

**St. John Church**

Board of Directors

Monthly Meeting

October 15, 2018

**St. John Church**  
Board of Directors Meeting  
October 15, 2018

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**St. John Church**  
**Board of Directors Meeting**  
**October 15, 2018**

**The meeting will be at 7:00 p.m. on the 3<sup>rd</sup> floor of the Ministry Center in Conference Room B.**

**Agenda**

- 7:00 p.m. – 7:15 p.m.
  - Opening Devotion – Ebenezer Satyaraj
  - Approval of September BOD minutes– Ebenezer Satyaraj
  
- 7:15 p.m. – 8:15 p.m.
  - Board Report Discussion – Ebenezer Satyaraj
  - School update – Scott Osbourn & Rachel Bausch – guest staff members
  
- 8:15 p.m. – 8:30 p.m.
  - Financial Report Discussion & Bond Financing – Jenny Albritton & Tracy Dunn
  
- 8:30 p.m. – 9:00 p.m.
  - Congregational & Special Meeting Discussion – Dion Garrett & Tracy Dunn
  
- 9:00 p.m.
  - Closing Prayer – Dion Garrett

St. John Board of Directors Meeting  
Church Board Room  
September 17, 2018  
7:00 pm

Attendees: Board Members Jennifer Albritton, Chris Arft, Adam Bichsel, Jeff Cook, Tracy Dunn, Pastor Dion Garrett, Joe Luberda, Scott Morris, Ebenezer Satyaraj, Scott Thompson and Neal Weber

Excused: Marla Maloney

Special Guest from the Church Staff: Chris Toomey

Joe Luberda opened the meeting at 7:00 pm. Chris Arft led with a devotion based on the message from the bible verse, Ephesians 2:10 – For we are God’s handiwork, created in Christ Jesus to do good works, which God prepared in advance for us to do. He subsequently led the Board in an opening prayer.

Joe presented the minutes from the Board Meeting on August 20, 2018, for review. After a quick discussion, Pastor Dion made an amendment to the final paragraph regarding the CFO position. A motion to accept the amended minutes was made by Scott Morris with a second by Chris Arft. A voice vote was held on the motion, and all members present voted affirmative.

Pastor Dion then went through the Senior Pastor Report. He started with the the official announcement and welcome of the recently promoted Tracy Dunn to the Board. He followed with STJ LEAD School was approved for a grant by the Lutheran Foundation. He added that other fund raising efforts brought in an additional \$26K from donors. He noted that Tracy was instrumental in securing the grant from the foundation.

Next Pastor Dion shared the upcoming timeline on the naming process. Pastor Dion is looking at the Sunday of October 28 for a Special Voters Meeting. Other important dates coming soon was the week of October 8<sup>th</sup> with an updated naming video with his recommendation. Scott Morris brought up concerns on what are the rules on the vote, simple majority etc. A motion to create a Special Voter’s Meeting on October 28<sup>th</sup> was made by Joe Luberda with a second by Pastor Dion. A voice vote was held on the motion, and all members present voted affirmative.

Phase 2 of NEXT is completed and Pastor Dion shared that he has received an overwhelming positive response to the new space. Good news at this time the project looks to be on budget. He finished up with the Director of Brand, Marketing & Creative Position was going to be filled very soon with a strong candidate from Michigan.

Groups and Care Report Pastor Dion highlighted the various upcoming events, OktoBROfest, Moxie Matters and the new name for the house church movement – TinyChurch.

School Ministry Report – Pastor Dion touched on the highlights:

- Enrollments numbers for both K-8 and ECC
- Students have had a positive reaction too the Lead School
- Collab-Lab unveiled at the Welcome Back to School Night
- Working to develop a new marketing process for the School/Lead School



LIFEjourney Board Report – Chris Toomey presented the theme for his Team – “Forward Movement & Improvement Upon.” to the Board then proceeded to share the various news and updates for Kid’s & Student Ministry.

- Orange curriculum – A more comprehensive program for Kid’s Ministry
  - Sprout – Nursery
  - Bloom – Preschool
  - Thrive – Elementary

- 5<sup>th</sup> Element – Students love the new environment and updated curriculum

*Joe noted to have the report amended to show the two groups – Orange & 5th Element*

- Volunteer Training (need more volunteers)
- Summer Sessions and Lunch Break a great success
- Mug Club an initiative started by Jon Shepard for students to talk about various topics
- 2018 Mission Recap video for the church
- Reopened the commons and Children’s Ministry space in August
- Drew Brinkley taking a lead role in the Student Music Ministry (Acoustic Live Worship)  
Drew is handing out Golden Tickets to the new kids in the Worship Music Group.

Operations & Finance Report – Tracy Dunn has taken on a greater role within our organization, becoming our new Director of Operations & Finance.

Tracy shared with the group that the Accounting Department worked with Purk & Associates to provide the necessary documentation for the annual independent fiscal audit. Completed report should be available by October 2018.

Financial Report – Tracy Dunn reviewed the Ministry Fund ended the month of July with a deficit balance of \$27,173. This deficit is \$46,358 favorable when compared to the budgeted deficit for the month of \$73,531. Giving in July of \$352,572 is unfavorable to budgeted giving of \$393,231 by \$40,659. Monthly expenses of \$478,402 were favorable to budgeted expenses of \$724,749 by \$246,347.

The Ministry Fund ended the month of August with a deficit balance of \$60,875. This deficit is \$101,762 favorable when compared to the budgeted deficit for the month of \$162,637. The FYTD deficit of \$87,534 is \$148,634 favorable to the budgeted deficit of \$236,168. Giving in August of \$313,318 is unfavorable to budgeted giving of \$345,085 by \$31,767. FYTD giving of \$665,891 is \$72,425 unfavorable to budgeted giving of \$738,316. Monthly expenses of \$443,672 were favorable to budgeted expenses of \$726,911 by \$283,239. FYTD expenses of \$921,559 are \$530,101 favorable to budgeted expenses of \$1,451,660. There is an additional \$480,415 of expenses that are expected to be incurred due to budget timing differences.

Tracy shared that the Financial Committee is looking at interest rates on the Bonds for STJ. The Financial Committee will be presenting this to the Board at the October meeting.

In Other Business Tracy shared that the Cash Reserve Policy is still being reviewed by the Financial Committee looking to have an initial draft for the Board to review at the November meeting.

Ebenezer closed the meeting in prayer, and Joe adjourned the meeting at 8:42 pm.

In His service,  
Neal Weber, Secretary

# Senior Pastor Board Report

Dion Garrett  
October 2018

## Outreach 100

I was present in Colorado Springs for the reveal of the full Outreach 100 “Fastest Growing Churches” list along with about a third of the other senior pastors from the top churches. It was a renewing experience and a great affirmation of God’s work here. I also found myself powerfully renewed for our mission to seek and save the lost. The issue is now available in print and online. Be sure to check out the write up about our church (we are #84!) as well as the full list of churches at <https://outreachmagazine.com/outreach-100-list.html>

## Naming Process

As we approach our final vote on naming, I am offering my formal recommendation. It is my deep belief and conviction that God is calling us to adopt the name, Pathfinder Church. Our Brand Advisory Team supports this recommendation and I have begun sharing this with the congregation via video. I couldn’t be more excited about our future and believe that Pathfinder Church is the right name for our next season. Recently at a gathering of other pastors of Outreach Magazine’s Fastest Growing Churches in America, I was encouraged by so many other Senior Pastors who have been through similar journeys. One of them, a senior pastor of a 120 year old church, described how their rebrand opened up new doors for their community outreach. He explained that they had already done a lot to serve their community but it wasn’t until their rebrand that people in the community saw their church as a church “for people like them.” Their ability to connect people to the gospel increased significantly after their rebrand. I believe we will experience the same. We already know from our research and anecdotal experiences that we are a great church, a church poised to reach people in our community, but our community just doesn’t see us as we really are!

While our /brandprocess website and special videos detail the greater rationale for the specific recommendation of Pathfinder Church, here is my rationale in short.

### Community Research:

- More so than any other name, **Pathfinder Church** conveys a church that “encourages people to take the next steps on their journey.”
- Pathfinder is the top name community respondents associate with “thought-provoking messages about real life”, “inspires my connection to people and God,” “doing good in the community” and “is a church for people like me.”
  - Note: 51% of the unchurched groups said Pathfinder Church resonated as a “church for people like me!”
- Almost 7 out of 10 found Pathfinder to have a likeable or appeal quality, better than any other name.
- 83% of respondents said the name “fits completely” or “fits somewhat” the description we provided of our church.
- Although there was some negative association in the community with the car, for every one person who had that concern, there were 4.8 times as many people who associated the name with a place that provides guidance and helps you find your way/purpose.

As Christians, the name we bear is the name of Jesus, His name is where we derive our identity. The name of our specific congregation is primarily helpful for people on the outside, to help them differentiate one body of Jesus-followers from another. In light of our community research, Pathfinder Church does more to explain and differentiate us to those who know little about us than any other name we tested.

### Congregational Research:

- The name Pathfinder is appealing to those inside of our church who perceive it as “*leading more people to church*,” describing a journey, a sense of movement, “*it is forward looking*.”
- More so than any other name, Pathfinder conveys a church that “encourages people to take the next steps on their journey.”
- Pathfinder was also strong in conveying “informal atmosphere”, “welcoming everyone,” “inspiring my connection to God” and “a church for people like me” to those within our church community who took the survey.

### Scriptural Imagery:

Not only does Pathfinder Church fit our unique DNA and language (Life Journey, Next Steps, 1.1.15.6, etc.) but it resonates with deep scriptural imagery.

“Your word is a lamp for my feet, a light on my path.” -Psalm 119:105

“Trust in the LORD with all your heart  
and lean not on your own understanding;  
in all your ways submit to him,  
and he will make your **paths** straight.” -Proverbs 3:5-6

“He makes my feet like the feet of a deer;  
he causes me to stand on the heights...  
You provide a broad **path** for my feet,  
so that my ankles do not give way.” – 2 Samuel 22:34,37

Even Jesus identifies himself with “path” imagery in John 14:6, Where the Greek word *odos* can mean street, path, road, way.

“Jesus answered, ‘I am **the way [path]** and the truth and the life. No one comes to the Father except through me.’”

### **Simply put, Pathfinder Church is a great name because it:**

- Validates our brand promise
- Creates relevant and compelling expectations about the church
- Motivates a desire in unchurched/dechurched people to learn more about our church
- Is the most likeable and appealing name internally and externally
- Contains strong scriptural symbolism and imagery (even in the gospel of John)
- Is consistent with our long-used language about the journey of faith, LIFEjourney.

As we move ahead, we have several key dates on the calendar

**Sat/Sunday Oct. 20-21** – Special “State of the Mission”/vision weekend

**\*NEW\* Sunday Oct 21 6:30pm** – Additional Getting Started opportunity for membership.

**Monday Oct. 22 7pm** – Regular congregational meeting (opportunity for voters to qualify).

**Sunday Oct. 28 12:15pm** – Special Voters’ Meeting for final naming vote.

### **NEXT**

Phase 3 planning is underway. We are starting with a group of professionals from within the congregation to help in our early stages of planning. We think we can get great ideas from this group and save money! I am always amazed at the talent God has put in this congregation!

### **STJ LEAD School**

Community research is underway. We’ve already conducted three focus groups of people from the outside community, we’ll be doing an additional three groups of STJ church families who do not have children enrolled in the school. The goal is to understand better how to position the incredible educational experience of our new LEAD School to those who don’t yet know about it. This research is being made possible through the very generous grant we awarded through the Lutheran Foundation of St. Louis.

**Director: Brand, Marketing & Creative**

Seth Hinz has accepted our position and will become our new Director – Brand, Marketing & Creative. Seth has worked for the Michigan District of the Lutheran Church – Missouri Synod for over 8 years with significant experience in digital media and marketing. He founded and ran his own nonprofit media company for 6 years to help churches develop their web presence and 21<sup>st</sup> century marketing. He has a Bachelors in Business Administration & Communication and Masters in Organizational Leadership & Administration from Concordia University – Ann Arbor. We are so excited that he and his wife Rachel and their three kids will be joining the St. John family. We are still working on the details of when he and his family will be moving and Seth starting in the role, but it will be near the end of this month/the beginning of November. Please pray for Seth and his family in this time of transition to St. Louis.

**Pastoral Office Team Board Report**  
**Doug Mauss – Groups and Care**  
**October 2018**

**Life Transitions and Care**

- Trailblazers is getting new energy and new attendees.
- We're pursuing offering Christian counseling to our CIA clients, working with Mandy Branch.

