



# St. James Lutheran Church

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



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## ANNUAL FINANCIAL REPORT OF THE CONGREGATION

Annual Financial Meeting

Lake Forest, Illinois

11:15 a.m. January 29, 2023

### Agenda

Opening Prayer

Call to Order

Report of the Tellers (Quorum is 29 voting members)

Adoption of the Agenda

Approval of the Minutes, June 5, 2022

Final 2022 Review

Presentation of the 2023 General Fund Budget

Discussion and Adoption of the 2023 General Fund Budget

Election of Synod Assembly Voting Members

Adjournment

Closing Prayer

*3/20/2023 Note: Page 8 ELCA Monthly  
Benevolence corrected to \$62,600 to  
reflect actual approved total  
benevolences of \$99,100 as shown on  
page 6.*

## **TABLE OF CONTENTS**

	<u>Page</u>
Agenda .....	Cover
Minutes of June 5, 2022 Governance Meeting .....	3
Treasurer’s Report.....	4
Pledge Report.....	5
2023 General Fund Proposed Budget Summary.....	6
General Fund Disbursements—Benevolence .....	8
General Fund Disbursements—Personnel .....	9
General Fund Disbursements—Property .....	10
General Fund Disbursements—Administration .....	11
General Fund Disbursements—Worship & Music .....	12
General Fund Disbursements—Christian Education.....	12
General Fund Disbursements—Finance.....	13
General Fund Disbursements—Evangelism, Fellowship, Stewardship.....	13
Benevolences Summary 2022 .....	14
Investments.....	15
Combined Results.....	15
Balance Sheet .....	16
Fund Balances .....	17
Congregation Officers, Leaders and Staff.....	Back Cover

## ***Minutes of June 5, 2022 Governance Meeting***

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Opening Prayer: Pastor Mark Sundberg

Call to Order: 10:48 am Tom Meyer, Council President

Report of the Tellers: >29

Motion to Adopt Agenda: Shelly Holmstrom

Motion Seconded: Mark Wanda

Motion Approved: Unanimous

Motion to Approve Minutes, January 30, 2022: Joe Voelcker

Motion Seconded: Don Bergsrud

Motion Approved: Unanimous

Annual Reports

Report of the President, Tom Meyer

In addition to written report, Tom highlighted the many exciting and challenging moments of the past year. He was quick to note that St. James responded to each new challenge with the people, talent and resources needed to successfully continue our Ministry. He noted the tasks, time, obligations, and countless meetings of Council resulted in an Interim Pastor, determining steps to call a full-time pastor, establishment of a call committee, and saying goodbye to Pastor Holmer and Susan Jarzembksi.

Report of Interim Pastor Mark Sundberg

In addition to written report, Pastor Sundberg reminded those gathered that Jesus is with us through times of transition – the changes and challenges presented by the pandemic and transition to a new pastor. He explained the interim role and expressed his enjoyment serving us during this time.

Reports of the Administrative and Communications Services Team and Committees – one question from Richard Kaeske re: the lack of communication of the change from green hymnal to red hymnal. Mark Taylor explained it was mistakenly left out of the Worship & Music report.

Elections

Motion to approve Council Slate: Dave Moore

Seconded: Mark Wanda

Motion Approved: Unanimous

Motion to approve listing of other nominations found on page 7 of the annual Report: Carol Bennett

Second: Kathy Lowell.

Motion Approved: Unanimous

Resolutions – read aloud by the quorum ,

Motion to Adjourn at 11:30 a.m.: Pete Clemens

Motion Seconded: Dee Buckowich

Motion Approved: Unanimous

Closing Prayer: Pastor Mark Sundberg

## ***Treasurer's Report***

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2022 at last saw a return to more normal worship and other activities after two pandemic-dominated years. A few changes remain that have financial impact.

- We are worshipping in person at one service each Sunday rather than two, and that service is livestreamed on You Tube. The livestreamed service and other uses of technology for communication to members and non-members have driven changes in how our office staff works and the skills they utilize in their work.
- Sunday School and nursery support for children has been slow to recover, with Sunday School attendance at extremely low levels.
- Visitor traffic and membership inquiries have recovered somewhat.

For whatever reason (and we can't look to Covid as an all-purpose explanation) the recent years' steady decline in the numbers of pledges received has continued, as can be seen in the report pages. Blessedly, members who have continued to pledge have pledged generously, and non-pledged giving seems to be on a rising trend. A report of pledges by financial size appears later in the book, which can provide the reader with food for thought regarding each household's role in supporting St James as it proclaims God's Word, administers the Holy Sacraments, and responds to our neighbors' financial and spiritual needs.

