

THIRD PRESBYTERIAN CHURCH

2017 ANNUAL REPORT



A Year of Stewardship



Third Church Staff

(Persons listed below served during some portion of 2017, starting year indicated)

(2001) John Wilkinson, Pastor

(2008) Martha C. Langford, Associate Pastor for Congregational Care

(2013) Lynette K. Sparks, Associate Pastor for Outreach and Evangelism

(2001) Rebecca D'Angelo-Veitch, Coordinator of Children's Ministry and Congregational Life

(2007) Jane S. Carden, Youth Ministry Coordinator

(1991) Peter A. DuBois, Director of Music/Organist

(2014) Mary Ann Rutkowski, Associate Director of Music

(2014) Caroline Robinson, Assistant Organist

(1998) Roderic P. Frohman, Pastor Emeritus

(2015) Ernest F. Krug, Parish Associate

(1993) Carol D. Foster, Church Business Administrator

(2007) Lisa Cramer, Assistant to Church Business Administrator

(1999) Cindy Mark, Office Administrator/Volunteer Coordinator

(2016) Quillette Jones, Pastoral Administrator

(2017) Emily Blecksmith, Pastoral Administrator

(2006) John Pilato, Lead Sexton

(1999) Joey Becerril, Sexton

(2015) Scott Berthold, Sexton

(2017) Charles Capers, Sexton

Report of the Clerk

2017 Session Summary

During 2017, the Session met 11 times. In addition to hearing regular reports from committees, approving baptisms, and receiving new members, highlights and major actions by Session through the year included:

January

- Joint meeting with the Deacons.

February

- Joint meeting with the Trustees.
- Approved the 2017 budget of \$1,393,748.

April

- Met with the Commissioning Class and approved them as members of the church.
- Received the results of the annual Session Minutes Review by the Presbytery.
- Authorized holding a congregational meeting to elect elders, deacons, and trustees on April 30.

May

- Approved the ordination and installation of elders and deacons.

June

- Elected Chris Bensch as Clerk of Session and Jan Chisholm as Treasurer for one-year terms.
- Approved the communion schedule for 2017-2018.
- Approved using a new curriculum for the K-5th-grade classes.

September

- Received plans for stewardship visits by the church leadership.
- Approved Sunday School teachers for 2017-2018.

November

- Received a report on the ROC SALT Mission Center.

- Authorized a sabbatical leave for Becky D'Angelo-Veitch.
- Recognized the success of the Meals with a Meaning events.

December

- Discussed potential changes to the format and content of Session meetings.
- Reviewed a list of members with no current contact information and approved their removal from the rolls.

Third Church Membership

12/31/2016	1225
12/31/2017	1150

Baptisms Performed in 2017: 4

Lillian Barnum
 Theo Brugger
 Mark Jabaut (adult)
 Smith Blair Veenema

New Members Received: 17

Commissioning Class Members Received: 8

Jarr Briggs
 Meghan Elder
 Henry Fox
 Juliana Lutzer
 Elizabeth (Bizzy) Merz
 Lydia Stratton-Smith
 Massimo Vasta
 Natalie Vinton

Weddings Performed in 2017: 3

Members Deceased in 2017: 24

Brian Ball, 11/20/2017
 Joanne Beale, 10/5/2017
 Harry Beilfuss, 2/14/2017
 Richard G. Crawford, 3/6/2017
 James Eckberg, 3/18/2017
 Grace Gaston, 3/27/2017
 Sally Gillian, 4/7/2017
 Elizabeth Gocker, 12/6/2017
 Barbara C. Grace, 1/5/2017

Dean Harper, 9/26/2017
 John S. Hayward, 11/8/2017
 Mary Sue Jack, 11/4/2017
 Angela Johnson, 12/2/2017
 Nelson MacCallum, 2/1/2017
 James Marlett, 6/2/2017
 Elizabeth McKee, 10/20/2017
 Harry R. Nickles, 5/20/2017
 John S. Parke, 12/19/2017
 Kenneth A. Payment, 11/9/2017
 Lucile E. Rice, 8/11/2017
 Patricia Shaw, 4/5/2017
 Charles Stratton, 5/30/2017
 John W. Thoman, 2/11/2017
 Brian Walsh, 3/11/2017