**Adult Groups and Studies**

- Men's and Women's steering committees have been meeting and are helping cast new vision and strategy for both of those ministries. We're figuring out strategic "points of the funnel" to make sure there's always a "next step" for every man and woman who engages with a men's or women's event.
- We had a good Getting Connected in September (held in the new Commons for the first time). We've got a "next step" connecting plan for every individual who came, and we are facilitating those steps for them this month.
- OktoBROfest and Moxie Matters are this week, and we're excited to bring more men and women onto our campus and to expose them to what St. John is all about.
- TinyChurch Curiosity Meeting is this Sunday, October 14. Doug is also having select LIFEgroups try out a "TinyChurch" outline for their group meeting times.

**Metrics attached**

Pastoral Metrics  
September 2018

	June 2018	July 2018	Aug 2018	Sept 2018	18/19 FYTD	17/18 FYTD	FYTD TREND
<b>LIFE TRANSITIONS</b>							
DivorceCare (February - May & October - January)	0	0	0	0	0	0	0
GriefShare (February - May & September - December)	0	0	0	19	19	12	7
Cancer Companions	0	0	0	12	12	11	1
Employment Workshop	0	0	0	11	11	15	(4)
Pre-Marital	0	0	0	0	0	10	(10)
Financial Peace University	0	0	0	11			
Daniel Plan	0	0	0	0			
<b>ADULT GROUPS &amp; STUDIES</b>							
Small Group Participants	260	260	260	260			
# Small Groups	32	32	32	32			
Iron Men Participants	100	100	100	100			
# Iron Men Groups	14	14	14	14			
Bible Study Participants	14	14	14	125			
# Bible Study Groups	1	1	1	5			
House Church Participants	12	12	12	12			
# House Church Groups	3	3	3	3			
Trailblazers	0	0	0	26			
New Connections	0	0	0	34	34	12	22
<b>CARE</b>							
Personal Visits	45	42	50	56	148	110	38
Phone Contacts	26	43	58	46	147	101	46
Other (Chapel, Bible Study)	31	20	20	17	57	73	(16)
Care Matters added to Database	25	22	35	23	80	109	(29)
<b>GROWING DEEPER</b>							
Average Daily emails sent	2395	2387	2380	2389			
Average Daily emails opened	415	397	415	412			
Printed Copies	100	100	100	100			

**St. John Church**  
Board of Directors Meeting  
October 15, 2018

**Membership Changes – September 2018**

**New Members:**

**Information:**

Mr. Brian & Mrs. Kelly Loeb  
Ms. Epharra Mendoza  
Rev. Blake & Mrs. Deb Wolf  
Mr. Roy Kronauge

**Transfer:**

None

**Released Members:**

**Transferred Out:**

None

**Released by Request:**

Mr. Matt & Mrs. Kristy Hutchison © Jacob & Caleb

**Lack of Information:**

Mr. Zach Wold

**Official Acts:**

**Baptisms:**

Richard Bruce Allman III (09-23-2018)  
Grayson Guilford (09-29-2018)  
Chrissie Zhang Hoots (09-16-2018)  
Kai Hoots (09-16-2018)  
Kelton Hoots (09-16-2018)

**Weddings:**

Jeffery Allen De Prow & Tess Marie Bodecker Cova (09-22-2018)  
Jason Christopher Moore & Linda Kay Asquith

**Funerals:**

None

(© = children)

# School Ministry Board Report

## Scott Osbourn

### October 2018

#### **Continuous School / Staff Improvement:**

- Continued updates to Report Cards
  - Addition of State Standards for various grade levels on RC.
  - Development of new LEAD report cards in Grades 3, 4 & 5.
- Professional Development for Project Based Learning
  - Teachers spent time during PD to better understand the PBL framework.
  - Working towards PBL as a common practice at STJ.
- STJ LEAD teachers have developed reporting formats to communicate student achievement throughout the quarter.
- Evaluation and discussion of class meetings
  - October is Bully Prevention Month – Will hold various students discussions.
- STJ LEAD students developed a plan to raise money for a new learning commons on the 1<sup>st</sup> level of NGC. They have raised over \$1000 so far.
- Beginning to complete fall staff evaluations.

#### **Administrative Adjustments / Progress:**

- Enrollment numbers
  - Current Enrollment remains at 155 students in K-8 and 157 students in ECC for the 2018-2019 school year.
    - Lost 2 students. Student left due to learning / behavior needs.
- Hosted a successful Grandparent's Day and Golf Scramble.
- Preparing for upcoming Trunk-or Treat Event.
- Successfully completed City of Ellisville Fire Drill.
- Participated in Community focus group event to better understand ways to reach our community about LEAD.
- Preparing to host LEAD parent meetings to better understand parent perspectives of the program.
- We are preparing to host Student Progress Conferences.
  - 5<sup>th</sup> – 8<sup>th</sup> Grades and LEAD students will engage in Students Led Conferences
- Continue to analyze marketing strategies.
  - We hosted a booth at the Ellisville Safety Day
  - Providing weekly social media pics and stories to be published.
  - Preparing internal survey of families to look at interest of LEAD

#### **Metrics attached**



School Ministry  
September 2018

	June 2018	July 2018	Aug 2018	Sept 2018	Sept 2017	TREND
<b>SCHOOL MINISTRY</b>						
Early Childhood Enrollment	152	157	157	157	153	4
Kindergarten - 8th Grade Enrollment	184	159	157	156	184	(28)
Total Enrollment	336	316	316	313	337	(24)

# LIFEjourney Board Report

## Chris Toomey

### September 2018

#### **Children's Ministry (Lisa Schmidt):**

##### **The Great Bible Giveaway:**

- Handed out over 100 free Bibles to 3 year olds and 2<sup>nd</sup> grade students.
  - We are finding that kids who are new and have missed the opportunity last year are asking for Bibles.
  - This year at VBS we gave away more Bibles than ever before. This leads us to believe that St. John is becoming known for placing free Bibles in the hands of kids!
  - Also notable is the amount of grandparents who are asking for Bibles for their grandkids who live outside of St. Louis as well as congregation members asking for Bibles for their neighbors. We are excited to be able to provide for all!
  - Parent comments:
    - "My daughters both slept with their new Bibles!"
    - "It's simply amazing to watch these kids get their hands on their very own Bible!"

#### **Student Ministry (Jon Shepherd):**

- Much of September is spent processing registrations and building out small groups for Core, The Summit, Middle School Retreat, and Confirmation.
- Throughout the month of September, we had the new sixth grade students shuffling around until we finally placed them in permanent groups the last week of the month.
- The new sixth grade mentors have already made strong connections with students; Pua and Jon are excited for the future of this large sixth grade class.

#### **Student Worship Retreat:**

- On September 8-9 we had our second annual student worship retreat. With Drew Brinkley on staff now, he headed up this effort and did a great job.
- Sixteen students attended, with several more who were upset that family vacations prevented them from going.
- The focus of the weekend was not just music, but worship as a whole.
  - We believe this retreat sets up the students as leaders for the year to come, and we have already seen positive things come from it.

#### **Mug Club:**

- One other note, Jon has been meeting with high school students on Monday nights for something new called Mug Club.
- It is an open discussion group where students talk about anything they have questions about, and we wrestle through them together.
- Each week, there is a wide variety of topics discussed and each Monday session has lasted about two hours.
- Jon said, "What I can say is that more and more students are joining, asking amazing questions about faith, lifestyle, relationships, etc. and finding a safe place to work through them. Last week we had an atheist student ask for a bible, and then followed up by scheduling a meeting with me to discuss some things."

## **Community Engagement (David Jameson):**

### **Community Outreach:**

- We held a Fostering Together “Come and See” meeting on September 23<sup>rd</sup> to recruit volunteers for the pilot ministry.
  - Since this will be a new ministry to support foster families in our church and our community, we will be doing a 6 month pilot with 2 foster families and 8 volunteers supporting them as their “Care Community”.
  - This meeting was a resounding success and we now have all 8 volunteer families or individuals that we need to make this pilot ministry possible.
  - We plan to learn a lot through this pilot program and make adjustments as needed to make this ministry as effective as possible
- On September 29<sup>th</sup> we hosted the Ellisville Police Department’s annual Ellisville Kid’s Safety Day, only this year we had a presence at this event.
  - We wanted a way to showcase our brand new commons for the community, and since this event had 1500 people come last year, we wanted to capitalize on that.
  - We opened our Commons and had incredible hospitality for the people at this event. Free coffee and bakery samples, a fun space to eat lunch, and smiling faces greeting them when they came in.
  - We had lots of conversations with people who were blown away by the new space, and we even had several people say they’d like to check out our church!
- David’s favorite community meeting was with Amy Narishkin, CEO of Empowering Partners. Her business is to help other businesses become better equipped and more capable at cultural intelligence. As a church that is continually becoming more diverse, this is something that we will need to be conscious of and have a plan for reaching all cultures.

### **Needs:**

- This month we assisted 2 new families in addition to our ongoing cases.
  - We are utilizing our new partnerships with the career counseling and financial counseling to help our clients.
- The social worker was encouraged to find a way to communicate CIA success stories.
  - A blog was the platform decided on and it is now a work in progress.
- The social worker met 1:1 with each CIA advocate to listen to their input and ideas regarding how to improve Christ in Action and reminding them our goal outcomes from the Lutheran Foundation grant.
  - One advocate suggested making a binder for new advocates to look through as a reference for when they’re assisting clients.
  - Another suggestion was sending a CIA alert out asking if anyone had any special skills or talents that could assist CIA clients.
    - We received responses from people wanting to assist with house cleaning, yard work, and even job placement.

### **Local Missions:**

- Tara got to make connections with people interested in local missions.
  - Three new members who expressed interest in missions at Getting Started.
  - A young mom looking to connect her kids in small simple ways.

- Tara and David met with Scott Osbourn to talk about how Missions can help encourage the 8<sup>th</sup> grade students to expand their world view by investing in service projects in the city.
  - They talked about connecting with a Lutheran School in North County and serving jointly with their 7<sup>th</sup> and 8<sup>th</sup> grade students.
  - They put together a calendar for the school year.
    - Including educating the students about why we do service/mission projects, and how we do them.
    - When/how often the students will serve off campus and on campus.
    - Events for the two schools to spend time team building.

### **National / International Missions:**

- Tara and David have been having meetings with MCN, and the Stronghold Cambodia missionaries to put together a future plan for sustainable income for Stronghold.
  - They are looking at the needs of the people in the new Stronghold location.
  - Making plans according to the goals of Stronghold for the next two years, and the next five years.
  - Defining roles and how to encourage relationships between scholarship providers and the students attending Stronghold.
- Tara has been working with various mission partners to prepare for the 2019 missions season.
  - Amigos for Christ in Nicaragua.
  - Kaleo Ministries to see if they are an option for a future high school partnership.
- David has been working on a promotional video for the 2019 mission trip season.

### **Worship (Tim Reimann):**

#### **Christmas Preparation:**

- Many hours in September were spent in creative meetings with staff and volunteers starting to prepare for our Advent/Christmas season from a worship standpoint.
- Auditions were held for our newly-created version of Sounds of Christmas; strong interest was shown both from our own church community as well as people from the community at large.

#### **St. John School Worship:**

- I (Tim) am so encouraged about the culture of worship that is being supported here at St. John. And I'm not just talking about our church. St. John School has its own worship culture lead by the middle school chapel band that students can take as an elective.
- The last three years of chapel band had extremely strong leaders, and this past May they graduated and moved on to high school. So, when you are losing strong leadership, one has reason to get a little nervous (and I have to admit I was in that camp).
  - We have a returning 7<sup>th</sup> grader that is truly a leader and two other students who had been in it last year and had shown glimpses that they can rise up to the call.
- This September as the school year kicked off and a new group of students met to start rehearsing for our big "all school" chapel service, I saw 6<sup>th</sup> graders, 7<sup>th</sup> graders, and 8<sup>th</sup> graders rise to the high expectations of that service.
- This is where the rubber meets the road. Over the course of one month, I got to see students that are just setting out on their instruments as well as "seasoned musicians" (have you met some of the talented middle school musicians around here...just saying!) come together to form a strong band that boasts more promise than their predecessors.
- In just one month, these nervous middle school students now have so much confidence and are carrying on the task of elevating our standard of music in St. John School and in so doing, enhancing our culture of worship.