One year ago we had just said goodbye to Richard Holmer after his 21 years as pastor, and were being served by interim Pastor Mark Sundberg. On November 15 we welcomed our new called Pastor Amy Gillespie, whose family had located a home in our community and moved into it before the end of 2022. The congregation's equity sharing support in the new residence, along with a farewell gift to the retired Pastor (detailed in last year's Financial Reports book) and gradual unwinding of our remaining equity in his home have had financial impacts that are reported throughout the reports in this book, and are summarized in the explanatory notes on the General Fund Budget Summary page.

Investment markets suffered their first significant downturn since the 2008 home lending crisis, and our Land Sale and Endowment Funds did not escape the impacts of the downturn. Nevertheless, our investments continue to provide that support for our major maintenance and benevolence giving as they have been intended to do.

Thanks to all who have made the Treasurer duties easy – the Executive Committee and Council, Finance Committee, Stewardship Committee, offering counters, office staff, and especially Business Manager Chris Meyer (first half of the year) and Bookkeeper Carol Bennett (second half) for maintaining clear and accurate financial records and support and for saving me from embarrassing mistakes more times than I can count.

Mike Bennett, Treasurer

## Pledge Report

### Pledging 2023 vs. 2022

Increased in 2023

New Member 2023

New Pledge in 2023

Same in 2023

Decreased in 2023

**Pledged**

No Pledge 2023, Pledged 2022

**Total**

Families	2022	2023	Inc (Dec)	%
35	329,970	363,544	33,574	10.2%
1		6,180	6,180	
2		5,300	5,300	
38	136,360	136,360	-	
10	68,820	56,540	(12,280)	(17.8%)
<b>86</b>	<b>535,150</b>	<b>567,924</b>	<b>32,774</b>	<b>6.1%</b>
11	18,760	-	(18,760)	(100.0%)
<b>97</b>	<b>553,910</b>	<b>567,924</b>	<b>26,314</b>	<b>2.5%</b>

### Pledge Range

20,000+

15,000-19,999

10,000-14,999

7,500-9,999

5,000-7,499

2,500-4,999

1-2,499

**Total 2023 Pledges**

Count	%	Pledge	%
5	5.8%	217,200	38.2%
4	4.7%	69,000	12.1%
4	4.7%	44,800	7.9%
6	7.0%	51,544	9.1%
16	18.6%	85,080	15.0%
16	18.6%	51,760	9.1%
35	40.6%	48,540	8.6%
<b>86</b>	<b>100.00%</b>	<b>567,924</b>	<b>100.00%</b>

The General Fund operates on a breakeven budget. We are grateful so many families pledge and how some can gradually increase their pledge over many years. Each range makes a meaningful contribution

to the overall support. This allows us to plan to support numerous ministries; for many ministries we make our donation in January to help them fund their operations during the year.

### General Fund Giving

#### Receipts

**Pledged**

**Non-Pledged**

**Seasonal Giving**

**Loose Offerings**

**Sunday School**

**Total Contributions**

**Pledges**

**% of Pledged Giving**

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
	565,617	555,450	558,881	567,924
	30,273	30,300	44,331	51,611
	2,416	2,400	3,533	3,500
	316	300	2,791	2,800
	167	200	66	100
	<b>598,789</b>	<b>588,650</b>	<b>609,602</b>	<b>625,935</b>
	<b>561,880</b>	<b>555,450</b>	<b>555,450</b>	<b>567,924</b>
	<b>100.7%</b>	<b>100%</b>	<b>100.6%</b>	<b>100%</b>

We have budgeted that the 2023 pledged giving will be fulfilled, which is realistic in view of recent experience, as both 2021 and 2022 pledged giving slightly exceeded pledged amounts. Unpledged giving is budgeted as 2022 actual adjusted for

households moving between pledged and unpledged status. The budget assumes that Seasonal Giving, Loose Offerings, and Sunday School offerings all approximate 2022 levels.

## General Fund 2023 Budget Summary

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>Receipts</b>				
<b>Member Contributions Pledged</b>	565,617	555,450	558,881	567,924
<b>Member Contributions Non-Pledged</b>	33,172	33,200	50,721	58,011
<b>Member Contributions</b>	598,789	588,650	609,602	625,935
<b>Other Revenue &amp; Investment Income</b>	4,570	3,000	10,660	6,575
<b>Utilized Future Spend balances</b>	0	0		
<b>Interfund transfers</b>	10,208	0	39,601	0
<b>Total Receipts</b>	<b>613,567</b>	<b>591,650</b>	<b>659,863</b>	<b>632,510</b>
<b>Disbursements</b>				
<b>Personnel, Call Committee, Moving Cost</b>	386,182	374,185	423,644	398,626
<b>Benevolence Budgeted</b>	94,272	95,400	98,343	99,100
<b>Administration</b>	29,044	23,900	27,943	27,825
<b>Finance</b>	12,303	11,000	11,041	11,500
<b>Contingency</b>	0	0	0	0
<b>Reserve for Future Spending</b>	6,500	0		
<b>Property</b>	59,577	54,550	113,385	64,350
<b>Christian Education</b>	1,093	9,050	3,904	9,050
<b>Worship &amp; Music</b>	13,094	11,440	19,649	13,390
<b>Evangelism, Fellowship, Stewardship</b>	13,203	4,800	10,377	8,000
<b>Other (income)/expense</b>	(1,813)	0	(204)	0
<b>Total Disbursements</b>	<b>613,455</b>	<b>584,325</b>	<b>708,082</b>	<b>631,841</b>
<b>Surplus (Deficit)</b>	<b>112</b>	<b>7,325</b>	<b>(48,219)</b>	<b>669</b>

*Comments on Page 7*

Discussion of the line items are with their detailed schedules on ensuing pages in the book.