Gifts totaling \$10,165 were given in memory of:

The Rev. Edwin Sprague
 Mary Garber
 Barbara Grace
 Robert Norton
 Lorraine Nitzman
 John Thoman
 Richard Crawford
 Harry Nickles
 Lucile Rice
 Dean Harper
 Elizabeth McKee
 Mary Sue Jack
 Christopher Mould
 Elizabeth Gocker

Endowment Fund deposits during 2017 totaled \$58,623; included in this total are bequests of \$49,580 and a special gift of \$1,500. Bequests were received from Marlene Duerr, Mary Garber, Perry and Marion Branch and Emily La Budde; a special gift was received from Bonny Claxton and John Wilkinson.

Christopher Bensch
 Clerk of Session

Report of the Treasurer

One of my duties as treasurer is to analyze the church's monthly operating fund financial statements, which are prepared by Carol Foster, our Church Business Administrator. These statements show the church's monthly and year-to-date income and expenses, and compare them to budget estimates. My task in this report is to make the same analysis for the year 2017.

Our main source of operating fund income is from pledges, income from which is credited when pledges are actually paid. As I've explained in my reports in previous years, every year our annual Stewardship campaign solicits pledges from church members to provide income for the next year's operating budget (gross pledges). For various reasons, every year a portion of this gross pledge amount is not paid, due to death or change in circumstance of the pledger (shrinkage). The amount budgeted for current year pledges, therefore, is a "best guess" of gross pledges minus shrinkage (net pledges).

This net pledge income is broken down into two categories— current year (2017) and prior year (2016). By year end 2017, we received \$874,944 of current year pledge income, which was slightly higher than our budget goal of \$870,145.

Some other income categories also showed better-than-expected results. We received \$20,323 of prior-year pledge income, which was 239% higher than our budget goal of \$8,500. Income of \$30,166 from contributions with no pledge was more than 177% higher than our budget goal of \$17,000. However, income from Sunday plate offering was less than expected—receipts of \$12,777 were 15% lower than our budget goal of \$15,000.

After a 2-year hiatus, our "Meals with a Meaning" fundraiser was held in October. It was very successful, with income of \$8740 exceeding our budget goal of \$8400.

The East Avenue Grocery Run realized net income of almost \$24,000, which exceeded our budget goal by nearly \$4000. This income was used to fund hunger programs within Third Church.

RAIHN moved its Day Center from our property at 34 Meigs St. to a larger facility in October. As a result, income of \$3336 budgeted as "34 Meigs Contribution" was not received.

We conducted a Second Mile campaign with a goal of \$33,600 to supplement the operating budget. While many congregation members supported this campaign, income of \$22,500 fell short of our goal.

We continued the procedures started in mid-2016 to improve the way in which we manage our cash flow. As a result, we were able to delay taking an imputed income draw from our endowment until October, when we withdrew \$73,902.

For the operating budget as a whole, income from all sources totaled \$1,176,276. However, that amount doesn't reflect the \$245,598 not withdrawn from the endowment. Had we taken the full amount from the endowment that was budgeted, income from all sources would have totaled \$1,421,874.

On the expense side of the ledger, actual expenditures totaled \$1,383,909, which was \$9839 less than anticipated. We continue to be grateful to all of the committees for their continued good financial management.

In summary, subtracting our expenditure total of \$1,383,909 from our adjusted income total of \$1,421,874 yielded an income surplus of \$37,965. Part of this will be used as a carryover to the 2018 operating budget.

Our endowment fund had an investment return of 17.7% for the year. Following the imputed income withdrawal of \$73,902 and contributions totaling \$58,623, the market value of the endowment fund as of December 31 was \$6,198,220, compared to the value of \$5,282,092 at year-end 2016. During 2017, the endowment fund investment management was transferred to an outside firm, Alesco Advisors. This change has provided Rusty Olson with a well-deserved "retirement." Rusty managed our endowment funds for several decades, with the help of the Investment Committee. We are most grateful for Rusty's dedicated service to Third Church.