### **Metrics Attached**

# LIFEjourney/Next Generation Metrics

## September 2018

All YTDs for fiscal year July 1- June 30

\* Average weekly attendance

	June 2018	July 2018	August 2018	September 2018	Sep-17	18/19 FYTD	17/18 FYTD	FYTD TREND
<b>CHILDREN'S MINISTRY</b>								
Nursery*	24	19	26	25↑	24	23	23	0
Preschool*	31	11	34	29↓	35	23	28	(5)
K - 4*	94		100	81↓	136	101	112	(11)
5th Element*			22	14↓	19	18	15	3
New Children's Min Registrations	4	2	21	11↓	20	34	66	(32)
Nursery Unique Participants	39	35	41	51↑	26			
Preschool Unique Participants	48	21	52	75↑	70			
K-4 Unique Participants				158↑	150			
5th Element Unique Participants				43↑	31			
<b>MIDDLE SCHOOL MINISTRY</b>								
6th grade CORE*			34	34↓	37	34	32	2
7th grade CORE*			36	25↓	36	22	27	(5)
8th grade CORE*			37	34↓	50	35	46	(11)
New CORE Registrations			107	4↓	105	111	105	6
<b>HIGH SCHOOL MINISTRY</b>								
9th Summit*			33	23↑	17	25	22	3
10th Summit*			18	11	11	12	10	2
11th Summit*			12	10↓	13	10	13	(3)
12th Summit*			10	9↑	1	9	1	8
<b>BAPTISMS</b>								
Infants/Children	2	3	3	4	0	7	9	(1)
Students (6th-12th grade)	1	2	0	0	0	2	1	1
Adults	0	0	0	2	1	2	2	0
Baptism Class	1		5	6	3	6	6	0
<b>MEMBERSHIP</b>								
Getting Started (no class in December or July)	7	0	16	12	7	28	13	15
New Members	6	0	12	6	4	18	12	6
Guest Registrations	3	7	6	9	8	22	23	-1

**Notes:**

1. YTD information for Unique Participants will be completed at the end of the fiscal year.
2. First time reporting 5th grade separately from K-4.

Lifejourney/Community Engagement Metrics  
September 2018

	June 2018	July 2018	Aug 2018	Sept 2018	18/19 FYTD	17/18 FYTD	FYTD TREND
<b>NEEDS</b>							
New Cases	1	3	1	2	6	3	3
*Continuing Cases	5	3	4	2			
Returning Cases	0	0	0	0	0	0	0
Resolved Cases	3	2	3	0	5	7	(2)
**Total FYTD Cases							
CIA Alert Team Members	254	254	254	251	254	257	(3)
<b>MISSIONS</b>							
Cambodia Mission Trip	0	0	0	0	0	0	0
Belize Trip	0	26	0	0	26	33	(7)
Wyoming Trip	0	15	0	0	15	10	5
Disaster Relief Trip	11	0	0	0	0	0	0
HS Mission Trip	0	21	0	0	21	20	1
Nicaragua Trip (new in 2017)	0	0	0	0	0	0	11
***Local Projects (# Volunteers)	0	39	15	0	54	71	(17)

\* Due to the duplication of continuing cases month to month, the FYTD numbers aren't an accurate accounting.

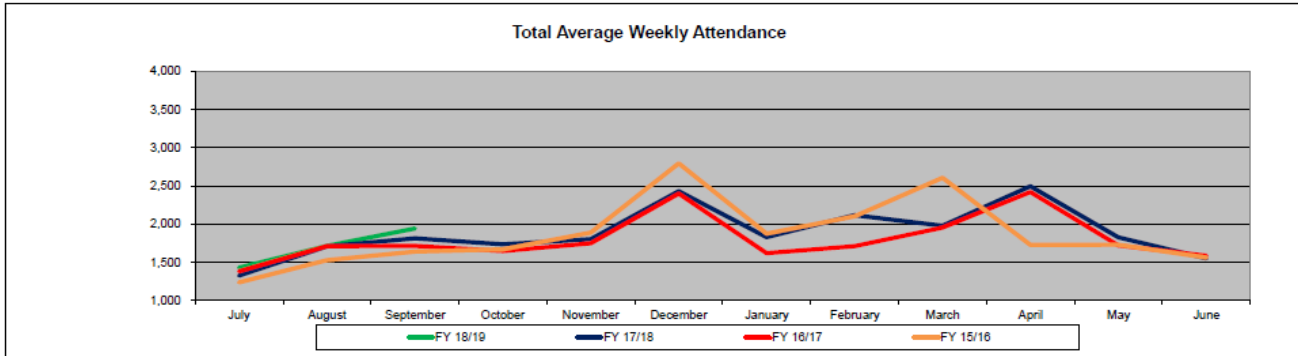
\*\*New line item showing number of clients helped total YTD.

\*\*This line reports volunteers involved in local projects such as the Thanksgiving Banquet at Bryan Hill Elementary, the Christmas Store at Bryan Hill, Serve St. Louis, etc.

## LIFEjourney/Worship Metrics September 2018



MISC. WORSHIP (Monthly #s & FYTD Cumulative)									
Audio Message Downloads	108	93	49	42	164	(122)	184	518	(334)
ATTENDANCE (Monthly & FYTD Averages)									
Live Stream Hits (avg/weekend)	372	357	350	413	341	72	373	317	57
5:00 pm Saturday	195	199	205	197	180	17	200	194	6
9:00 am Sunday	421	400	419	432	506	(74)	417	460	(43)
10:45 am Sunday	444	449	514	497	447	50	487	446	41
9:00 am Children's	52	16	96	100	137	(37)	71	94	(23)
10:45 am Children's	91	10	86	101	96	5	66	64	1



	July	August	September	October	November	December	January	February	March	April	May	June
FY 18/19	1,429	1,715	1,942									
FY 17/18	1,325	1,709	1,814	1,734	1,802	2,431	1,829	2,116	1,977	2,495	1,827	1,550
FY 16/17	1,381	1,711	1,714	1,646	1,747	2,399	1,618	1,711	1,954	2,420	1,720	1,585
FY 15/16	1,239	1,527	1,639	1,669	1,888	2,795	1,875	2,101	2,607	1,727	1,729	1,561
CY vs. PY	104	8	128	(1,734)	(1,802)	(2,431)	(1,829)	(2,116)	(1,977)	(2,495)	(1,827)	(1,550)
CY vs. PY	7.85%	0.35%	7.06%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%

# Business & Human Resources Board Report

Tracy Dunn  
October 2018

## **Accounting & Human Resources & IT:**

- The independent audit was completed by Purk & Associates and is included in this packet.
- Began the evaluation process for the Bond Financing with the Letter of Credit coming up for renewal in January 2019. A recommendation from the Finance Team will be given to the Board of Directors.
- Accounting Department is supporting the NEXT initiative with providing the appropriate financial and contribution information for a mailing to 566 families.

## **School of the Arts:**

- The Fall Session enrollment increased by an additional 4 students. This brings total enrollment to 115 for this session which is a 13% increase compared to last fall.
- Planning for a new event – Make a Joyful Noise – which will replace the recital.

## **Food Service:**

- Our September Café usage has continued at a steady pace. Some of the initial rush has subsided and we have seen a more steady flow of business.
- School lunch usage has increased slightly as we usually see this time of year. Plans are being worked on with our school administration to rework the Thanksgiving Feast to be viable in our new commons space.

## **Facilities:**

- Supported the needs of the ministries for Grandparents Day, Student Worship Retreat and Ellisville Kid Safety Day.
- Completed the rekeying project from the remodel in the Lower Level Next Generation Center and Commons.

## **Metrics attached**



Operations/Finance Metrics  
September 2018

	June 2018	July 2018	Aug 2018	Sept 2018	18/19 FYTD	17/18 FYTD	FYTD TREND
<b>GENERAL FUND DONOR SUPPORT</b>							
Total Unique Giving Units	772	780	770	744	2,294	2,396	(102)
Donors \$500 to \$1,000	151	168	149	152	469	465	4
Donors \$1,000 plus	82	64	52	62	178	186	(8)
New Donors	18	12	13	10	35	33	2
Unique online givers	403	419	421	412	1,252	1,221	31
<b>HUMAN RESOURCES</b>							
Full-time school	17	19	20	20	20	19	(2)
Part-time school	45	48	51	55	51	6	45
Full-time church	27	26	26	26	26	4	22
Part-time church	26	26	22	21	23	3	20
Total employees	115	119	119	122	120	115	5
<b>TECHNOLOGY</b>							
Workstations in service	142	154	133	156	148	155	(8)
Helpdesk tickets	29	54	161	161	376	197	179
<b>FOOD SERVICE</b>							
School lunches served	n/a	n/a	884	1,463	2,346	2,321	25
Café number of tickets	n/a	n/a	86	373	459		
<b>SOTA</b>							
Instructors this session	11	11	12	11	11	11	0
Disciplines (Instruments) this session	6	6	6	6	6	6	0
Students this session	55	55	112	115	94	85	9
<b>FACILITIES</b>							
Number of work orders received	55	59	145	101	305	398	(93)
Number of work orders completed	65	66	129	103	298	439	(141)
Number of work orders outstanding	7	0	16	14			

# Marketing/Creative Board Report

## Dion Garrett

### September 2018

#### **Technical:**

- The Tech Production team kicked off September with the special Neighborhood Walk Weekend, where we produced a special live-stream from the parking lot to promote prayer and hospitality in our community.
- We also started in on the significant task of coordinating the technical side of the Moxie Matters event, where we will open our doors to a huge number of women in our community.
- Our Team also provided support for the Safety Day event, where the commons were open for the first time for a community event.
- During this time, we also had some of our older well-used equipment fail on us. Luckily, we were able to get our Video Switcher quickly replaced so we can continue to use our screens and live-stream at full capability.
- The Video Production Team has been hard at work filming and editing the many stories for the Inspired Service we have coming up in October. Our Team creates all of the inspiring video stories in-house, and they help tell the inspiring stories of Life Change within our people.
- The Production Team also began the planning phases for both Sounds of Christmas: Hope Remix, and the Christmas Eve Services. These are huge events in our Calendar and take months of planning and execution to make them happen.
- We also provided support for Grandparents Day, where the school does a special Chapel service that showcases how great our School is to the Grandparents of our Students.
- Our Video Production Team also produced a video to help the Church move along in the next steps for our Name Change, giving our people an easy way to digest some extremely important information from our Leadership.

#### **Hospitality:**

##### **Growing Teams and Building Events**

- In the month of September we have evaluated and recognized the need for extra volunteers in our newly renovated spaces of the Commons and Children's Ministry wings.
- Since, we have been able to grow each weeks Hospitality Teams to help facilitate the new flow of services and people in the new spaces.
- There has been a lot of prayer for volunteers to feel the calling to step up and make these events and weekend services better than ever, and God has and is still delivering.
- We have now focused on creating events in the new Commons space on Saturday evenings in order to create community.
- We have put a team together to help brainstorm and push these events out as soon as we get the clear to begin them on Saturday nights!

##### **Metrics Attached**

Marketing/Creative Metrics  
September 2018

	June 2018	July 2018	August 2018	September 2018	18/19 FYTD	17/18 FYTD	FYTD TREND
<b>Website</b>							
Total Visits	7,188	7,982	8,920	7,597	24,499	24,687	(188)
% Unique Visits	63%	65%	62%	62%	63%	39%	24
Referral Traffic	8%	7%	8%	7%	7%	12%	(5)
Direct Traffic	31%	29%	36%	32%	32%	34%	(2)
Search Traffic	56%	53%	49%	47%	50%	46%	4
<b>Social Media - Church</b>							
Facebook Total Followers	1,324	1,332	1,344	1,351	4,027	3,400	627
Twitter - Followers	426	428	431	435	1,294		
YouTube Subscribers	12	18	35	0	53	52	1
YouTube Likes	63	99	103	60	262	104	158
YouTube Shares	58	61	61	45	167	225	(58)
<b>Social Media - School</b>							
Facebook Total Followers	444	444	455	457	1,346	1,105	241

# St. John Church

## Financial Analysis Notes

### Period Ending September 30, 2018

#### Consolidated Balance Sheet

- Cash and Investments decreased by \$333K primarily due the net of Fixed Asset purchases and a \$108K Lutheran Foundation Grant for the LEAD school initiative.
- Accounts Receivable increased by \$40K primarily due to timing of payments from FACTS, school tuition processor. which occurs near month end.
- Deferred Tuition and Revenue increased by \$52K due to an increase in \$96K for Lutheran Foundation Grant, \$15K School of the Arts tuition deferral and \$20K for Agency payables net with a decrease of \$70K for Insurance proceeds from water damage applied to expenditures in September.
- Net Assets Mission 24/7 decreased by \$221,972 to zero for funds being transferred to the Ministry Fund for costs associated with NEXT CapX Phase 2 improvements.