The 2022 General Fund Surplus (Deficit) was affected by matters related to:

- 1) A farewell gift to the retired Pastor (detailed in last year's Financial Reports) .
- 2) Installments received from the retired Pastor toward redemption of the congregation's remaining equity in his home.
- 3) Assistance to the new Pastor toward purchase of a home in the community.

Item (1) was an expense of the General Fund. Item (2), which reduces our equity in the retired Pastor's home in the Pastor Holmer Residence Fund, creates apparent income in the General Fund offset by apparent expense in the Pastor Holmer Residence Fund. Item (3) was accomplished by using assets in various funds detailed below, and created apparent expense in the General Fund, which was offset by apparent income in certain other funds, as shown on the table at the end of these comments. In summary, 2022 General Fund included the following income (expense) from the three items described above:

Item 1 – Deferred compensation retired Pastor	(60,000)
Item 2 – Installments received from retired Pastor	40,000
Item 3 – Assistance toward purchase of new Pastor residence	(36,560)
Total of the three items listed	(56,560)
General Fund results as reported above	(48,219)
"Normalized" General Fund results excluding these three items	8,341

**Data regarding financing of the Pastor Gillespie residence, and in support of Item 3 above:**

----- Ultimate Fund Source -----		----- Effect on Income by Fund -----		
	Total Funded	General Fund	Gillespie Residence	Other Funds
Contingency Fund	23,847		23,847	(23,847)
Genl Fund Future Spend	15,593		15,593	(15,593)
General Fund	40,000	(40,000)	40,000	
Viola Long Fund (loan)	16,560	(16,560)	16,560	
<b>Totals 20% of 480,000</b>	<b>96,000</b>	(56,560)	96,000	(39,440)
Less: Feb Holmer installment		20,000		(20,000)
Less: Oct earnest money			(5,000)	5,000
<b>November Income by fund (nets to \$ zero)</b>		<b>(36,560)</b>	91,000	(54,440)

## General Fund Disbursements - Benevolence

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>ELCA Benevolences</b>				
ELCA Monthly Benevolence	58,300	58,900	58,900	62,600
<b>ELCA Synod Related</b>				
Bethel New Life	2,200	2,200	2,200	2,200
COOL Ministries	5,500	5,500	5,500	5,500
Lutheran Social Services of Illinois	3,500	3,500	3,500	3,500
LSSI Prisoner/Family Ministry	2,200	2,200	2,200	2,200
Sagrado Corazón	5,000	5,000	5,000	5,000
Sagrado Corazón matching	-	2,000	2,000	2,000
<b>Total ELCA Synod Related</b>	<b>18,400</b>	<b>20,400</b>	<b>20,400</b>	<b>20,400</b>
<b>Total ELCA Benevolences</b>	<b>76,700</b>	<b>79,300</b>	<b>79,300</b>	<b>83,000</b>
<b>Non-ELCA Benevolences</b>				
North Chicago Community Partners	500	500	500	500
Habitat for Humanity	3,300	3,300	3,300	3,300
PADS	3,000	3,000	3,000	3,000
Career Resource Center	1,650	1,650	1,650	1,650
Lake County United	2,000	2,000	2,000	2,000
Hospital Chaplaincy	500	500	500	500
Help within the Family	2,000	500	-	500
Waukegan to College	2,000	2,000	2,000	2,000
Give 5	22	50	-	50
Grief Support Group	1,600	1,600	1,600	1,600
Undesignated	1,000	1,000	1,000	1,000
<b>Total Non-ELCA Benevolences</b>	<b>17,572</b>	<b>16,100</b>	<b>15,550</b>	<b>16,100</b>
<b>Total Budgeted Benevolence</b>	<b>94,272</b>	<b>95,400</b>	<b>94,850</b>	<b>99,100</b>
<b>% of Member Giving</b>	<b>15.7%</b>	<b>16.2%</b>	<b>15.6%</b>	<b>15.9%</b>

\$1,000 has been budgeted for Undesignated Benevolences in recent years. In 2021 essentially all that amount was given to Lutheran Disaster Response. In 2022, \$424 was given to Waukegan to College and \$576 to Lake County United. The \$2,000 item "Sagrado Corazón matching" is a St. James

match of a like amount to be raised by Sagrado Corazón from its own members.