Third Church has much to be thankful for. We are especially blessed to have outstanding financial management provided by Carol Foster. Looking ahead, 2018 promises to be a year filled with both challenges and exciting opportunities for growth.

Jan Chisholm, Treasurer

Contributions and Expenditures for Outreach

Contributions Received for Outreach-Related Programs, 2017

One Great Hour of Sharing	\$5,811
Presbyterian Homes	\$1,225
Peace & Global Witness	\$1,388
Christmas Joy	\$1,942
Hurricanes Harvey, Irma, Maria	\$10,633
Christmas Baskets	\$5,758
Pastors' Emergency Fund	\$13,185
Food Cupboard	\$1,721
Dining Room Ministry	\$2,160
East Avenue Grocery Run individuals' donations	\$13,464
Souper Bowl of Caring	\$2,390
Pentecost	\$403
Heifer Project	\$1,000
Kihumo Parish	\$784
General hunger programs	\$3,267
Great Schools for ALL	\$25
Cameron Community Ministries	\$55
Tutoring programs, including Gift of Books	\$225
Arts & Enrichment--Summer Sizzle	\$630
ROC the Day (for human service programs)	\$178
RAIHN Day Center room sponsorship	\$13,015
RAIHN @ Third	\$1,374
General Outreach programs	\$1,450
Total	\$82,083

Grant Income

Glover-Crask Charitable Trust	
- Food Cupboard	\$2,500
Price Rite	
-Food Cupboard	\$355
Rochester Area Community Foundation/Powell Family Fund	
-Programs for the hungry and homeless	\$6,131
Total	\$8,986

Corporate Matching Gifts

Apple Inc.	
-General Outreach programs	\$300
-RAIHN @ Third	\$400
Total	\$700

Outreach Expenditures, 2017

General Assembly	\$10,000
Synod	\$670
Presbytery	\$56,330
Theological Education Fund	\$400
Theological Seminaries	\$2,000
Greater Rochester Community of Churches	\$850
Kihumo Partnership	\$1,871
Peacemaking	\$700
RAIHN @ Third	\$1,076
Arts & Enrichment	\$16,753
Tutoring--School No. 35	\$9,900
Tutoring--School No. 3	\$10,180
Tutoring--East High	\$2,429
Third Church Food Cupboard	\$14,075
Dining Room Ministry	\$9,723
South Wedge Food Program	\$8,702
Cameron Community Ministries	\$900
Bread for the World	\$400
Christmas Baskets	\$2,796
New Initiatives	
-ROC SALT Mission Center	\$16,186
Other Outreach	
-Pastors' Emergency Fund	\$1,362
-NEXT Church	\$200
-Genesee Area Campus Ministries	\$200
-Faith in Action dinner	\$80
-Miscellaneous	\$217
Total	\$168,000

STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u> <u>Actual</u>	<u>2017</u> <u>Budget</u>	<u>Over/</u> <u>(Under)</u> <u>Budget</u>
INCOME			
Pledges-Current Year	\$ 874,944	\$ 870,145	\$ 4,799
Pledges-Prior Year	20,323	8,500	11,823
Contributions with no pledge	30,166	17,000	13,166
Plate Offering	12,777	15,000	(2,223)
Per Capita Contributions	10,446	9,500	946
Memorial Contributions	795	1,200	(405)
Hunger Ministry Contributions	8,960	6,000	2,960
Christmas Basket Contributions	2,796	3,500	(704)
Other Outreach Program Contributions	2,740	1,500	1,240
Music Program Contributions	50	0	50
Second Mile Contributions	22,500	33,600	(11,100)
In-Kind Contributions	4,872	4,500	372
Miscellaneous Income	1,935	2,200	(265)
Vanguard Dividend	3,289	1,000	2,289
Building Use Income	5,616	2,400	3,216
Day Care Rent	28,000	27,400	600
34 Meigs Contribution	9,264	12,600	(3,336)
Hunger Ministry: East Avenue Grocery Run	23,940	20,000	3,940
Other Income Sources	9,961	8,400	1,561
Designated Endowment Income	46,828	46,828	0
Endowment Income	0	215,596	(215,596)
Music Endowment Income	6,085	6,085	0
Building Endowment Income	20,989	50,991	(30,002)
Prior Year Carryover	29,000	29,000	0
Income Total	<u>1,176,276</u>	<u>1,392,945</u>	<u>(216,669)</u>
EXPENSE			
Personnel	871,574	879,548	(7,974)
Finance	14,383	14,000	383
Building	193,123	185,000	8,123
Office	39,392	42,180	(2,788)
Per Capita	37,485	37,485	0
Children's Ministry	1,815	2,500	(685)
Youth Ministry	7,335	10,400	(3,065)
Adult Spiritual Formation	2,382	2,615	(233)
Worship, Music & Arts	35,448	37,195	(1,747)
Congregational Fellowship	803	1,200	(397)
Evangelism & Membership	3,373	4,000	(627)
Board of Deacons	895	1,625	(730)
Session Fund	649	1,000	(351)
Outreach	168,000	168,000	0
More Light	2,380	2,500	(120)
In-Kind Expenses	4,872	4,500	372
Expense Total	<u>1,383,909</u>	<u>1,393,748</u>	<u>(9,839)</u>
NET INCOME (EXPENSE) FOR THE YEAR	\$ (207,633)	\$ (803)	\$ (206,830)
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THIRD PRESBYTERIAN CHURCH

ALL FUNDS BALANCE SHEET DECEMBER 31, 2017

	Operating Fund	Donor- Designated Fund	Board- Designated Fund	DEC 2017 TOTAL	DEC 2016 TOTAL
Assets					
Cash	\$ 79,357			\$ 79,357	\$ 397,619
Short-term investments	439,102			439,102	136,237
Pledges receivable (annual stewardship)	31,914			31,914	22,094
Reserve for pledges receivable (annual)	(31,914)			(31,914)	(22,094)
Pledges receivable (Second Mile)	0			0	0
Reserve for pledges receivable (Second Mile)	0			0	0
Pledges receivable (capital campaign)	16,925			16,925	27,364
Reserve for pledges receivable (capital)	(16,925)			(16,925)	(27,364)
Pledges receivable (chime restoration)	9,180			9,180	9,180
Reserve for pledges receivable (chime)	(9,180)			(9,180)	(9,180)
Other receivables	18,072			18,072	48,630
Investments		\$ 899,414	\$ 2,951,170	6,198,220	5,282,092
			106,597		
			875,329		
		1,365,710	Third Century		
Due from Operating Fund		47	(19)	28	1,027
Land and improvements	315,062			315,062	345,462
Building and improvements	6,252,436			6,252,436	6,185,770
Equipment	1,596,882			1,596,882	1,550,271
Columbarium	109,611			109,611	109,611
Art and historical treasures	50,000			50,000	50,000
Accumulated depreciation	(4,292,600)			(4,292,600)	(4,225,283)
TOTAL ASSETS	\$ 4,567,922	\$ 2,265,171	\$ 3,933,077	\$ 10,766,170	\$ 9,881,436
Liabilities					
Pledges paid in advance	\$ 228,584			\$ 228,584	\$ 193,999
Per capita paid in advance	5,505			5,505	5,264
Accounts payable	210,371			210,371	204,378
HSBC loan payable	0			0	0
Due to Board-Designated Fund	(19)			(19)	(19)
Due to Donor-Designated Fund	47			47	1,046
Total Liabilities	444,488			444,488	404,668
Fund Balances					
Memorial Fund	15,820			15,820	9,321
Fixed Assets Fund	4,031,391			4,031,391	4,015,831
Capital Campaign (net)	155,614			155,614	149,994
Other funds	286,181			286,181	147,442
Fund Balance	(365,572)	\$ 2,265,171	\$ 3,933,077	5,832,676	5,154,180
Total Fund Balances	4,123,434	2,265,171	3,933,077	10,321,682	9,476,768
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,567,922	\$ 2,265,171	\$ 3,933,077	\$ 10,766,170	\$ 9,881,436