#### Ministry Fund

##### Overview

The Ministry Fund ended with a deficit balance of \$98,709. This deficit is \$26,222 unfavorable when compared to the budgeted deficit for the month of \$72,487. The FYTD deficit of \$186,244 is \$122,411 favorable to the budgeted deficit of \$308,655. Giving in the current month of \$357,034 is unfavorable to budgeted giving of \$385,731 by \$28,697. FYTD giving of \$1,022,924 is \$101,123 unfavorable to budgeted giving of \$1,124,047. Monthly expenses of \$777,377 were unfavorable to budgeted expenses of \$628,444 by \$148,933. FYTD expenses of \$1,698,937 are \$381,167 favorable to budgeted expenses of \$2,080,104.

##### Pastoral Office

- No variances of note.

##### Operations

- Facilities reported a negative variance to budget of \$14,646 due to the CAPX being higher this month than expected net against the higher than expected Mission 24/7 income offset.
- Finance & Administration reported a positive variance to budget of \$11,003 due to budget versus actual staffing costs.
- Technology-IT experienced a positive variance to budget of \$3,069 due to delayed equipment purchasing.

##### Marketing & Creative

- Marketing & Creative reported a positive variance of \$3,097 due to budget versus actual staffing cost savings net of spending for video production and social media expenses.

#### LIFEjourney

- No variances of note.

#### Next Generation

- No variances of note.

## School Fund

### Overview

The School Fund ended the month with a deficit balance of \$22,988 which is unfavorable to the budgeted deficit of \$22,282 by \$706. The FYTD surplus of \$19,919 is favorable to the budgeted FYTD deficit of \$10,812 by \$30,731. Monthly income of \$182,685 exceeded budgeted income of \$166,356 by \$16,329. FYTD income of \$573,710 is favorable to budgeted FYTD income of \$522,898 by \$50,812. Monthly expenses of \$205,673 were favorable to budgeted expenses of \$188,638 by \$17,034. FYTD expenses of \$553,791 are unfavorable to budgeted FYTD expenses of \$533,710 by \$20,081.

### Income

- The Budgeted Adjusted Income has a positive variance of \$7,093 based upon the August forecast for the FY18/19 based upon actual enrollment and grant income.
- Grant Income has a positive variance to budget of \$11,721 due to the timing of the marketing research for LEAD school.

### Expenses

- The Budgeted Adjusted Expense has a negative variance of \$4,828 based upon the August forecast for the FY18/19 based upon actual staffing and other expenses.
- School Salary, Wages & Benefits has a negative variance of \$8,906 based upon actual versus budget costs.
- Other expenses has a net negative variance of \$5,185 based primarily of the timing of the marketing research for LEAD school and timing of athletic and spirit wear expenses.

\*Variances of \$3,000 or greater are noted.

**St. John Church**  
**Consolidated Statement of Financial Position**  
as of September 30, 2018

	FY18/19		FY17/18		FY16/17		FY15/16	
	September	August	June	June	June	June	June	June
<b>Assets</b>								
<b>Current Assets - Unrestricted</b>								
Cash and Investments	\$ 1,133,675	\$ 1,467,484	\$ 1,746,881	\$ 1,483,260	\$ 1,167,561			
Accounts Receivable	57,853	17,758	33,143	48,751	90,476			
Inventory	5,602	5,376	3,350	3,844	4,222			
Prepaid Expenses	16,849	17,108	118,210	80,135	126,822			
<b>Total Current Assets - Unrestricted</b>	<b>\$ 1,213,979</b>	<b>\$ 1,507,725</b>	<b>1,901,584</b>	<b>1,615,990</b>	<b>1,389,081</b>			
<b>Current Assets - Restricted</b>								
Bond Sinking Fund	8	8	8	182,506	170,004			
<b>Fixed Assets</b>								
Land	1,775,796	1,775,796	1,775,797	1,699,778	1,694,277			
Buildings	23,676,416	23,676,416	23,420,947	23,437,616	23,431,544			
Furniture/Fixtures/Technology	2,048,323	2,048,323	1,821,677	1,944,440	1,887,624			
Capitalized Interest	46,465	46,465	46,465	46,465	46,465			
Construction in Progress	511,867	511,867	-	-	-			
Less Accumulated Depreciation	(15,913,720)	(15,913,720)	(15,195,623)	(14,646,529)	(13,868,940)			
<b>Total Fixed Assets</b>	<b>12,145,147</b>	<b>12,145,147</b>	<b>11,869,263</b>	<b>12,481,770</b>	<b>13,190,970</b>			
<b>Other Assets</b>								
Deferred Financing Costs	64,387	64,525	75,475	88,419	101,934			
Other Assets	186,925	192,479	171,712	160,750	160,861			
<b>Total Other Assets</b>	<b>251,312</b>	<b>257,004</b>	<b>247,187</b>	<b>249,169</b>	<b>262,795</b>			
<b>Total Assets</b>	<b>\$ 13,610,447</b>	<b>\$ 13,909,884</b>	<b>\$ 14,018,042</b>	<b>\$ 14,529,435</b>	<b>\$ 15,012,850</b>			
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Accounts Payable	\$ 148,443	\$ 165,632	\$ 606,878	\$ 351,325	\$ 331,108			
Accrued Expenses	203,404	199,556	204,733	231,953	445,860			
Deferred Tuition and Revenue	468,383	416,187	288,664	459,356	446,952			
Current Maturities of LT Debt	390,000	390,000	390,000	365,000	340,000			
<b>Total Current Liabilities</b>	<b>1,210,230</b>	<b>1,171,376</b>	<b>1,490,275</b>	<b>1,407,634</b>	<b>1,563,920</b>			
<b>Long-Term Liabilities</b>								
Bonds, Less Current Maturities	5,500,000	5,500,000	5,500,000	5,890,000	6,255,000			
Swap Contract Liability	4,040	4,040	122,036	292,270	251,871			
<b>Total Long-Term Liabilities</b>	<b>5,504,040</b>	<b>5,504,040</b>	<b>5,622,036</b>	<b>6,182,270</b>	<b>6,506,871</b>			
<b>Other Liabilities</b>								
Interfund Payables/Receivables			-	-	-			
<b>Total Liabilities</b>	<b>6,714,270</b>	<b>6,675,415</b>	<b>7,112,311</b>	<b>7,589,904</b>	<b>8,070,791</b>			
<b>Net Assets</b>								
General Fund Operating	(419,305)	(320,534)	(235,560)	(515,148)	(907,038)			
School Fund Operating	(371,123)	(348,135)	(391,042)	(458,495)	(541,443)			
Building Fund	7,242,489	7,209,989	6,869,105	7,104,110	7,460,810			
Unrealized Derivative Gain(Loss)	(4,040)	(4,040)	(122,036)	(292,270)	(251,871)			
Mission 24-7	-	221,972	296,462	577,989	577,989			
Launch	315,407	326,657	326,657	385,707	427,317			
All Other	132,749	148,559	162,145	137,638	176,295			
<b>Total Net Assets</b>	<b>6,896,177</b>	<b>7,234,468</b>	<b>6,905,731</b>	<b>6,939,531</b>	<b>6,942,059</b>			
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,610,447</b>	<b>\$ 13,909,884</b>	<b>\$ 14,018,042</b>	<b>\$ 14,529,435</b>	<b>\$ 15,012,850</b>			

**St. John Church**  
**Summary Budgeted Statement of Activity**  
**for the period ending September 30, 2018**

Description	Budget Annual	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget YTD	Var. Actual to YTD Budget Dollar
<b>MINISTRY FUND</b>							
General Offerings	\$ 4,606,745	\$ 357,034	\$ 385,731	\$ (28,697)	\$ 1,022,924	\$ 1,124,047	\$ (101,123)
<b>DEPARTMENTAL INCOME/EXPENSES</b>							
<b>PASTORAL OFFICE</b>							
Pastoral Office	(413,517)	(33,361)	(31,278)	(2,083)	(110,852)	(108,499)	(2,353)
Stewardship	(14,548)	(1,585)	(876)	(709)	(3,993)	(2,614)	(1,379)
Care Ministries	(18,102)	(2,345)	(791)	(1,554)	(6,116)	(4,304)	(1,812)
Adult Ministries	(3,000)	367	(606)	973	(1,537)	(1,201)	(336)
Small Groups	(77,072)	(5,860)	(6,580)	720	(19,302)	(19,047)	(255)
<b>TOTAL PASTORAL OFFICE</b>	<b>(526,239)</b>	<b>(42,785)</b>	<b>(40,131)</b>	<b>(2,654)</b>	<b>(141,801)</b>	<b>(135,665)</b>	<b>(6,136)</b>
<b>OPERATIONS</b>							
Facilities	(1,102,197)	(202,828)	(188,182)	(14,646)	(390,651)	(544,498)	153,847
Finance & Administration	(582,006)	(34,982)	(45,985)	11,003	(112,731)	(139,494)	26,763
Mortgage/Debt	(607,716)	(49,716)	(51,358)	1,642	(148,822)	(153,140)	4,318
School Tuition Assistance	(65,004)	(5,914)	(5,417)	(497)	(17,896)	(16,251)	(1,645)
Technology - IT	(70,428)	(2,865)	(5,934)	3,069	(14,230)	(15,698)	1,468
Food Service	(88,119)	(7,108)	(7,010)	(98)	(26,819)	(24,640)	(2,179)
<b>TOTAL OPERATIONS</b>	<b>(2,515,470)</b>	<b>(303,413)</b>	<b>(303,886)</b>	<b>473</b>	<b>(711,149)</b>	<b>(893,721)</b>	<b>182,572</b>
<b>MARKETING &amp; CREATIVE</b>							
Marketing & Creative	(560,116)	(35,886)	(38,983)	3,097	(96,251)	(120,847)	24,596
Technical - A/V.L	(35,598)	(6,294)	(6,146)	(148)	(15,040)	(17,925)	2,885
<b>TOTAL MARKETING &amp; CREATIVE</b>	<b>(595,714)</b>	<b>(42,181)</b>	<b>(45,129)</b>	<b>2,948</b>	<b>(111,291)</b>	<b>(138,772)</b>	<b>27,481</b>
<b>LIFEJOURNEY</b>							
LIFEjourney Leadership	(167,401)	(11,582)	(13,967)	2,385	(36,316)	(40,804)	4,488
Community Engagement	(122,326)	(9,155)	(6,923)	(2,232)	(36,197)	(42,071)	5,874
Worship	(198,874)	(13,190)	(14,922)	1,732	(45,158)	(47,739)	2,581
Missions	(160,574)	(7,569)	(6,712)	(857)	(49,733)	(56,058)	6,325
<b>TOTAL LIFEJOURNEY</b>	<b>(649,175)</b>	<b>(41,497)</b>	<b>(42,524)</b>	<b>1,027</b>	<b>(167,404)</b>	<b>(186,672)</b>	<b>19,268</b>
<b>NEXT GENERATION</b>							
Family Forward	(6,305)	(819)	(2,130)	1,311	(1,968)	(2,530)	562
Children's Ministry	(169,087)	(13,765)	(12,716)	(1,049)	(42,124)	(39,370)	(2,754)
Youth Administration	(138,293)	(10,955)	(11,260)	305	(33,042)	(34,216)	1,174
Student Ministry	(5,324)	(329)	(442)	113	(390)	(1,756)	1,366
<b>TOTAL NEXT GENERATION</b>	<b>(319,009)</b>	<b>(25,868)</b>	<b>(26,548)</b>	<b>680</b>	<b>(77,524)</b>	<b>(77,872)</b>	<b>348</b>
<b>NET MINISTRY FUND</b>	<b>\$ 1,138</b>	<b>\$ (98,709)</b>	<b>\$ (72,487)</b>	<b>\$ (26,222)</b>	<b>\$ (186,244)</b>	<b>\$ (308,655)</b>	<b>\$ 122,411</b>
<b>SCHOOL FUND</b>							
Income	2,090,957	182,685	166,356	16,329	573,710	522,898	50,812
Expenses	(2,165,989)	(205,673)	(188,638)	(17,035)	(553,791)	(533,710)	(20,081)
<b>NET SCHOOL FUND</b>	<b>\$ (75,032)</b>	<b>\$ (22,988)</b>	<b>\$ (22,282)</b>	<b>\$ (706)</b>	<b>\$ 19,919</b>	<b>\$ (10,812)</b>	<b>\$ 30,731</b>