See separate page "Benevolences Summary 2022" for a summary of all benevolences giving from all funds during 2022.



## General Fund Disbursements–Personnel

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>Pastor</b>				
Salary	75,000	45,597	44,313	53,859
Housing Allowance	49,000	46,533	54,278	61,960
Social Security	14,696	7,587	6,129	9,538
Pension & Benefits	32,788	23,842	26,913	45,759
Expenses & Education	2,125	10,210	980	4,500
<b>Total Ministry</b>	<b>173,609</b>	<b>133,769</b>	<b>132,613</b>	<b>175,616</b>
Deferred Comp Retired Pastor			60,000	
Call Committee Expenses		2,000	2,641	
New Pastor Moving Expense		18,000	13,143	
<b>Total Ministry, Call, Moving</b>	<b>173,609</b>	<b>153,769</b>	<b>208,397</b>	<b>175,616</b>
Administrative Assistants	54,363	53,825	42,915	49,585
Youth Ministry Coordinator	10,119	10,119	10,138	10,928
Business Manager	48,676	48,678	28,358	
Bookkeeper			5,708	12,312
Facilities Manager			11,791	24,749
Sunday School Director	13,241	13,241	13,260	14,300
Nursery Supervisor	0	0	0	3,768
Media Communications Coord.	17,762	19,377	27,767	30,228
<b>Total Administration Personnel</b>	<b>144,161</b>	<b>145,240</b>	<b>139,937</b>	<b>145,870</b>
Director of Music	27,451	27,451	27,489	29,647
Organist	25,405	25,405	25,425	27,437
Bell Choir Director	0	0	0	0
Youth Choir Director	5,652	5,652	5,671	6,104
Brass Ensemble Director	4,521	6,459	6,478	6,976
Damascus Road Coordinators	5,383	6,459	6,497	6,976
<b>Total Music Personnel</b>	<b>68,412</b>	<b>71,426</b>	<b>71,560</b>	<b>77,140</b>
Staff Bonuses		3,750	3,750	
<b>Total Personnel, Call, Moving</b>	<b>386,182</b>	<b>374,185</b>	<b>423,644</b>	<b>398,626</b>
<b>Summary by Category</b>	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>2023 Budget</b>
Salary	259,999	235,137	233,812	258,356
Social Security & Medicare	28,639	21,999	20,712	24,971
Pension & Benefits	46,419	36,556	34,328	48,839
Housing Allowance	49,000	46,533	54,278	61,960
Expense Reimbursements	2,125	10,210	980	4,500
Staff Bonuses	0	3,750	3,750	
<b>Total Personnel by Category</b>	<b>386,182</b>	<b>354,185</b>	<b>347,860</b>	<b>398,626</b>
Deferred Comp Retired Pastor			60,000	-
Call Committee Expenses		2,000	2,641	
New Pastor Moving Expense		18,000	13,143	
<b>Total Personnel, Call, Moving</b>	<b>386,182</b>	<b>374,185</b>	<b>423,644</b>	<b>398,626</b>

(Comments on page 9)

The previous called Pastor retired at the end of 2021. Ministry compensation for 2022 represented the compensation agreement with the fulltime interim Pastor and differs from the previous levels due to different years of service, location of the pastor's owned home, and higher auto mileage expenses. Deferred compensation in 2022 represented forgiveness of a portion of the St James equity in the retired pastor's home.

For 2022, salary increases were budgeted and paid only for music directors whose workload has increased appreciably, and bonuses were approved and paid in January 2022.

At the beginning of 2022, the office staff of three people consisted of one Administrative Assistant, one Administrative Assistant dividing her time with Media Communication Coordinator duties, and one Business Manager. In mid-2022 the

Business Manager retired, and her duties were divided between a part-time Bookkeeper and a Facilities Manager. At the beginning of 2023, the office staff of three people consists of one Administrative Assistant dividing her time with Bookkeeper duties, one Administrative Assistant dividing her time with Media Communications duties, and one Facilities Manager.

We are actively recruiting a Nursery Supervisor so that the nursery can be staffed and ready as infants and toddlers arrive.

The budget recommends 8% cost of living salary or wage increases for employees who have been here from the beginning of 2022 and 4% for the employee who was hired in mid-2022. As a point of reference, the 2023 Social Security COLA was 8.7%.

