Finance Report

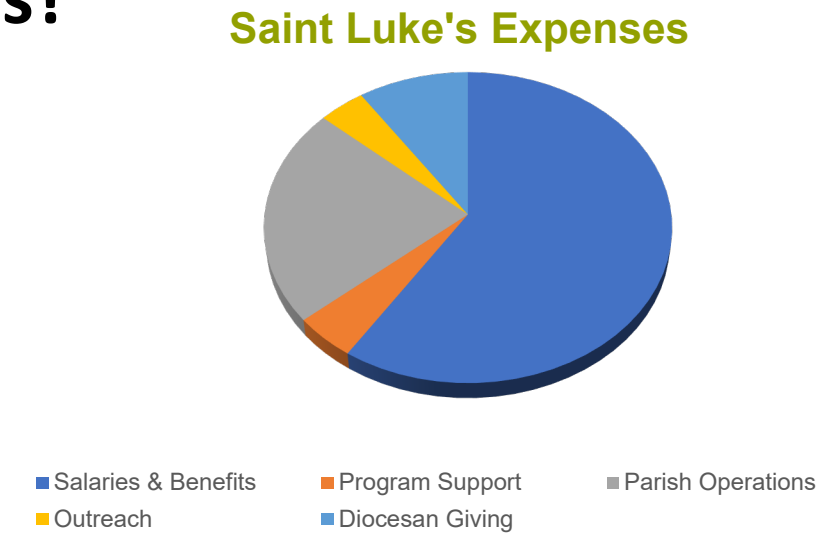
2025 Annual Meeting

October 21, 2025

ST. LUKE'S EPISCOPAL CHURCH

What Are Our Main Costs?

- 66% Staff Compensation
- 18% Parish Operations
- 9% Diocesan Giving
- 3.5% Church Activities
- 3.5% Community Engagement

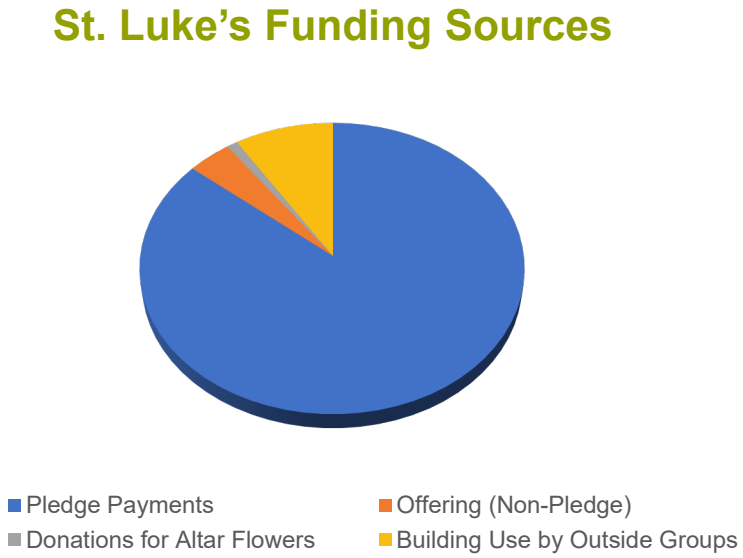


Where Does St. Luke's Funding Come From?

Mainly…from YOU

- 88% Parishioner Donations
  - 83% Pledge Payments
  - 4% Offering Plate
  - 1% Donations for Altar Flowers
- 12% Building Use by Outside Groups

**Investment income is being used to lessen deficits*



Diversifying our Funding Sources

Income Source	2023	2024	2025	2026 estimate	2027 estimate
Parishioner donations	91%	87%	88%	84%	75%
Building use by outside groups	9%	12%	12%	4%	4%
A to Z Fun Care lease	-	-	-	12%	21%
Gifts/grants for operations	< 1%	1%	-	-	-

** Use of investment income to lesson deficits is not reflected in table.*

What Savings Do We Have?

PRUDENT RESERVES

- **Parish Fund**: $624,979
  - *Initially funded by 2005 sale of rectory; held as emergency funds*
- **Endowment Fund***:* $173,087
  - *Funded over many years; often from planned giving*
- **Edmonds Fund for Replacements**: $184,509
  - *Used for physical improvements and major repairs for church building and grounds*

Balances as of 9/30/2025

What Savings Do We Have?

OPPORTUNITIES FOR MINISTRY GROWTH

- **Vestry Directed Fund for Growth**: $62,470
  - *Memorials/gifts that the Vestry designated to support the growth of the parish*
- **Bridge Fund**: $74,874
  - *Raised in 2016 to cover anticipated operating budget shortfalls*
- **Remaining Budget Surpluses from 2020, 2021, 2023:** $61,529
  - *Used to cover budget deficit in 2024 and will be used in 2025 and 2026 to balance budget as needed (included in the Parish Fund balance)*

Balances as of 9/30/2025

What is Our Current Financial Situation?

St. Luke's is in a steady financial position this year due to…

- higher than budgeted parishioner pledge payments and offering plate

We have up-to-date and strong financial systems including…

- web-based accounting system and contracted accountant for bookkeeping
- centralized management structure for parish operations
- active Finance Ministry team that regularly meets and reviews the budget and finances and works with a financial advisor for investment management

We have reserves that can support…

- short-term operating shortfalls and unexpected reductions in funding
- capital improvements and maintenance for our building and grounds

What Is Our Financial Outlook?

St. Luke's is in a transition period.

- The 10-year lease with A to Z Fun Care will provide significant annual revenues which we won't realize fully until 2027.
- We will use 2026 to determine the slight increases or reductions in utilities and maintenance cost sharing due to the lease.
- We are using select portions of our savings to invest in our building and ministry.

By 2027 we expect to eliminate our budget deficit and have increased funds to contribute to our ministry.

- This assumes annual giving from parishioners remains steady.

What Is Our Financial Outlook?

In the broader context, our overall challenge is not unique.

- We are in line with a larger Protestant church/nonprofit phenomenon with a decrease in participation and giving.
- We need to continue our push to do things differently.

Our <u>opportunity</u> is unique.

- Our building is a major resource that we are putting to work to sustain and grow our ministry.

Finance Ministry

- Chair: Amy Elsbree
- Treasurer: Sandra Swab
- Assistant Treasurer: Susie Casson
- Contributions Officer: Veronica Walgamotte
- Parish Administrator: James Rostron
- Building and Grounds Chair: Bill Casson

- Parish members: Cliff Johnson, Steve Lowe, Clay Miller, Bill Nellist
- The Rector, the Senior and Junior Wardens
- Some members of the Vestry attend meetings.

We meet the second Monday at 7:00 pm by Zoom.
Join us!