**St. John Church**  
**Budgeted Income Detail**  
for the period ending September 30, 2018

Description	Budget Annual	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget YTD	Var. Actual to YTD Budget Dollar
<b>MINISTRY GIVING INCOME</b>							
General Offerings	4,606,745	357,034	385,731	(28,697)	1,022,924	1,124,047	(101,123)
<b>TOTAL MINISTRY GIVING INCOME</b>	<b>4,606,745</b>	<b>357,034</b>	<b>385,731</b>	<b>(28,697)</b>	<b>1,022,924</b>	<b>1,124,047</b>	<b>(101,123)</b>
<b>DEPARTMENTAL INCOME</b>							
<b>PASTORAL OFFICE</b>							
Pastoral Office							
Care Ministries	10,546	675	2,640	(1,965)	1,835	3,690	(1,855)
Adult Ministries	10,907	1,139	0	1,139	2,839	1,750	1,089
<b>TOTAL PASTORAL OFFICE</b>	<b>21,453</b>	<b>1,814</b>	<b>2,640</b>	<b>(826)</b>	<b>4,674</b>	<b>5,440</b>	<b>(766)</b>
<b>OPERATIONS</b>							
Facilities	530,159	300,514	150,959	149,555	375,708	529,959	(154,251)
Administration	5,809	-	-	-	-	-	-
Investment Income (Interest Income)	7,764	979	534	445	3,350	2,357	993
Food Service	115,639	11,819	11,499	320	19,792	21,829	(2,037)
<b>TOTAL OPERATIONS</b>	<b>659,371</b>	<b>313,312</b>	<b>162,992</b>	<b>150,320</b>	<b>398,850</b>	<b>554,145</b>	<b>(155,295)</b>
<b>MARKETING &amp; CREATIVE</b>							
Marketing & Creative	63,425	3,018	3,729	(711)	11,684	13,947	(2,263)
Technical A/V/L	4,428	-	-	-	-	-	-
<b>TOTAL MARKETING &amp; CREATIVE</b>	<b>67,853</b>	<b>3,018</b>	<b>3,729</b>	<b>(711)</b>	<b>11,684</b>	<b>13,947</b>	<b>(2,263)</b>
<b>LIFEJOURNEY</b>							
Community Engagement	6,500	500	500	0	2,588	2,000	588
Worship	24,000	0	0	0	258	0	258
Missions	127,855	1,095	200	895	68,780	71,105	(2,325)
<b>TOTAL LIFEJOURNEY</b>	<b>158,355</b>	<b>1,595</b>	<b>700</b>	<b>895</b>	<b>71,626</b>	<b>73,105</b>	<b>(1,479)</b>
<b>NEXT GENERATION</b>							
Family Forward							
Children's Ministry	38,695	1,210	165	1,045	1,210	165	1,045
MS/HS Youth Administration							
MS/HS Youth Programs	47,190	685	-	685	1,725	600	1,125
<b>TOTAL NEXT GENERATION</b>	<b>85,885</b>	<b>1,895</b>	<b>165</b>	<b>1,730</b>	<b>2,935</b>	<b>765</b>	<b>2,170</b>
<b>TOTAL MINISTRY FUND INCOME</b>	<b>\$ 5,599,662</b>	<b>\$ 678,668</b>	<b>\$ 555,957</b>	<b>\$ 122,711</b>	<b>\$ 1,512,693</b>	<b>\$ 1,771,449</b>	<b>\$ (258,756)</b>
<b>SCHOOL INCOME</b>							
Tuition K-8	1,042,577	83,416	84,102	(686)	283,511	284,198	(687)
Tuition ECE	749,605	60,967	61,007	(40)	200,501	200,541	(40)
Tuition - Centered Care	113,213	10,660	10,945	(285)	26,868	27,153	(285)
Annual Fund	88,922	3,937	5,000	(1,063)	9,359	10,422	(1,064)
PTL Support	90,000	-	-	-	-	-	-
LEAD School Gifts	28,295	2,928	2,000	928	29,673	28,295	1,378
Grant Income	98,000	12,221	500	11,721	12,221	500	11,721
Athletics	20,942	3,464	2,570	894	4,341	3,447	894
Learning Center Fees	5,850	(100)	550	(650)	800	1,450	(650)
Chapel/Mission Offerings	6,262	1,792	3,100	(1,308)	1,859	3,167	(1,308)
Field Trips	8,100	36	600	(564)	36	600	(564)
Other Income	14,529	3,364	3,075	289	4,541	3,309	1,232
Budgeted Adusted Income	(175,338)	-	(7,093)	7,093	-	(40,184)	40,184
<b>TOTAL SCHOOL INCOME</b>	<b>\$ 2,090,957</b>	<b>\$ 182,685</b>	<b>\$ 166,356</b>	<b>\$ 16,329</b>	<b>\$ 573,710</b>	<b>\$ 522,898</b>	<b>\$ 50,812</b>



**St. John Church**  
**Budgeted Expense Detail**  
for the period ending September 30, 2018

Description	Budget Annual	Actual for Period	Budget for Period	Variance for Period	Actual YTD	Budget YTD	Var. Actual to YTD Budget Dollar
<b>DEPARTMENTAL EXPENSES</b>							
<b>PASTORAL OFFICE</b>							
Pastoral Office	\$ (413,517)	\$ (33,361)	\$ (31,278)	\$ (2,083)	\$ (110,852)	\$ (108,499)	\$ (2,353)
Stewardship	(14,548)	(1,585)	(876)	(709)	(3,993)	(2,614)	(1,379)
Care Ministries	(28,648)	(3,020)	(3,431)	411	(7,951)	(7,994)	43
Adult Ministries	(13,907)	(772)	(606)	(166)	(4,376)	(2,951)	(1,425)
Small Groups	(77,072)	(5,860)	(6,580)	720	(19,302)	(19,047)	(255)
<b>TOTAL PASTORAL OFFICE</b>	<b>(547,692)</b>	<b>(44,599)</b>	<b>(42,771)</b>	<b>(1,828)</b>	<b>(146,475)</b>	<b>(141,105)</b>	<b>(5,370)</b>
<b>OPERATIONS</b>							
Facilities	\$ (1,632,356)	\$ (503,343)	\$ (339,141)	\$ (164,202)	\$ (766,359)	\$ (1,074,457)	\$ 308,098
Finance & Administration	(587,815)	(34,982)	(45,985)	11,003	(112,731)	(139,494)	26,763
Mortgage/Debt	(615,480)	(50,695)	(51,892)	1,197	(152,171)	(155,497)	3,326
School Tuition Assistance	(65,004)	(5,914)	(5,417)	(497)	(17,896)	(16,251)	(1,645)
Technology - IT	(70,428)	(2,865)	(5,934)	3,069	(14,230)	(15,698)	1,468
Food Service	(203,758)	(18,927)	(18,509)	(418)	(46,611)	(46,469)	(142)
<b>TOTAL OPERATIONS</b>	<b>(3,174,841)</b>	<b>(616,726)</b>	<b>(466,878)</b>	<b>(149,848)</b>	<b>(1,109,999)</b>	<b>(1,447,866)</b>	<b>337,867</b>
<b>MARKETING &amp; CREATIVE</b>							
Marketing & Creative	\$ (623,541)	\$ (38,905)	\$ (42,712)	\$ 3,807	\$ (107,935)	\$ (134,794)	\$ 26,859
Technical A/V/L	(40,026)	(6,294)	(6,146)	(148)	(15,040)	(17,925)	2,885
<b>TOTAL MARKETING &amp; CREATIVE</b>	<b>(663,567)</b>	<b>(45,199)</b>	<b>(48,858)</b>	<b>3,659</b>	<b>(122,975)</b>	<b>(152,719)</b>	<b>29,744</b>
<b>LIFEJOURNEY</b>							
LIFEjourney Leadership	\$ (167,401)	\$ (11,582)	\$ (13,967)	\$ 2,385	\$ (36,316)	\$ (40,804)	\$ 4,488
Community Engagement	(128,826)	(9,655)	(7,423)	(2,232)	(38,785)	(44,071)	5,286
Worship	(222,874)	(13,190)	(14,922)	1,732	(45,416)	(47,739)	2,323
Missions	(288,429)	(8,664)	(6,912)	(1,752)	(118,514)	(127,163)	8,649
<b>TOTAL LIFEJOURNEY</b>	<b>(807,530)</b>	<b>(43,092)</b>	<b>(43,224)</b>	<b>132</b>	<b>(239,030)</b>	<b>(259,777)</b>	<b>20,747</b>
<b>NEXT GENERATION</b>							
Family Forward	\$ (6,305)	\$ (819)	\$ (2,130)	\$ 1,311	\$ (1,968)	\$ (2,530)	\$ 562
Children's Ministry	(207,782)	(14,975)	(12,881)	(2,094)	(43,334)	(39,535)	(3,799)
Youth Administration	(138,293)	(10,955)	(11,260)	305	(33,042)	(34,216)	1,174
Youth Ministry	(52,514)	(1,014)	(442)	(572)	(2,115)	(2,356)	241
<b>TOTAL NEXT GENERATION</b>	<b>(404,894)</b>	<b>(27,762)</b>	<b>(26,713)</b>	<b>(1,049)</b>	<b>(80,459)</b>	<b>(78,637)</b>	<b>(1,822)</b>
<b>TOTAL MINISTRY FUND EXPENSES</b>	<b>\$ (5,598,524)</b>	<b>\$ (777,377)</b>	<b>\$ (628,444)</b>	<b>\$ (148,933)</b>	<b>\$ (1,698,937)</b>	<b>\$ (2,080,104)</b>	<b>\$ 381,167</b>
<b>SCHOOL EXPENSES</b>							
School Salary, Wages & Benefits	\$ (1,853,102)	\$ (171,184)	\$ (162,278)	\$ (8,906)	\$ (438,459)	\$ (429,254)	\$ (9,205)
Classroom Supplies, Materials & Equipment	(91,242)	(3,850)	(4,550)	700	(36,894)	(37,595)	701
Conferences, Education & Development	(13,343)	0	(1,500)	1,500	(700)	(1,743)	1,043
Technology Services, Hardware & Software	(61,748)	(4,726)	(5,091)	365	(25,214)	(25,580)	366
Centered Care Expenses	(82,356)	(8,294)	(8,214)	(80)	(17,395)	(17,219)	(176)
Athletic Events	(19,273)	(1,997)	(1,000)	(997)	(2,512)	(1,515)	(997)
Field Trips	(7,050)	(185)	(350)	165	(260)	(425)	165
Copier Expense	(12,467)	(1,042)	(1,277)	235	(2,632)	(2,867)	235
Bad Debt	(6,100)	0	0	0	0	0	0
Missions	(2,550)	0	0	0	0	0	0
Fundraising Expense	(400)	(3)	0	(3)	(3)	0	(3)
Other Expenses	(98,122)	(14,391)	(9,206)	(5,185)	(29,723)	(22,070)	(7,653)
Budgeted Adjusted Expense	81,764	0	4,828	(4,828)	0	4,558	(4,558)
<b>TOTAL SCHOOL EXPENSES</b>	<b>\$ (2,165,989)</b>	<b>\$ (205,673)</b>	<b>\$ (188,638)</b>	<b>\$ (17,035)</b>	<b>\$ (553,791)</b>	<b>\$ (533,710)</b>	<b>\$ (20,081)</b>