### **General Fund Disbursements - Property**

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>Utilities - Church</b>				
Utilities - Electric	7,712	8,100	11,442	9,500
Utilities - Gas	7,636	8,000	8,674	9,500
Utilities - Water/Sewer	4,931	2,700	1,845	2,500
<b>Total Utilities - Church</b>	<b>20,279</b>	<b>18,800</b>	<b>21,961</b>	<b>21,500</b>
<b>Custodial Service &amp; Supply</b>				
Cleaning - General	8,475	8,400	7,800	8,400
Cleaning - Windows	865	850	1,455	1,500
Custodial - Supplies	342	450	791	800
<b>Total Custodial Service &amp; Supply</b>	<b>9,682</b>	<b>9,700</b>	<b>10,046</b>	<b>10,700</b>
<b>Maintenance &amp; Repairs</b>				
Disposal	1,455	1,900	2,449	2,700
Fire Alarm	722	900	1,134	900
HVAC Maintenance	1,240	2,500	44,910	4,500
Lawn Service/Treatment	9,217	9,200	11,468	10,000
Maint/Repair Other	5,569	2,000	6,874	4,000
Maint/Repair Supplies	1,442	800	1,105	800
Pest Control	756	750	647	750
Security System	405	500	475	500
Snow Removal	7,770	6,000	7,765	6,000
Sprinkler System	1,040	1,500	1,931	2,000
Carpet Cleaning			2,620	
<b>Total Maintenance &amp; Repairs</b>	<b>29,616</b>	<b>26,050</b>	<b>81,378</b>	<b>32,150</b>
<b>Total Property</b>	<b>59,577</b>	<b>54,550</b>	<b>113,385</b>	<b>64,350</b>

HVAC Maintenance in 2022 included \$44,265 for replacement of a rooftop unit, which was funded from the Major Maintenance Fund.

## General Fund Disbursements – Administration

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
Technology	9,939			
Computer Software & Update	1,774			
Telephone	2,911			
Copier/Printer Lease & Repair	7,018	7,500	9,701	7,500
Computer & WiFi Equipment		2,500	2,118	2,500
Subscriptions				
Quickbooks			660	750
Administrative/Communications			4,246	1,700
Servant Keeper	600	600	600	600
Computer Backup & Security		2,000	300	2,000
Telephone & Comcast Internet		3,000	3,291	3,600
Web Hosting Fee	300	300	527	600
<b>Total Subscriptions</b>		<b>5,900</b>	<b>9,624</b>	<b>9,250</b>
<b>Total Technology Related Costs</b>	<b>22,542</b>	<b>15,900</b>	<b>21,443</b>	<b>19,250</b>
Office Supplies	2,626	2,500	2,317	2,500
Postage	828	1,000	764	1,000
Offering Envelopes	252	250	260	250
Synod Assembly	200	700	375	700
Admin Staff Training	0	300	0	300
Online Giving transaction fees	142	350	572	625
Quickbooks Payroll Fees			304	300
Retreats	625	1,400	0	1,400
Miscellaneous	1,829	1,500	962	1,500
<b>Total Administration Other</b>	<b>6,502</b>	<b>8,000</b>	<b>5,554</b>	<b>8,575</b>
<b>Total Administration</b>	<b>29,044</b>	<b>23,900</b>	<b>26,997</b>	<b>27,825</b>

For 2023, technology accounts have been reorganized to more meaningfully present how our technology works and is purchased now, after several years of finding places in the previous account structure for evolving expenses. The above presentation matches old and new accounts where there is a real match, and reclassifies 2022 budget and actual amounts to their new accounts where the mapping is clear, but leaves several old and new accounts without a one-for-one match.

Actual 2022 administration costs included a new computer and printer (\$1,800 and \$200 respectively) for the new Pastor.

Actual 2021 administration costs included \$5,900 for two new computers and \$1,900 for a 75-inch television for the narthex information display. One new computer is to drive the narthex information display and one is for the office administrator who began livestreaming our services during 2022 in lieu of separate recorded services.

## General Fund Disbursements – Worship & Music

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
Guest Musicians	1,500	2,000	2,550	3,600
Guest Organist	850	900	800	900
Pulpit Service	1,000	1,750	500	1,750
<b>Total Worship &amp; Music Help</b>	<b>3,350</b>	<b>4,650</b>	<b>3,850</b>	<b>6,250</b>
Professional Growth	105	190	105	190
Music Equipment	123	1,000	960	1,200
Music/License	1,533	1,800	1,191	1,950
Altar Guild	1,483	1,200	1,206	1,200
Piano, Organ, Bells Maintenance	6,500	2,600	1,790	2,600
Hymnals			7,756	
Livestreaming Equipment			2,791	
<b>Total Worship &amp; Music Other Costs</b>	<b>9,744</b>	<b>6,790</b>	<b>15,799</b>	<b>7,140</b>
<b>Total Worship &amp; Music</b>	<b>13,094</b>	<b>11,440</b>	<b>19,649</b>	<b>13,390</b>

Hymnals expense in 2022 represented purchases of new ELW and ACS hymnals, funded mainly by the Other Memorials Fund and partly by the Viola Long Fund.

Livestreaming equipment was purchased to enable high-quality basic livestreaming of our services with a minimal need for human staffing of the process.

