,904
3.004.100	Undesignated Bequests Balance	470,511	104,691
3.005.001	Property Furnishings Balance	0	0
3.006.000	Regular Giving Fund Balance	0	0
3.010.000	Kitchen Fund Balance	8,164	6,866
3.011.000	Meals & Hospitality Fund Balance	0	0
3.014.000	Operating Reserve Fund Balance	36,392	70,264
3.015.000	Long-Term Property Maintenance Reserve Balance	12,147	8,115
3.020.000	Facilities Use Fund Balance	3,533	1,500
3.100.105	ELCA World Hunger Fund Balance	0	0
3.100.110	Hunger Basket Fund Balance	0	0
3.100.115	Fair Trade Support Fund Balance	8,041	5,136
3.100.120	Nativity House Fund Balance	4,923	2,462
3.100.121	Peace Lutheran Meals Fund Balance	0	0
3.100.122	Family Housing Network Fund Balance	2,190	1,467
3.100.125	Lutheran World Relief Fund Balance	0	0
3.100.126	Urgent Need Fund Balance	2,350	0
3.100.130	FISH Food Bank Fund Balance	0	0
3.100.140	Christmas Basket Fund Balance	5,100	4,695
3.100.141	Empowering Life Fund Balance	250	0
3.100.150	Habitat for Humanity Fund Balance	204	0
3.100.160	Associated Ministries Balance	0	0
3.100.170	Bread for the World Fund Balance	0	0
3.100.180	Mexico Mission Fund Balance	15,278	12,505
3.100.182	Global Missions Fund Balance	7,543	6,696
3.100.187	Food Backpack Program Balance	36,648	40,616
3.150.000	deRek Refugee Resettlement Fund Balance	0	15,351
3.200.001	Misc. St. Mark's Benevolences Balance	0	0
3.400.200	Endowment Fund Balance	82,752	87,819
3.400.300	Endowment Grants Balance	0	0
3.401.001	Pass Thru to Women of SM Fund Balance	0	0
3.402.001	LWR Project Comfort - Quilts & Kits	811	3,324
3.403.000	St. Mark's Youth Fund Balance	22,293	26,659
3.404.000	Stephen Ministry Fund Balance	2,270	2,168
3.430.001	Pastoral Emergency Fund Balance	1,238	2,885
3.450.000	<i>Continuing Ed Fund Balance</i>	3,140	2,818
3.460.001	St. Mark's Story Corps Balance	709	974
3.480.001	Women's Retreat Fund Balance	836	1,035
3.490.001	Crossways Series Fund	393	100
3.510.001	Sunday School Benevolence Fund Balance	23	23
3.535.001	GSA DVD Fund Balance	265	0
3.570.001	Luther 500 Festival Trip Fund Balance	118	0
3.620.001	Music Scholarship Fund Balance	0	708
3.621.001	Contemporary Music Fund Balance	533	1,029
3.623.001	Youth Music and Arts Fund Balance	1,480	1,430
3.627.001	Sabbatical Fund Balance	1,000	1,000
3.628.001	Flowers Fund Balance	16	330



**St. Mark's Lutheran Church by The Narrows - Tacoma WA**  
**Balance Sheet as of June 30, 2018**

**Wednesday, August 08, 2018**

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Account #	Account Name	Beginning Balance	YTD Balance
3.662.100	Preschool Fund Balance	28,040	17,267
3.670.001	Young Adults Fund Balance	1,792	1,792
3.680.001	VBS Fund	650	751
3.710.001	St. Mark's General Memorial Fund Balance	17,318	6,828
3.720.001	Nursing Scholarship Fund Balance	0	4,590
3.750.000	Women of St. Mark's Fund Balance	4,253	4,220
3.780.000	Scholarship Fund Balance	161,199	176,632
3.900.000	Net Fixed Assets Balance	4,031,168	4,901,948
<b>Total Fund Balance</b>		<b>\$5,217,708</b>	<b>\$5,664,488</b>
<b>Total Liabilities and Fund Balance</b>		<b><u>\$7,406,979</u></b>	<b><u>\$6,981,701</u></b>