# St. John Church

## Cash and Liquidity Position Summary

	FY 18/19		FY 17/18	FY 16/17	FY 15/16
	September	August	June	June	June
<b>Cash and Investments</b>					
Total Cash and Investments *	\$ 1,133,675	\$ 1,467,484	\$ 1,746,881	\$ 1,483,260	\$ 1,167,561
Less: Insurance claim proceeds to be expended	-	(70,609)	(70,609)	(33,250)	(170,875)
Bond principle pymt consistency adj.		x	x	x	x
Adjusted Cash and Investments	1,133,675	1,396,875	1,676,272	1,450,010	996,686
<b>Temp. Restricted Funds (Internally Managed)</b>					
Mission 24-7	-	221,972	296,462	577,989	577,989
Launch	315,407	326,657	326,657	385,707	427,317
NEXT CapX Available for Expenditure	467,273	593,070	653,945	403,757	x
Parent Teachers League	24,097	33,182	36,792	19,315	60,662
Missions Designated Gifts	22,012	23,386	17,262	52,943	68,046
Christ In Action	8,727	9,908	12,347	10,281	16,097
Christ In Action (Social Worker Grant)	(142)	2,154	6,639	(1,706)	x
School of the Arts	13,977	12,322	11,109	14,828	10,478
Endowment Fund	36,523	36,523	33,682	31,360	29,998
Other	4,176	4,176	4,361	3,926	3,795
	892,050	1,263,350	1,399,256	1,498,400	1,194,382
<b>Excess/(Underfunded) Balance pre Affiliate Funds</b>	241,625	133,525	277,016	(48,390)	(197,696)
<b>Temp. Restricted Funds (Affiliate Controlled)</b>					
Boy Scout Troop #782	7,255	11,247	16,995	23,932	18,868
Cub Scout Pack #782	8,243	9,167	10,869	10,882	11,476
MOPS	20,624	20,651	20,023	16,063	13,641
Illuminations - Puppet Ministry	5,621	5,571	5,471	4,519	3,362
All Other	3,647	3,657	3,857	4,239	7,919
Total Ongoing Fund Balances	45,390	50,294	57,215	59,635	55,266
<b>Excess/(Underfunded) Core Cash Balance</b>	\$ 196,235	\$ 83,230	\$ 219,801	\$ (108,025)	\$ (252,962)
<b>Analysis of Monthly Fluctuations in Core Cash Balance</b>					
Increase / (Decrease) in Month End Core Cash	\$ 113,005	\$ 290,283	\$ 497,371	\$ 131,346	\$ 115,306
<b>Components Driving Change in Core Cash</b>					
Monthly Surplus / (Deficit) Ministry Fund	(98,709)	(60,875)	3,807	29,854	(56,770)
Monthly Surplus / (Deficit) School Fund	(22,988)	(32,210)	67,453	55,969	107,502
Total Surplus / (Deficit) for the Month	(121,697)	(93,086)	71,260	85,823	50,732
Ministry Fund: noncash expense for Debt Principal Payment of Annual Debt Principal from Core Cash	32,500	32,500	32,500	30,417	28,333
Increase / (Decrease) in Prepaid School Tuition	(35,264)	226,534	(103,077)	59,447	62,290
NEXT CapX: Monthly (Increase)/Decrease in Kitty	125,797	33,702	(3,807)	(29,854)	
** Decrease / (Increase) in Other Working Capital	111,669	90,632	500,495	(14,487)	(26,049)
Total Incr. / (Decr.) in Month End Core Cash	113,005	290,283	497,371	131,346	115,306
** - This amount is an aggregation of all other increases and decreases not separately identified					
	in balance?-->	TRUE	TRUE	TRUE	TRUE
<b>Working Capital Change Detail</b>					
Current Month Deferred Tuition Liability	241,446	276,710	75,285	272,429	247,596
Prior Month Deferred Tuition Liability	276,710	50,176	181,362	214,382	186,956
Source of Cash / (Use of Cash): Deferred Tuition	(35,264)	226,534	(106,077)	58,047	60,640
Current Month Deferred Registration Fees Liability	-	-	48,370	54,640	58,490
Prior Month Deferred Registration Fees Liability	-	-	45,370	53,240	56,840
Source of Cash / (Use of Cash): Deferred Tuition	-	-	3,000	1,400	1,650
<b>Additional Liquidity Information</b>					
Sources:					
Line of Credit Availability	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Borrowings Outstanding	-	-	-	-	-
Available Liquidity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

\* Per General Ledger

**St. John Church**  
**Summary of Investments & Bank Accounts**  
**as of September 30, 2018**

Type	Institution	Length	Maturity	APY	Rate Type	Payout	Original Amount	Interest Earned To Date	Account Balance
CD	Synchrony	12 months	03/29/19	2.03%	Fixed	Maturity	\$ 160,732.96	\$ 1,638.81	\$ 162,371.77
Total CD Investments									
Cash	Petty Cash		N/A	N/A	N/A	N/A	N/A	N/A	1,050.00
Checking	First Community CU		N/A	0.10%	Variable	Monthly	N/A	13.98	2,255.55
Savings	First Community CU		N/A	0.00%	Variable	Monthly	N/A	-	10.00
Steward Acct.	LCEF	Opened 03/02/09		1.25%	Variable	Monthly	N/A	101,979.16	596,290.39
Checking	Fifth Third Bank	Opened 05/12/08		N/A	N/A	N/A	N/A	N/A	490,878.17
Money Market	Fifth Third Bank	Opened 01/22/09		0.25%	Variable	Monthly	N/A	Closed 03/31/18	
Total Bank Accounts							N/A	101,993.14	1,090,484.11
Total Investments & Bank Accounts							N/A	\$ 103,631.95	\$ 1,252,855.88

\*Note - The Fifth Third Bank Checking Account earns a .20% Interest Credit Rate to offset operating fees charged to the account.  
\*\* All balances shown are bank balances as of the date of the report. This report does not account for any deposits in transit or outstanding checks.

St. John Church  
Launch Reconciliation  
9/30/18

<b>Total Pledges</b>	\$ 3,044,854.00
<b>Total Participants</b>	2,068
<b>Total Family Units</b>	828
<b>Contributions</b>	
Contributions FY10/11	\$ 803,538.10
Contributions FY11/12	917,273.88
Contributions FY12/13	695,270.32
Contributions FY13/14	255,179.75
Total Contributions	<u>\$ 2,671,262.05</u>
<b>Expenses</b>	
<b>FY09/10</b>	
Campaign Expenses	\$ (24,196.88)
<b>FY10/11</b>	
Campaign Expenses	(101,425.38)
MF Staffing Expenses	(13,646.00)
Cambodia Expenses	(101,678.50)
<b>FY11/12</b>	
MF Staffing Expenses	(26,492.00)
Cambodia Expenses	(110,671.51)
Campaign Expenses	(3,948.06)
Technology Expenses	(121,069.09)
Belize Expenses	(10,000.00)
<b>FY12/13</b>	
Campaign Expenses	(962.42)
MF Staffing Expenses	(19,932.00)
Technology Expenses	(19,509.35)
Debt Reduction	(1,419,030.51)
Cambodia Expenses	(91,173.89)
St. John Missions	(29,700.00)
<b>FY13/14</b>	
Campaign Expenses	(2,524.45)
MF & SF Staffing Expenses	(79,988.04)
Technology Expenses	(61,595.34)
Debt Reduction	(165,000.00)
Cambodia Expenses	273,171.54
Angel Dormitory Expenses	(6,000.00)
St. John Missions	(27,863.00)
<b>FY14/15</b>	
MF Staffing Expenses	(6,338.01)
Debt Reduction	(20,000.00)
Angel Dormitory Expenses	(1,872.00)
Missions Director Staffing Expense	(13,932.00)
<b>FY15/16</b>	
MF Staffing Expenses	(38,568.00)
<b>FY16/17</b>	
MF Staffing Expenses	(15,648.00)
Stronghold Cambodia Expenses	(29,157.33)
Cambodian Legal Counsel Refund	3,195.00
<b>FY17/18</b>	
Stronghold Cambodia Expenses	(59,050.00)
<b>FY18/19</b>	
Stronghold Cambodia Expenses	(11,250.00)
Total Expenses	<u>\$ (2,355,855.22)</u>
 <b>Fund Balance</b>	 <u><u>\$ 315,406.83</u></u>

St. John Church  
NEXT CapX Funds Reconciliation  
September 30, 2018

Date	Description	CY Budget*	Actual
06/30/17	16/17 Year-End Surplus	n/a	\$ 403,757
07/31/17	Sanctuary Improvements	-	(14,800)
08/31/17	Sanctuary Improvements	(170,000)	(99,916)
09/30/17	Sanctuary Improvements	(150,000)	(1,886)
10/31/17	Sanctuary Improvements	-	(169,239)
11/30/17	Sanctuary Improvements	-	(27,856)
12/31/17	Sanctuary Improvements	-	(4,020)
01/31/18	Sanctuary Improvements	-	(103,140)
01/31/18	Commons & CM Improvements	(250,000)	-
02/28/18	Sanctuary Improvements	-	(9,492)
02/28/18	Commons & CM Improvements	(350,000)	(15,816)
03/31/18	Sanctuary Improvements	-	(52,691)
03/31/18	Commons & CM Improvements	(110,000)	(8,800)
04/30/18	Commons & CM Improvements	-	(11,100)
05/31/18	Commons & CM Improvements	-	(37,043)
06/30/18	Commons & CM Improvements	-	(441,379)
06/30/18	Mission 24/7 Funds Transfer	-	281,675
FYTD	Surplus/Deficit (w/o CY Improvements)	-	965,691
06/30/18	Total Amount Available for Expenditure	<u>\$ 1,030,000</u>	<u>\$ 653,945</u>

\*Budget includes \$895,000 of Capital Improvements and \$135,000 of Furniture & Fixtures and \$0 Mission 24/7 Income

07/31/18	Commons & CM Improvements	(250,000)	(54,907)
07/31/18	Mission 24/7 Funds Transfer	181,500	30,199
08/31/18	Commons & CM Improvements	(350,000)	(80,531)
08/31/18	Mission 24/7 Funds Transfer	192,500	44,291
09/30/18	Commons & CM Improvements	(275,000)	(431,490)
09/30/18	Mission 24/7 Funds Transfer	80,250	221,972
09/30/18	Insurance Proceeds - Water Damage	70,609	78,542
10/31/18		-	
11/30/18		-	
12/31/18		-	
01/31/19		-	
02/28/19		-	
03/31/19		-	
04/30/19		-	
05/31/19		-	
06/30/19		-	
FYTD	Surplus/Deficit (w/o CY Improvements)	-	5,252
06/30/18	Total Amount Available for Expenditure	<u>\$ 679,859</u>	<u>\$ 467,273</u>

\*Budget includes \$795,000 of Capital Improvements and \$80,000 of Furniture & Fixtures and \$454,250 Mission 24/7 Income and \$70,609 of Insurance Proceeds.

Total Sanctuary Improvements Cost	<u>\$ 489,312</u>
Total Commons & CM Improvements Cost	<u>\$ 1,081,066</u>

**St. John Church**  
**Launch Reconciliation**  
**Serve Others As We Go - Outside Missions**  
**9/30/18**

**Contributions**

Contributions FY10/11	\$ 136,601.48
Contributions FY11/12	155,936.56
Contributions FY12/13	118,195.95
Contributions FY13/14	43,380.56
Total Contributions	<u>\$ 454,114.55</u>

**Expenses**

Contributions to LCMS Ablaze! For Cambodia FY10/11	\$ (101,678.65)
Funding in Belize FY11/12	(10,000.00)
Contributions to LCMS Ablaze! For Cambodia FY11/12	(110,671.51)
Contributions to LCMS Ablaze! For Cambodia FY12/13	(91,173.89)
Reimbursement of funds from LCMS Ablaze! FY13/14	273,171.54
Angel Dormitory Expenses FY13/14	(6,000.00)
Angel Dormitory Expenses FY14/15	(1,872.00)
Stronghold Cambodia Expenses FY16/17	(29,157.33)
Reimbursement of unused fund from Camb. Legal Counsel	3,195.00
Stronghold Cambodia Expenses FY17/18	(59,050.00)
Stronghold Cambodia Expenses FY18/19	(11,250.00)
Total Expenses	<u>\$ (144,486.84)</u>

**Fund Balance**

\$ 309,627.71

17% of total contributions are designated to this objective.

LCMS Ablaze! will receive quarterly payments from St. John for use in Cambodia. These payments will equal 20% of total Launch contributions during the quarter. LCMS will then refund to St. John 30% of that payment to use for missions that St. John chooses. Of the 30% refunded, half will go to this objective and half will go to the St. John Missions objective.

**Original Launch Presentation**

\$850k to be distributed to current mission projects in the city of St. Louis and Belize and through the mission efforts of the LCMS Ablaze! Campaign. Pastor Garrett and the Strategic Leaders will work closely with LCMS national leaders to ensure that two to four mission projects are adopted that reflect the mission and values of SJ's congregation. These projects will be specific mission efforts with which we can form an ongoing association over the course of the campaign and hopefully beyond.

**Additional Cambodia Funding**

In the fall of 2011 an option to give directly to the efforts in Cambodia was created. The primary purpose of this option is to engage our community and other churches in our mission efforts in Cambodia. It also allows people within our ministry to give directly to Cambodia, over and above their commitment to Launch. The current balance of this option is \$4,502. This money will go directly to our efforts in Cambodia.