## General Fund Disbursements– Christian Education

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
Sunday School Text/Supplies	673	2,000	516	1,500
Sunday School/Nursery Furniture			-	500
First Communion	56	50	107	50
Confirmation	(164)	1,750	1,116	1,750
Vacation Bible School	0	200	-	200
<b>Total Children Education</b>	<b>565</b>	<b>4,000</b>	<b>1,739</b>	<b>4,000</b>
Junior High Activities	0	400	32	400
Senior High Activities	81	150	65	150
Senior High Mission Trip Current Year	0	3,000	1,327	3,000
College Youth Activities	0	100	-	100
Younger Grade School Activities	0	100	-	100
<b>Total Youth Education</b>	<b>81</b>	<b>3,750</b>	<b>1,424</b>	<b>3,750</b>
Adult Education Costs	349	1,000	741	1,000
Adult Library	98	300	-	300
<b>Total Adult Education</b>	<b>447</b>	<b>1,300</b>	<b>741</b>	<b>1,300</b>
<b>Total Christian Education</b>	<b>1,093</b>	<b>9,050</b>	<b>3,904</b>	<b>9,050</b>

Christian Education spending can vary based upon number of participants and any offsetting fundraisers or fees. 2021 actual spending was significantly below budget due to the pandemic restricting in-person activities. The

2022 budget anticipated a return to normal in-person activities sometime during the year. 2022 participation was lower than hoped for, and we will continue working to increase participation in 2023.

## General Fund Disbursements – Finance

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>Property Insurance</b>	8,924	7,500	7,754	8,000
<b>Umbrella Liability Insurance</b>	1,050	1,100	1,050	1,100
<b>Worker's Comp Insurance</b>	1,747	1,800	1,527	1,800
<b>Total Insurance</b>	<b>11,721</b>	<b>10,400</b>	<b>10,331</b>	<b>10,900</b>
<b>Drainage Fees Land</b>	582	600	710	600
<b>Total</b>	<b>12,303</b>	<b>11,000</b>	<b>11,041</b>	<b>11,500</b>

Without specific renewal rates information (as the policies renew mid-year) we are budgeting a small, inflationary increase in the property insurance premium.

## General Fund Disbursements – Evangelism, Fellowship, Stewardship

	2021 Actual	2022 Budget	2022 Actual	2023 Budget
<b>Evangelism</b>				
Digital Outreach				1,050
Print Outreach				350
Event Outreach				600
<b>Total Evangelism</b>	<b>669</b>	<b>1,000</b>	<b>686</b>	<b>2,000</b>
<b>Fellowship</b>				
Fellowship Events	1,256	1,000	547	2,000
Retirement/Welcome Brunch	9,630	2,000	4,008	-
Church Food	852	-	3,115	2,000
<b>Total Fellowship</b>	<b>11,738</b>	<b>3,000</b>	<b>7,670</b>	<b>4,000</b>
<b>Stewardship</b>	<b>796</b>	<b>800</b>	<b>2,021</b>	<b>2,000</b>
<b>Total</b>	<b>13,203</b>	<b>4,800</b>	<b>10,377</b>	<b>8,000</b>

The 2023 Budget organization for Evangelism represents the framework in which the Committee is planning its work and intends to carry it out.

## Benevolences Summary 2022

	General Fund	Viola Long	Special Benevolence	Tony Danielson Endowment	Total All Funds
ELCA Benevolence (direct to synod)	58,900				58,900
Bethel New Life	2,200				2,200
COOL Ministries	5,500				5,500
Lutheran Social Services of Illinois	3,500				3,500
LSSI Prison/Family Ministry	2,200				2,200
Sagrado Corazón	7,000				7,000
A.J. Katzenmeier	500				500
Habitat for Humanity	3,300				3,300
PADS	3,000				3,000
Career Resource Center	1,650				1,650
Lake County United	2,576				2,576
Hospital Chaplaincy	500				500
Waukegan to College	2,424				2,424
Grief Support Group	1,600				1,600
Souper Bowl of Caring			2,778		2,778
Lutheran Disaster Response			500		500
Northern Illinois Food Bank		1,355	4,605		5,960
Lutheran School of Theology Chicago				2,500	2,500
Duke Divinity for E. Holmer				6,667	6,667
<b>Totals</b>	<b>94,850</b>	<b>1,355</b>	<b>7,883</b>	<b>9,167</b>	<b>113,255</b>

Benevolence distributions from all funds.