**St. Mark's Lutheran Church by The Narrows - Tacoma WA**  
**Consolidated Fund Activity Report as of 06/30/2018**

**Wednesday, August 08, 2018**

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Account #	Account Name	Beg Balance	Receipts	Disbursements	Transfers/JE's	End Balance
3.001.100	Gen & Benevolence Fund Balance	33,872	850,276	856,514	(33,872)	(6,238)
3.002.000	Property Improvement Fund Balance	4,500	13,000	4,386	1,000	14,113
3.003.001	Mortgage Fund Balance	0	142,910	142,910	0	0
3.004.001	Mortgage Principal Reduction Fund Balance	203,749	355,526	845,660	416,288	129,904
3.004.100	Undesignated Bequests Balance	470,511	120,360	42,392	(443,788)	104,691
3.005.001	Property Furnishings Balance	0	0	0	0	0
3.006.000	Regular Giving Fund Balance	0	893,852	893,852	0	0
3.010.000	Kitchen Fund Balance	8,164	3,250	16,278	11,730	6,866
3.011.000	Meals & Hospitality Fund Balance	0	16,911	16,911	0	0
3.014.000	Operating Reserve Fund Balance	36,392	0	0	33,872	70,264
3.015.000	Long-Term Property Maintenance Reserve Balance	12,147	35,490	41,875	2,354	8,115
3.020.000	Facilities Use Fund Balance	3,533	6,960	6,638	(2,354)	1,500
3.100.105	ELCA World Hunger Fund Balance	0	1,800	1,800	0	0
3.100.110	Hunger Basket Fund Balance	0	8,238	8,238	0	0
3.100.115	Fair Trade Support Fund Balance	8,041	7,931	10,836	0	5,136
3.100.120	Nativity House Fund Balance	4,923	1,800	4,260	0	2,462
3.100.121	Peace Lutheran Meals Fund Balance	0	0	0	0	0
3.100.122	Family Housing Network Fund Balance	2,190	0	723	0	1,467
3.100.125	Lutheran World Relief Fund Balance	0	0	871	871	0
3.100.126	Urgent Need Fund Balance	2,350	1,406	2,213	(1,542)	0
3.100.130	FISH Food Bank Fund Balance	0	0	0	0	0
3.100.140	Christmas Basket Fund Balance	5,100	650	1,055	0	4,695
3.100.141	Empowering Life Fund Balance	250	125	375	0	0
3.100.150	Habitat for Humanity Fund Balance	204	740	944	0	0
3.100.160	Associated Ministries Balance	0	162	162	0	0
3.100.170	Bread for the World Fund Balance	0	0	0	0	0
3.100.180	Mexico Mission Fund Balance	15,278	16,738	19,510	0	12,505
3.100.182	Global Missions Fund Balance	7,543	947	1,794	0	6,696
3.100.187	Food Backpack Program Balance	36,648	10,277	8,699	2,390	40,616
3.150.000	deRek Refugee Resettlement Fund Balance	0	488	0	14,863	15,351
3.200.001	Misc. St. Mark's Benevolences Balance	0	5,431	5,431	0	0
3.400.200	Endowment Fund Balance	82,752	7,066	1,999	0	87,819
3.400.300	Endowment Grants Balance	0	0	0	0	0
3.401.001	Pass Thru to Women of SM Fund Balance	0	0	0	0	0
3.402.001	LWR Project Comfort - Quilts & Kits	811	3,365	853	0	3,324
3.403.000	St. Mark's Youth Fund Balance	22,293	28,916	24,549	0	26,659
3.404.000	Stephen Ministry Fund Balance	2,270	0	101	0	2,168