St. John Church  
Mission 24/7 Reconciliation  
9/30/18

**Contributions**

Contribution FY06/07	\$ 410,914.38
Contribution FY07/08	1,160,052.35
Contribution FY08/09	798,230.27
Contribution FY09/10	603,546.62
Contribution FY10/11	46,556.88
Contribution FY11/12	1,060.00
Contribution FY12/13	5,551.50
Total Contributions	<u>\$ 3,025,912.00</u>

**Expenses**

Campaign Expenses FY06/07	\$ (181,804.57)
Campaign Expenses FY07/08	(6,299.37)
Campaign Expenses FY08/09	-
Campaign Expenses FY09/10	(2,995.21)
Campaign Expenses FY10/11	(73.16)
Commons A Remodel FY08/09	(1,152.00)
Commons A Remodel FY09/10	(45,965.93)
Debt Reduction Payment FY12/13	(1,072,513.00)
Voter Approved Sinking Fund Payments FY09/10	(369,831.28)
Voter Approved Sinking Fund Payments FY10/11	(329,938.98)
Voter Approved Sinking Fund Payments FY11/12	(299,897.46)
Voter Approved Sinking Fund Payments FY12/13	(137,452.42)
Voter Approved NEXT CapX Phase 2 Pymts FY17/18	(281,526.73)
Voter Approved NEXT CapX Phase 2 Pymts FY18/19	(296,461.89)
Total Expenses	<u>\$ (3,025,912.00)</u>

**Fund Balance**

\$ -

Balance is fully depleted as of 9/30/18.

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**ST. JOHN LUTHERAN CHURCH – ELLISVILLE, MISSOURI**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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CPAs and Business Advisors

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CPAs and Business Advisors

## Independent Auditors' Report

To the Board of Directors  
St. John Lutheran Church  
Ellisville, Missouri

We have audited the accompanying financial statements of *St. John Lutheran Church – Ellisville, Missouri* (the "Church"), a not-for-profit organization, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *St. John Lutheran Church – Ellisville, Missouri* as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Purk & Associates, P.C.*

St. Louis, MO  
September 21, 2018

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**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,585,343	\$ 1,324,668
Investments, at fair value	161,546	158,592
Accounts receivable, net	12,729	24,171
Prepaid expenses	<u>121,561</u>	<u>83,978</u>
<b>Total Current Assets</b>	<u>1,881,179</u>	<u>1,591,409</u>
<b>Notes Receivable-Related Party</b>	<u>20,414</u>	<u>24,580</u>
<b>Fixed Assets</b>		
Land and land improvements	1,775,796	1,775,796
Buildings and building improvements	23,722,882	23,467,412
Furniture/fixtures/technology	2,048,322	1,821,677
Construction in progress	<u>511,867</u>	<u>-</u>
	28,058,867	27,064,885
Less: Accumulated depreciation	<u>(15,913,720)</u>	<u>(15,195,623)</u>
	<u>12,145,147</u>	<u>11,869,262</u>
<b>Other Assets</b>	<u>251,337</u>	<u>248,954</u>
<b>Total Assets</b>	\$ <u>14,298,077</u>	\$ <u>13,734,205</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 588,029	\$ 155,391
Accrued expenses	223,583	245,381
Deferred tuition and revenue	<u>271,401</u>	<u>406,413</u>
<b>Total Current Liabilities</b>	<u>1,083,013</u>	<u>807,185</u>
<b>Long-Term Liabilities</b>		
Bond liability	5,890,000	6,255,000
Swap contract liability	<u>4,040</u>	<u>122,036</u>
<b>Total Long-Term Liabilities</b>	<u>5,894,040</u>	<u>6,377,036</u>
<b>Net Assets</b>		
<b>Unrestricted</b>		
Investment in fixed assets	6,251,107	5,492,226
General ministry	660,821	513,628
School ministry	(391,042)	(458,495)
Swap contract liability	<u>(4,040)</u>	<u>(122,036)</u>
<b>Total Unrestricted</b>	6,516,846	5,425,323
<b>Temporarily Restricted</b>	768,845	1,092,185
<b>Permanently Restricted</b>	<u>35,333</u>	<u>32,476</u>
<b>Total Net Assets</b>	<u>7,321,024</u>	<u>6,549,984</u>
<b>Total Liabilities and Net Assets</b>	\$ <u>14,298,077</u>	\$ <u>13,734,205</u>

See the Independent Auditors' Report and the accompanying notes to the financial statements. Page 2

**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted General Ministries</u>	<u>Unrestricted School</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue:</b>					
Contributions	\$ 5,155,596	\$ 109,796	\$ 124,054	\$ 2,857	\$ 5,392,303
Registration and tuition	-	1,801,102	-	-	1,801,102
Program revenue	255,636	49,028	421,544	-	726,208
Food service sales	104,663	-	-	-	104,663
Interest income	10,443	-	-	-	10,443
Unrealized derivative gain	117,996	-	-	-	117,996
Released for capital expenditures	300,005	(8,479)	(291,526)	-	-
Released from restrictions	384,769	192,643	(577,412)	-	-
Church support to other funds	<u>(135,342)</u>	<u>135,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>6,193,766</u>	<u>2,279,432</u>	<u>(323,340)</u>	<u>2,857</u>	<u>8,152,715</u>
<b>Expenses:</b>					
Personnel expense	2,718,791	1,904,549	-	-	4,623,340
Facilities expense	463,734	-	-	-	463,734
Depreciation	718,097	-	-	-	718,097
Cost of items for resale	50,648	-	-	-	50,648
Interest expense	234,012	-	-	-	234,012
Program costs	<u>984,414</u>	<u>307,430</u>	<u>-</u>	<u>-</u>	<u>1,291,844</u>
<b>Total Expenses</b>	<u>5,169,696</u>	<u>2,211,979</u>	<u>-</u>	<u>-</u>	<u>7,381,675</u>
<b>Change In Net Assets</b>	1,024,070	67,453	(323,340)	2,857	771,040
<b>Beginning Net Assets</b>	<u>5,883,818</u>	<u>(458,495)</u>	<u>1,092,185</u>	<u>32,476</u>	<u>6,549,984</u>
<b>Ending Net Assets</b>	\$ <u>6,907,888</u>	\$ <u>(391,042)</u>	\$ <u>768,845</u>	\$ <u>35,333</u>	\$ <u>7,321,024</u>



**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u> <u>General Ministries</u>	<u>Unrestricted</u> <u>School</u>	<u>Temporarily</u> <u>Restricted</u>	<u>Permanently</u> <u>Restricted</u>	<u>Total</u>
<b>Support and Revenue:</b>					
Contributions	\$ 4,525,253	\$ 100,295	\$ 199,298	\$ 2,478	\$ 4,827,324
Registration and tuition	-	1,865,262	-	-	1,865,262
Program revenue	220,558	43,323	372,309	-	636,190
Food service sales	139,549	-	-	-	139,549
Interest income	7,792	-	-	-	7,792
Unrealized derivative gain	170,234	-	-	-	170,234
Released for capital expenditures	21,231	(21,231)	-	-	-
Released from restrictions	476,858	222,212	(699,070)	-	-
Church support to other funds	<u>(144,584)</u>	<u>144,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>5,416,891</u>	<u>2,354,445</u>	<u>(127,463)</u>	<u>2,478</u>	<u>7,646,351</u>
<b>Expenses:</b>					
Personnel expense	2,504,328	1,958,461	-	-	4,462,789
Facilities expense	436,236	-	-	-	436,236
Depreciation	753,775	-	-	-	753,775
Loss on disposal of fixed assets	10,922	-	-	-	10,922
Cost of items for resale	59,320	-	-	-	59,320
Interest expense	234,397	-	-	-	234,397
Program costs	<u>1,074,530</u>	<u>313,036</u>	<u>-</u>	<u>-</u>	<u>1,387,566</u>
<b>Total Expenses</b>	<u>5,073,508</u>	<u>2,271,497</u>	<u>-</u>	<u>-</u>	<u>7,345,005</u>
<b>Change In Net Assets</b>	343,383	82,948	(127,463)	2,478	301,346
<b>Beginning Net Assets</b>	<u>5,540,435</u>	<u>(541,443)</u>	<u>1,219,648</u>	<u>29,998</u>	<u>6,248,638</u>
<b>Ending Net Assets</b>	\$ <u>5,883,818</u>	\$ <u>(458,495)</u>	\$ <u>1,092,185</u>	\$ <u>32,476</u>	\$ <u>6,549,984</u>

**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ <u>771,040</u>	\$ <u>301,346</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	718,097	753,775
Loss on disposal of fixed assets	-	10,922
Deferred financing cost amortization	12,324	12,309
Unrealized derivative gain	(117,996)	(170,234)
Changes in operating assets and liabilities:		
Decrease in accounts receivable, net	11,442	66,305
(Increase) decrease in prepaid expenses	(37,583)	47,067
(Increase) decrease in notes receivable - related party	4,166	(24,580)
Increase in other assets	(14,707)	(10,335)
Increase in accounts payable	432,638	3,760
Decrease in accrued expenses	(21,798)	(209,952)
Increase (decrease) in deferred tuition and revenue	<u>(135,012)</u>	<u>27,506</u>
	<u>851,571</u>	<u>506,543</u>
<b>Net Cash Provided by Operating Activities</b>	<u>1,622,611</u>	<u>807,889</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(993,982)	(152,189)
Purchases of investments	(161,546)	(158,592)
Maturities of investments	<u>158,592</u>	<u>156,637</u>
<b>Net Cash Used in Investing Activities</b>	<u>(996,936)</u>	<u>(154,144)</u>
<b>Cash Flows from Financing Activities:</b>		
Payment on bond obligation	<u>(365,000)</u>	<u>(340,000)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(365,000)</u>	<u>(340,000)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>260,675</u>	<u>313,745</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,324,668</u>	<u>1,010,923</u>
<b>Cash and Cash Equivalents, End of Year</b>	\$ <u><u>1,585,343</u></u>	\$ <u><u>1,324,668</u></u>
<b>Supplemental Cash Flow Information:</b>		
Cash paid for interest expense	\$ <u><u>221,688</u></u>	\$ <u><u>222,088</u></u>

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# ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### 1. NATURE OF ORGANIZATION

*St. John Lutheran Church – Ellisville, Missouri* (the “Church”) is incorporated as a not-for-profit corporation under the laws of the State of Missouri and began ministry in 1851. The mission statement of the Church is: “To save the lost and strengthen the saved to live bold and courageous lives of Christian witness before a non-believing world.”

In addition to a wide range of ministry programs and worship venues, the Church operates a school (preschool through eighth grade), youth programs, and food services.

These financial statements include the activities of the Church’s general operating funds, the school, and temporarily and permanently restricted funds designated by donors for specific purposes that are typically not part of the general operating fund.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) ASC 958-205, *Presentation of Financial Statements for Not-For-Profit Entities*. Under FASB ASC 958-205, the Church is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets represent those net assets that are not subject to donor-imposed stipulations. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Temporarily restricted net assets represent those net assets whose use has been limited by donor-imposed stipulations that either can be fulfilled or removed by actions of the Church pursuant to those stipulations or expire by the passage of time.

Permanently restricted net assets represent those net assets whose use has been limited by donor-imposed stipulations that must be maintained permanently by the Church.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

#### **Cash and Cash Equivalents**

The Church considers cash held in checking and money market accounts with original maturities of less than 90 days to be cash equivalents.



ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Fixed Assets

Fixed assets include: land, land improvements, buildings, building improvements, furniture, fixtures and technology. Fixed assets purchased by the Church are recorded at cost. Donated assets are recorded at fair value at the date of the donation. Periodically, the Church reviews its long-lived fixed assets for impairment and records an adjustment to reduce the asset to the lower of historical cost, net of depreciation, or its fair value. No impairments were recorded in fiscal years 2018 or 2017. Depreciation expense was \$718,097 and \$753,775 during 2018 and 2017, respectively.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, as follows:

Land Improvements	3-20 years
Buildings	40 years
Building Improvements	5-20 years
Furniture and fixtures	3-10 years
Technology	3-5 years

All expenditures of \$5,000 and over for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Revenue Recognition

Contributions and offerings received are presented as restricted support if they are received with donor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the contribution is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

No amounts have been reflected in the statements for donated services as such services have not met the recognition criteria under Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 958-605, *Not-for-Profit Entities, Revenue Recognition*; however, a substantial number of volunteers have donated significant amounts of time to the Church's ministry program services.

The Church has conducted financial campaigns to support various purposes including mainly capital construction and the retirement of debt.

Description of Program Services and Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

**Program** – Includes those expenditures that enable the Church to operate its church and related faith-based ministries; a school that serves more than 330 students ranging from Early Childhood Education through eighth grade; and auxiliary faith-based ministries sponsored by the Church.

**Management and General** - Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Church's program strategy; implement and administer a proper internal control structure; and manage the financial and budgetary responsibilities of the Church.



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**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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**Fundraising** - Provides the structure necessary to encourage and secure private financial support in the form of contributions, offerings, and targeted campaigns, as well as through fundraising events.

**Functional Expense Allocation**

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Church. (See Note 12 for total expenses by their functional classification.)