## Investments

	2020	2021	2022
Land Sale Fund Appreciation (Depreciation)	104,921	167,178	(112,927)
Pooled Investment Fund Appreciation (Depreciation)	29,191	44,827	(31,201)
Investment Management Fees	(10,776)	(12,052)	(11,184)
Investment Appreciation (Depreciation)	<b>123,336</b>	<b>199,953</b>	<b>(155,312)</b>

	2020	2021	2022
Land Sale Fund Distributions			
Major Maintenance	39,018	41,138	41,447
Special Benevolence	4,335	4,571	4,605
Other Fund Distributions			
Tony Danielson Fund	-	8,667	9,167
Other Restricted Fund	-	5,400	17,111
Total Distributions	<b>43,353</b>	<b>59,776</b>	<b>72,330</b>

	2020	2021	2022
Investment Balances			
Land Sale Fund	1,162,578	1,274,802	1,106,798
Pooled Investment Fund	366,767	392,773	333,135
Total Investments	<b>1,529,345</b>	<b>1,667,575</b>	<b>1,439,933</b>

	2020	2021	2022
Pooled Investment Fund Balances			
Tony Danielson Fund	101,463	103,631	86,480
Viola Long Fund	178,234	197,959	162,848
Other Restricted Fund	13,155	9,088	8,353
Endowment Benevolence Fund	73,915	82,095	75,454
Total Pooled Investments	<b>366,767</b>	<b>392,773</b>	<b>333,135</b>

After several consecutive years of positive investment returns, our investments lost value in 2022, consistently with investment market returns in all investment classes worldwide. Our investments are structured to deliver positive returns over the long term. in all three years

presented here we made a mid-year distribution calculated as 4% of the three year average June 30 investment values from the Land Sale Fund – 90% to Major Maintenance and 10% to Special Benevolences.

## Combined Result - All Funds

	2020 Actual	2021 Actual	2022 Actual
General Fund Surplus (Deficit)	552	112	(48,219)
Special Offerings & Benevolence	8,013	(15,114)	(25,148)
Other Funds- Surplus (Deficit)	49,630	(82,764)	(45,958)
Surplus (Deficit) - Operating Funds	<b>58,195</b>	<b>(97,766)</b>	<b>(119,325)</b>
Investment Appreciation (Depreciation)	123,336	198,007	(148,561)
Consolidated Surplus (Deficit)	<b>181,531</b>	<b>100,241</b>	<b>(267,886)</b>
Increase in Net Assets	<b>181,531</b>	<b>100,241</b>	<b>(267,886)</b>

## Balance Sheet

	2021 Year-End	2022 Year-End	2023 Year-End
<b>General Fund including Future Spend</b>	132,421	80,609	86,170
<b>Major Maintenance</b>	134,624	177,707	150,683
<b>Contingency Funds</b>	40,010	40,010	4,000
<b>Special Benevolence</b>	10,314	1,771	1,770
<b>Other Funds</b>	13,801	11,438	9,620
<b>Total Cash</b>	<b>331,170</b>	<b>311,535</b>	<b>252,243</b>
<b>Other Current Assets</b>			2,000
<b>Pooled Investments</b>	366,767	392,773	333,135
<b>Land Sale Fund</b>	1,162,578	1,274,802	1,106,798
<b>Total Investments</b>	<b>1,529,345</b>	<b>1,667,575</b>	<b>1,441,933</b>
<b>Land &amp; Improvements</b>	377,677	377,677	377,677
<b>Building &amp; Improvements</b>	3,151,255	3,151,255	3,151,255
<b>Equipment</b>	169,698	169,698	174,420
<b>Memorial Garden</b>	65,735	65,735	65,735
<b>Equity in Pastor Residence -- Gillespie</b>			96,000
<b>Equity in Pastor Residence -- Holmer</b>	112,000	112,000	64,560
<b>Total Fixed Assets</b>	<b>3,876,366</b>	<b>3,876,366</b>	<b>3,929,647</b>
<b>Total Assets</b>	<b>5,736,881</b>	<b>5,855,477</b>	<b>5,623,823</b>
<b>Payables &amp; Credit Cards</b>	3,411	6,142	10,948
<b>Prepaid Pledges</b>	43,363	59,000	42,426
<b>Deferred Compensation – Long Term</b>	-	-	48,000
<b>Total Liabilities</b>	<b>46,774</b>	<b>65,142</b>	<b>101,374</b>
<b>Net Assets, Beginning</b>	5,508,576	5,690,107	5,790,335
<b>Surplus (Deficit) - Operating Funds</b>	58,195	(97,779)	(119,321)
<b>Investment Appreciation (Depreciation)</b>	123,336	198,007	(148,565)
<b>Net Assets, Ending</b>	<b>5,690,107</b>	<b>5,790,335</b>	<b>5,522,449</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>5,736,881</b>	<b>5,855,477</b>	<b>5,623,823</b>

Our cash position continues to be strong. 2022 investment experience was unfavorable, in line with investment markets across asset classes and around the world. Our investment objectives are long-term.

Our investment in 20% of equity in the new Gillespie Pastor residence was provided from cash available in several funds.

The reduction in the Holmer Pastor residence investment resulted from \$40,000 of payments from Pastor Holmer against our equity share and forgiveness of the first 1/5 of \$60,000 to be forgiven under his deferred compensation agreement, partially offset by a \$4,560 appraisal gain from appraisal of his home at the time of his retirement.