**St. Mark's Lutheran Church by The Narrows - Tacoma WA**  
**Consolidated Fund Activity Report as of 06/30/2018**

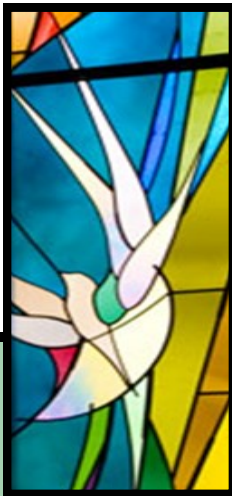
**Wednesday, August 08, 2018**

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Account #	Account Name	Beg Balance	Receipts	Disbursements	Transfers/JE's	End Balance
3.430.001	Pastoral Emergency Fund Balance	1,238	947	979	1,679	2,885
3.450.000	<i>Continuing Ed Fund Balance</i>					
3.450.010	Continuing Ed Fund - JR Balance	(7)	700	620	0	72
3.450.020	Continuing Ed Fund - RS Balance	1,242	700	1,874	0	68
3.450.030	Continuing Ed Fund - IL Balance	93	700	747	0	46
3.450.040	Continuing Ed Fund - Music Dir Balance	1,811	700	476	0	2,035
3.450.050	Continuing Ed Fund - Mgr Fin/Ops Balance	0	420	0	0	420
3.450.060	Continuing Ed Fund - Contemp Music Dir Balance	0	175	0	0	175
3.460.001	St. Mark's Story Corps Balance	709	0	0	265	974
3.480.001	Women's Retreat Fund Balance	836	3,612	3,413	0	1,035
3.490.001	Crossways Series Fund	393	870	1,163	0	100
3.510.001	Sunday School Benevolence Fund Balance	23	0	0	0	23
3.535.001	GSA DVD Fund Balance	265	0	0	(265)	0
3.570.001	Luther 500 Festival Trip Fund Balance	118	200	318	0	0
3.620.001	Music Scholarship Fund Balance	0	1,000	291	0	708
3.621.001	Contemporary Music Fund Balance	533	2,900	2,404	0	1,029
3.623.001	Youth Music and Arts Fund Balance	1,480	1,550	1,600	0	1,430
3.627.001	Sabbatical Fund Balance	1,000	0	0	0	1,000
3.628.001	Flowers Fund Balance	16	2,625	2,311	0	330
3.662.100	Preschool Fund Balance	28,040	109,280	122,553	2,500	17,267
3.670.001	Young Adults Fund Balance	1,792	0	0	0	1,792
3.680.001	VBS Fund	650	2,035	1,933	0	751
3.710.001	St. Mark's General Memorial Fund Balance	17,318	8,104	3,552	(15,041)	6,828
3.720.001	Nursing Scholarship Fund Balance	0	0	1,530	6,120	4,590
3.750.000	Women of St. Mark's Fund Balance	4,253	13,924	13,957	0	4,220
3.780.000	Scholarship Fund Balance	161,199	16,960	4,457	2,930	176,632
3.900.000	Net Fixed Assets Balance	4,031,168	0	0	870,779	4,901,948
<b>Total</b>		<b><u>\$5,217,708</u></b>	<b><u>\$2,702,025</u></b>	<b><u>\$3,126,024</u></b>	<b><u>\$870,779</u></b>	<b><u>\$5,664,488</u></b>

	<b>FY17-18 Budget</b>	<b>FY17-18 Actual</b>	<b>FY18-19 Budget</b>
<b>INCOME</b>			
Total Offerings	1,048,125	985,217	1,061,624
Total Non-Offering Income	3,000	7,970	3,000
<b>Total Income</b>	<b>\$ 1,051,125</b>	<b>\$ 993,187</b>	<b>\$ 1,064,624</b>
<b>EXPENSES</b>			
Benevolence	89,068	84,104	96,220
Ministry Teams			
Adult Faith Formation	1,500	275	1,500
Congregational Care	6,850	2,934	6,650
Outreach	1,425	476	1,425
Peace & Justice	0	0	0
Stewardship	1,885	1,428	6,710
Worship	8,040	6,609	7,623
Music	6,413	4,360	6,665
Children & Youth Faith Formation	14,638	13,542	14,938
Ministry Teams Subtotal	40,751	29,625	45,511
Office & Other Administrative	51,784	45,672	56,654
Property	78,222	73,738	98,093
Salaries & Benefits	633,939	623,376	668,726
Mortgage Payment	157,443	142,911	99,420
<b>Total Expenses</b>	<b>\$ 1,051,207</b>	<b>\$ 999,426</b>	<b>\$ 1,064,624</b>
<b>Total Income - Total Expenses</b>	<b>(82)</b>	<b>(6,239)</b>	<b>0</b>

<b>Blessing in Abundance Campaign</b>		
<b>FY17-18 Update</b>		
		<b>Notes</b>
<b>Beginning Balance</b>	<b>\$ 203,749</b>	
Offerings Received	355,527	
Undesignated Bequest Funds from Nina deRek Allocated for Principal Reduction	416,289	While technically not part of the capital campaign, these funds are being tracked along with our other principal reduction efforts
Campaign Expenses	(635)	
Principal Payments Sent to Lender	(802,151)	
Tithe Sent to Rock City	(21,437)	
Tithe Sent to Peace Community Center	(21,437)	
<b>Ending Balance</b>	<b>\$ 129,904</b>	From this fiscal year-end balance, we were able to send another principal payment and tithes in July 2018 (FY18-19)



**St. Mark's Lutheran Church by The Narrows**

6730 North 17th Street

Tacoma, WA 98406

253.752.4966

**[www.smlutheran.org](http://www.smlutheran.org)**