**Tax Exempt Status**

The Church is a charitable non-profit organization exempt from income taxes under the Internal Revenue Code section 501(c)(3), and accordingly, is not subject to federal income taxes on income received from its exempt purposes. Therefore, no liability or expense for income taxes is recorded. As a church, it is not required to file an annual information return (Form 990) with the Internal Revenue Service.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Church to concentration of credit risk consist principally of cash and cash equivalents and investments held in three financial institutions where the Federal Deposit Insurance Corporation ("FDIC") insures balances up to \$250,000 and one financial institution with no FDIC coverage. At June 30, 2018 and 2017, cash and cash equivalents of \$1,334,976 and \$1,071,815, respectively, were held in accounts that exceeded coverage by FDIC insurance. The Church has not experienced any losses related to these concentrations.

The Church is supported by contributions from its members and the public. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. However, the Church's operating budget is not dependent on a few major contributors. The majority of the Church's members reside in the St. Louis, Missouri metro area.

**Recent Accounting Pronouncements**

*Not-for-Profit Reporting*

In August 2016, the FASB issued new guidance for the presentation of financial statements of not-for-profits to enhance the understandability of the financial statements and provide more relevant information. Under this guidance:

1. Net asset classifications will be reduced from three to two, "without donor restrictions" and "with donor restrictions," and additional disclosures of board-designated funds will be required.
2. Investment returns will be reported net of external and direct internal investment expenses, and those netted expenses will no longer require disclosure.
3. Organizations will be required to present their expenses by both their natural classification and their functional classification on the face of the statement of activities, as a separate statement, or in the notes to the financial statements. The method used to allocate costs among programs and supporting activities functions will be required to be disclosed.
4. New disclosures related to liquidity and availability of resources will be required, including qualitative information that discloses how the organization manages its liquid resources to meet its cash flow needs and quantitative information regarding the availability of financial assets to meet these needs.

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ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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This guidance is effective for fiscal years beginning after December 15, 2017; however, early adoption is permitted. This guidance is to be applied on a retrospective basis for all years presented; however, organizations will have the option to omit the analysis of expenses by both functional and natural classification and the liquidity disclosures for any years presented before the year of adoption.

Management is currently evaluating the potential impact this standard will have on the Church's financial statements.

Lease Accounting and Presentation

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). Under ASU 2016-02, a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option.

Under ASU 2016-02, leases will continue to be differentiated between finance leases and operating leases. However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the statement of financial position.

For finance leases, a lessee is required to do the following:

1. Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position.
2. Recognize interest on the lease liability separately from amortization of the right-of-use asset in the statement of activities.
3. Classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows.

For operating leases, a lessee is required to do the following:

1. Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position.
2. Recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis.
3. Classify all cash payments within operating activities within the statement of cash flows.

For leases with a term of twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term.

ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Upon adoption, a modified retrospective approach shall be applied to all periods presented. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.



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ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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Accounting Standards Update 2014-09, Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU introduced a comprehensive, principles-based framework for recognizing revenue, and, when effective, will supersede the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and virtually all industry-specific revenue recognition guidance in the FASB ASC. The ASU is intended to improve GAAP by providing a framework to address revenue recognition issues, creating more consistency and comparability of revenue recognition practices across entities and industries, and improving the usefulness of information provided to financial statement users through more robust disclosure requirements. Subsequent to the issuance of ASU 2014-09, the FASB issued a number of ASUs clarifying certain matters in ASU 2014-09. Those subsequent ASUs have the same effective dates as ASU 2014-09 (see discussion in the following paragraph).

In August 2015, the original effective dates of ASU 2014-09 were deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. For nonpublic entities, ASU 2014-09 (as revised) is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early application is allowed for nonpublic entities, but no earlier than annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. Alternatively, the ASU can be applied to annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the year of initial adoption. Management is currently evaluating the impact ASU 2014-09 will have on the financial statements.

Subsequent Events

The Church has evaluated subsequent events through September 21, 2018, the date which the financial statements were available to be issued.

**3. DEFERRED FINANCING COSTS**

Issuance and administrative costs associated with the January 4, 2007 Colorado Educational and Cultural Facilities Authority ("CECFA") Bond Issue and certain letter of credit fees have been capitalized and are being amortized over the term of the bonds. The remaining balance recorded in Other Assets on the Statements of Financial Position is \$64,798 and \$77,122 as of June 30, 2018 and 2017, respectively. Management has concluded that the difference between this presentation and that required by *FASB ASU 2015-3, Simplifying the Presentation of Debt Issuance Costs* is immaterial to the financial statements taken as a whole.

**4. CASH SURRENDER VALUE OF LIFE INSURANCE**

In prior years, the Church was donated ownership of cash value life insurance policies with the New York Life Insurance Company and Thrivent Financial where the Church is named as the sole beneficiary. The policies' cash surrender values of \$182,048 and \$167,222 as of June 30, 2018 and 2017, respectively, arose from past premiums paid and dividends declared. The policies' cash surrender values are included in Other Assets on the Statements of Financial Position.

ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

5. INVESTMENTS

At June 30, 2018 and 2017, investments consist of a certificate of deposit which is valued at cost, which approximates fair value.

6. FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Church has the ability to access.
Level 2	Inputs to the valuation methodology include <ul style="list-style-type: none"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability;</li><li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets of the Church are measured at fair value based on level 1 inputs. The carrying amount of cash, cash equivalents, accounts receivable, prepaid expenses, and investments approximates fair value due to the short maturity of these items and is considered to be the equivalent of a quoted market price and a level 1 input. Financial liabilities of the Church such as accounts payable, accrued expenses, and deferred tuition and revenue are stated at their carrying values due to the short maturity of these financial instruments. The swap contract liability is carried at fair value, marked-to-market using level 2 measurements.

Non-financial assets, including fixed assets, are stated at fair value when there is an impairment adjustment recognized. Management has determined that no impairment indicators existed at June 30, 2018 and 2017.



ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

7. LONG-TERM LIABILITIES

Long-term debt consists of the following as of June 30:

	<u>2018</u>	<u>2017</u>
Bond Payable	\$ 5,890,000	\$ 6,255,000
Less: Current maturities	<u>-</u>	<u>-</u>
	<u>\$ 5,890,000</u>	<u>\$ 6,255,000</u>

On January 1, 2007, the Church borrowed the principal sum of \$11,815,000, from the Colorado Educational and Cultural Facilities Authority ("CECFA"). The proceeds of its \$11,815,000 adjustable interest rate demand revenue bonds, series 2007 (St. John Evangelical Lutheran School Project) were issued pursuant to a bond trust indenture dated as of January 1, 2007 between CECFA and a U.S. chartered bank, as Trustee. The bonds have a maturity date of January 1, 2029 and require monthly payments of interest and annual payments of principal over a 22-year amortization period. As of June 30, 2018, the daily variable interest rate was 1.6%. Under the terms of the indenture, the Church is required to maintain a letter of credit in full force and effect in an amount equal to the principal amount of the outstanding bonds plus the amount required for interest thereon until all of the bonds have been paid in full. As part of this requirement, the Church has entered into a letter of credit and reimbursement agreement with Fifth Third Bank. This agreement expired on January 31, 2016 and was renewed by Fifth Third Bank for an additional three years with a new maturity of January 31, 2019. The renewal contained substantially similar terms except for an increase in the annual letter of credit fee from 75 basis points to 150 basis points. Fifth Third Bank holds a lien on the Church's facilities and other assets, backed by a future advance deed of trust, security agreement and assignment of rents. The balance of this securing letter of credit was \$5,957,775 and \$6,326,975 as of June 30, 2018 and 2017, respectively, and was sufficient to cover all outstanding amounts related to the bond liabilities. In addition, the bonds are secured by an unconditional guaranty of payment and performance by the Church.

At the time of the bond issuance, the Church entered into separate interest rate swap agreements to minimize the Church's exposure to interest rate volatility and effectively fix the interest rate on a substantial portion of the bond obligation. During fiscal year 2016, there was one remaining swap agreement which was set to expire in February 2017. Concurrent with renewing the letter of credit and reimbursement agreement with Fifth Third Bank, the existing swap was terminated and the associated liability of \$162,300 which was present at the time of termination was rolled into a new swap agreement. The new agreement has an initial notional amount of \$2,638,000, began February 1, 2016, and will expire February 1, 2022. Additionally, a second swap agreement was executed with a forward start date of January 1, 2017 and will also expire in February 2022. The initial notional amount of the forward start swap is \$1,800,000. As of June 30, 2018 and 2017, the operative notional amount was \$4,438,000, and the mark-to-market liability was \$4,040 and \$122,036, respectively. For the years ended June 30, 2018 and 2017, the unrealized gain on the swap obligation was \$117,996 and \$170,234, respectively.

As of June 30, 2018 and 2017, the Church maintained a committed secured line of credit with Fifth Third Bank allowing for maximum borrowing of \$1,000,000 at one month LIBOR plus 225 basis points. No amounts were outstanding as of June 30, 2018 and 2017. The line of credit expires on January 31, 2019 and is subject to renewal terms upon expiration. This line of credit is secured by a commercial security agreement.

**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

On December 12, 2012, the Church paid \$2,650,000 towards the bond obligation, in addition to the \$410,000 amount contractually required. As a result, \$2,650,000 of future bond repayment requirements has been considered prepaid. However, the Church's Board of Directors has implemented an internal amortization schedule so that the Church will continue repayment of the bond obligation under a modified amortization schedule for the purpose of retiring the bond obligation at the originally intended date. In December of 2017 and 2016, the Church made the planned principal repayments of \$365,000 and \$340,000, respectively.

The remaining scheduled payments of principal on the bonds are as follows:

Year Ended June 30,	As Contractually Required	As Planned by the Church
2019	\$ -	\$ 390,000
2020	-	390,000
2021	-	420,000
2022	395,000	455,000
2023	680,000	485,000
After 2024	<u>4,815,000</u>	<u>3,750,000</u>
	<u>\$ 5,890,000</u>	<u>\$ 5,890,000</u>

Interest expense and financing fees on all debt during the years ended June 30, 2018 and 2017 was \$234,012 and \$234,397, respectively. These amounts are inclusive of deferred financing costs amortization of \$12,324 and \$12,944 during 2018 and 2017, respectively.

**8. EMPLOYEE BENEFIT PLANS**

*St. John Lutheran Church – Ellisville, Missouri* is a member of Concordia Plan Services, a nationally available benefit plan for all affiliates of the Lutheran Church, Missouri Synod. This plan provides health, disability, life, employee savings, and pension benefits. Annual cost, net of employee contributions for the health plan, was \$893,032 and \$848,299 in 2018 and 2017, respectively. An HSA is offered for employees participating in the High Deductible Health Plan and is partially employer funded with a one-time contribution and employees can choose to self fund up to the IRS limit. Additionally, employees can participate in self-funded flex spending accounts for medical and dependent care.

**9. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from temporarily restricted funds by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

	<u>2018</u>	<u>2017</u>
School support	\$ 192,643	\$ 222,212
Ministries	564,723	264,473
Missions	<u>111,572</u>	<u>212,385</u>
	<u>\$ 868,938</u>	<u>\$ 699,070</u>



**ST. JOHN LUTHERAN CHURCH - ELLISVILLE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**10. TEMPORARILY RESTRICTED FUNDS**

These funds mainly include the gifts for special financial campaigns and activities of missions and other smaller ministries or sub-organizations.

Net assets at the end of June 30, 2018 and 2017 are temporarily restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
School support	\$ 55,014	\$ 27,537
Ministries	696,568	1,042,436
Missions	<u>17,263</u>	<u>22,212</u>
	<u>\$ 768,845</u>	<u>\$ 1,092,185</u>

**11. PERMANENTLY RESTRICTED FUND**

An endowment fund has been established by the Church Constitution and Bylaws. The Bylaws require accumulated donations of \$100,000 of permanent funding to function as corpus of the endowment before any funds in excess of that restriction can be expended or designated by the Board of Directors.

**12. FUNCTIONAL CLASSIFICATION OF EXPENSES**

Expenses by functional classification for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Program expenses:		
Church ministry	\$ 3,175,729	\$ 3,130,053
School ministry	2,987,618	3,017,693
Auxiliary ministry	<u>517,824</u>	<u>495,267</u>
Total program expenses	6,681,171	6,643,013
Management and general	509,595	482,419
Fundraising	<u>190,909</u>	<u>219,573</u>
	<u>\$ 7,381,675</u>	<u>\$ 7,345,005</u>

**13. NOTES RECEIVABLE – RELATED PARTY**

In accordance with personnel policy, a current ministry director has received a loan to help purchase housing while employed with St. John. Per the loan agreement, the interest rate is 4.0% and the loan term is 5 years. The loan will mature on May 31, 2022.