**THIRD PRESBYTERIAN CHURCH
2018 BUDGET**

	2017 Budget	2017 Actual	2018 Budget	% CHANGE
Income:				
Gross Pledges	\$ 882,200		\$ 895,000	1.45%
-Shrinkage	22,055		29,088	31.89%
Net Pledges-Current Year	860,145	\$ 874,944	865,913	0.67%
Second Mile Campaign	33,600	22,500	0	-100.00%
2018 End-of-Year Appeal			5,000	
Pledges-Prior Year	8,500	20,323	8,500	0.00%
Commitments with No Pledge			15,660	
Contributions with No Pledge	17,000	30,166	7,500	-55.88%
Plate Offering	15,000	12,777	13,500	-10.00%
Subtotal of above	934,245	960,710	916,073	-1.95%
Existing Member Pledges Received After mid-February			17,000	
New Member Pledges Received After mid-February	10,000		6,000	-40.00%
Stained Glass Income Initiative			2,000	
Per Capita Contributions	9,500	10,446	11,500	21.05%
Memorial Contributions	1,200	795	1,000	-16.67%
Hunger Ministry	6,000	8,960	6,000	0.00%
Christmas Baskets	3,500	2,796	2,800	-20.00%
Other Outreach Programs	1,500	2,740	2,700	80.00%
Music Program Contributions	0	50	0	
In-Kind Contributions	4,500	4,872	4,500	0.00%
Miscellaneous Income	2,200	1,935	2,000	-9.09%
Vanguard Dividend and realized/unrealized gains/(losses)	1,000	3,289	2,200	120.00%
Building Use Income	2,400	5,616	3,000	25.00%
Day Care Rent Income	27,400	28,000	28,700	4.74%
34 Meigs Contribution	12,600	9,264	0	-100.00%
Hunger Ministry - Grocery Run (Net Income)	20,000	23,940	24,000	20.00%
Meals with a Meaning			12,000	
Other Income Sources	8,400	9,961	500	-94.05%
Endowment Income (see Explanatory Note below)	319,500	73,902	316,128	-1.06%
Subtotal of above	1,363,945	1,147,276	1,358,101	-0.43%
Prior Year Carryover	29,000	29,000	19,231	-33.69%
Total Income	\$1,392,945	\$1,176,276	\$1,377,332	-1.12%
Expense:				
Personnel & Child Care	\$ 879,548	\$ 871,574	\$ 893,139	1.55%
Finance	14,000	14,383	14,000	0.00%
Building	185,000	193,123	177,000	-4.32%
Office	42,180	39,392	39,530	-6.28%
Per Capita	37,485	37,485	38,294	2.16%
Reduced Per Capita (reduction of membership roll)			(5,000)	
Children's Ministry	2,500	1,815	2,200	-12.00%
Youth Ministry	10,400	7,335	7,900	-24.04%
Adult Spiritual Formation	2,615	2,382	2,400	-8.22%
Worship, Music & Arts	37,195	35,448	34,195	-8.07%
Congregational Fellowship	1,200	803	1,000	-16.67%
Evangelism & Membership	4,000	3,373	3,500	-12.50%
Board of Deacons	1,625	895	1,500	-7.69%
Session Fund	1,000	649	800	-20.00%
Outreach - Denomination	67,000	67,000	64,000	-4.48%
Outreach - All Other	101,000	101,000	99,000	-1.98%
More Light	2,500	2,380	2,300	-8.00%
In-Kind Expenses	4,500	4,872	4,500	0.00%
Total Expense	\$1,393,748	\$1,383,909	\$1,380,258	-0.97%
Income Minus Expense	\$ (803)	\$ (207,633)	\$ (2,927)	\$ (13,490) Dollar Change
Endowment Income Explanatory Note (a): This represents the budgeted endowment income that was intentionally not drawn from the endowment. We used existing cash reserves that have generated very little interest, which has allowed the endowment to accrue more growth and earnings.			\$ 245,598 (a)	
Adjusted Income Minus Expense	\$ (803)	\$ 37,965	\$ (2,927)	