General Fund loss presented on a separate page	47,273
Expenses funded by Land Sale Fund through Special Benevolences – Northern Illinois Food Bank	4,605
Expenses borne by Major Maintenance Fund: Rooftop HVAC unit replacement	44,265
Keylock system replacement	5,265
Expenses borne by Other Memorials Fund – Hymnals	5,276
Expenses borne by Viola Long Fund: Hymnals	1,355
Benevolences through Special Benevolences–Northern Illinois Food Bank	1,355



## Fund Balances Reconciliation from 2021 to 2022

Fund Balances	2021 Year-End	Income	Transfer In	Transfer Out	Expense	2022 Year-End
General Fund	3,709,560	620,263	90,601	51,000	708,084	3,661,340
Special Benevolence	0		11,739		11,739	0
Major Maintenance	(2,400)					(2,400)
Reimbursables	1,771	(17)			(191)	1,945
Contingency Fund	40,010			36,010		4,000
Future Spend	6,500		12,163	15,593	78	2,992
<b>Unrestricted Funds</b>	<b>3,755,441</b>	<b>620,246</b>	<b>503</b>	<b>102,603</b>	<b>719,710</b>	<b>3,667,877</b>
Land Sale Fund	1,274,802	(112,927)		46,052	9,024	1,106,799
Major Maintenance	180,107		41,446	49,530	18,941	153,082
Other Restricted Funds	9,088	(735)				8,353
Other Memorial Funds	5,306	250		5,276		280
Special Benevolence	1,771	500	7,105	10,384	(2,778)	1,770
Pastor Education	2,900					2,900
<b>Temporarily Restricted Funds</b>	<b>1,473,974</b>	<b>(112,912)</b>	<b>48,551</b>	<b>111,242</b>	<b>25,187</b>	<b>1,273,184</b>
Endowment Investment	3,000	2,160			2,160	3,000
Viola Long Fund	197,959	(15,841)		2,710		179,408
Tony Danielson Fund	103,631	(7,984)		2,500	6,667	86,480
Benevolence Endowment	82,095	(6,641)				75,454
Memorial Garden Fund	62,235	2,250				64,485
Pr Gillespie Residence			96,000			96,000
Pr Holmer Residence	112,000	4,560		40,000		76,560
<b>Permanently Restricted Funds</b>	<b>560,920</b>	<b>(21,496)</b>	<b>96,000</b>	<b>45,210</b>	<b>8,827</b>	<b>581,387</b>
<b>Total All Funds</b>	<b>5,790,335</b>	<b>485,838</b>	<b>259,054</b>	<b>259,055</b>	<b>753,724</b>	<b>5,522,448</b>

The several funds with negative income are those whose income is from investments, which generated losses in 2022 for the first time in many years.

Benevolence payments were made from several of the above and are detailed on the Benevolences summary report.

Pastor Holmer Residence Income was from property appraisal at the time of his retirement and transfers out were to transfer proceeds of his 2022 payments toward redeeming the St James equity share in the residence.

**2022-2023 Officers of the  
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**and Church Council**

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Dave Moore

**Vice President**

Ron Koepke

**Secretary**

Shelly Holmstrom

**Treasurer**

Mike Bennett

**Financial Secretary**

Joe Voelcker

**Council Members**

Barb Davoux

Sue Ebert

Bob Kenehan

Greg MacAyeal

Amy Marsch

Michael Montalbano

Annie Moss

Bob Narlock

Denise Norberg-Johnson

**Pastor**

Amy L. Gillespie

**Standing Committee Chairs  
and Other Leaders**

**Christian Education**

Linda Berner

**Church Property**

Josh Hornaday

**Evangelism**

Melinda Voelcker

**Fellowship**

Annie Moss

**Finance**

Teresa Miller

**Social Ministry**

Shelly Holmstrom and

Alane Wanda

**St. James OWLs**

Madeleine Jorgensen  
and Ann Anderson

**Stewardship**

Michael Montalbano

**Worship & Music**

Mark Taylor

**Youth Ministry Team**

Sue Ebert

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**Trustees Chair Person**

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Ann Anderson

**Women of St. James**

Kathy Lowell

**Altar Guild**

Annie Moss

**Church Staff**

**Administrative Assistants**

Carol Bennett and  
Kristin Haverkamp

**Interim Bookkeeper**

Carol Bennett

**Interim Media and  
Communications Coordinator**

Kristin Haverkamp

**Sunday School Director**

Debbie MacAyeal

**Youth Director**

Doug Dusthimer

**Facilities Manager**

Pete Clemens

**Director of Music**

Rae-Myra Hilliard

**Organist**

Wendy Unrath

**Damascus Road Co-Directors**

Greg MacAyeal  
Melinda Voelcker

**Director of  
Children's Music**

Wendy Wieggers

**Brass Ensemble Director**

Ryan Ringnald

