



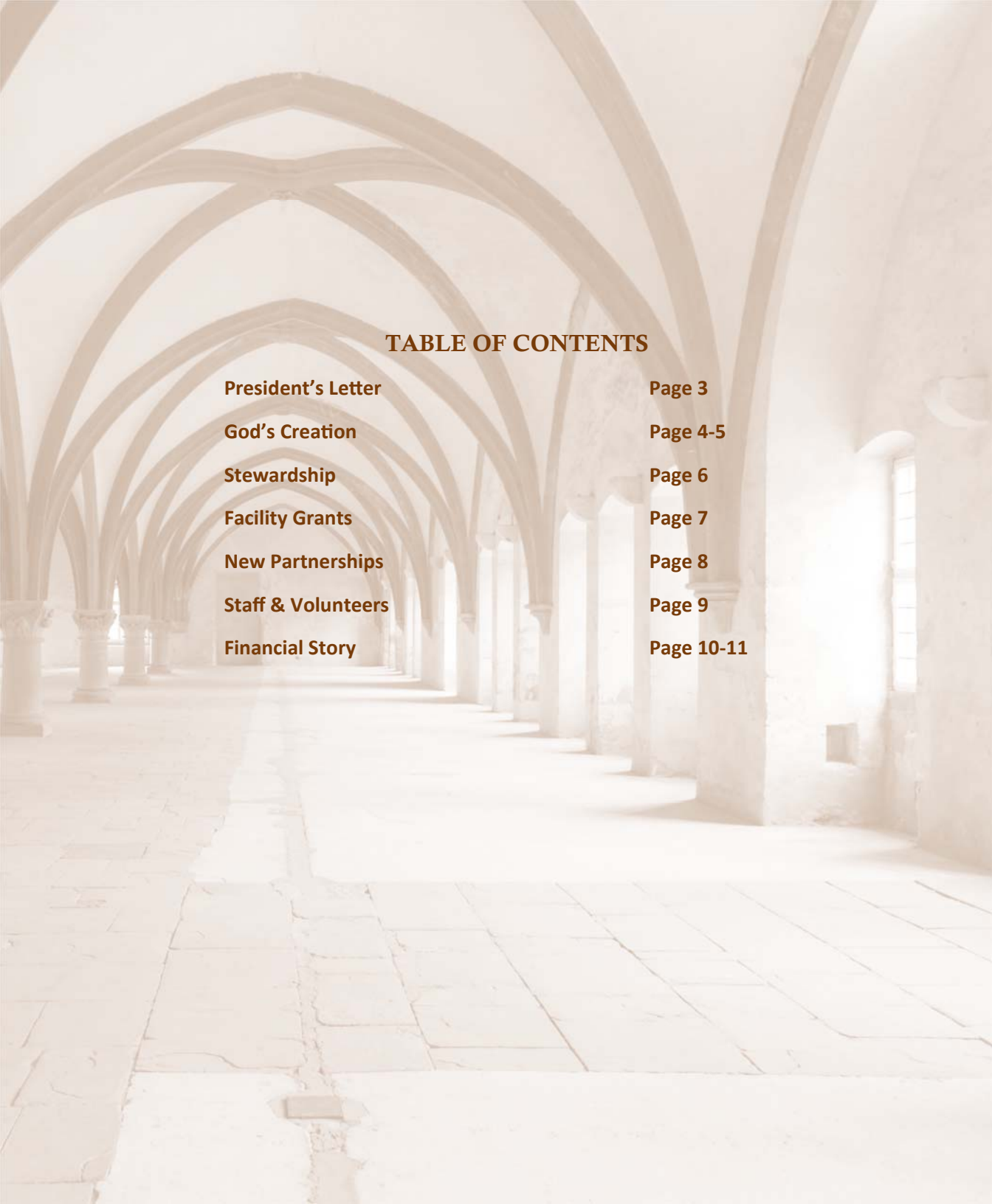
IN U.M. LOAN & SAVINGS MINISTRY, INC.

2017 ANNUAL REPORT

MOVING FORWARD

*Deuteronomy 31:8*

*Do not be afraid or discouraged, for the Lord will personally go ahead of you. He will be with you; he will neither fail you nor abandon you.*



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***MOVING FORWARD . . .***

**A letter from the President**

The Loan & Savings Ministry has been steadily moving forward since its inception. This last year we hit another milestone by holding more than \$30 million in loans outstanding, though by year-end our borrowers had already paid that down a little, pulling us just under that mark. This highlights two eternal concepts of this ministry: contrary to popular secular belief, our faith is growing and our churches are highly faithful and committed.

Over the last year, we have had several opportunities to partner with local congregations and other United Methodist ministries to help expand or improve ministries within Indiana. This annual report tells a few of those stories and shares how this ministry has been a faithful steward of our partners’ resources. The love of Christ is present within these ministries and I hope you feel His presence in these stories.



Manet Shettle

President





## *TWO UNITED METHODIST CHURCHES GO GREEN*

Utility bills can be expensive! Utilities are frequently a substantial percentage of a church's operating budget. Two of our local U.M. churches made the decision to install solar panels this past year, **Baker Chapel United Methodist Church** in Boonville and **Taylor Chapel United Methodist Church** in Fort Wayne. These congregations were able to stay warmer this past cold winter and save money.

Taylor Chapel UMC heard their power company was planning an increase in 2018. They had already replaced their lighting with LED bulbs and closely monitor their heating, so solar panels was their next step. They were also impressed by the fact that installing solar panels is the only capital improvement that can provide income. They will, in essence, sell back to the utility company the excess energy they produce. Taylor Chapel UMC reduced their electric bill by 20% so far this year and they hope to eventually see their solar panel system produce all their electrical needs. They project \$465,000 in savings over the next 30 years, which they plan to use for ministry outside their congregation.

The IN U.M. Loan & Savings Ministry was blessed to be able to partner with these churches. Many church leaders and congregations believe they have a spiritual obligation to protect the earth, and agree environmental stewardship is a moral responsibility. In some cases, loans could be expense neutral, which means congregations will save more in utility costs than their monthly loan payments.

The earth is the Lord's and all that is in it,  
the world, and those who live in it;  
for he has founded it on the seas,  
and established it on the rivers.

Psalm 24:1-2

*The point is this: the one who sows sparingly will also reap sparingly, and the one who sows bountifully will also reap bountifully. Each of you must give as you have made up your mind, not reluctantly or under compulsion, for God loves a cheerful giver.*

*2 Corinthians 9: 6-7*

The members of the Loan & Savings Board believe strongly in stewardship. They see the many blessings God has granted this ministry and they wanted to show their gratitude. They are all United Methodists who are active in their own local congregation, understand the concerns and issues our churches encounter and see the financial strain some congregations face when addressing unexpected facilities issues.

Responding to God’s call for all to be good stewards in everything we do, they choose to tithe 10% of the net income of the Loan & Savings Ministry each year towards ministry support. They created a fund with the United Methodist Foundation of Indiana to provide grants to United Methodist congregations and agencies in Indiana for facility improvements or repairs.

These grants focus on safety and security issues as well as handicap accessibility. The Foundation provides the expertise in processing the grant applications and promotes the grants throughout the state.

***BETHEL UMC EARLY CHILDHOOD ACADEMY***

Bethel UMC has a thriving Early Childhood Academy which is a registered child care ministry providing full day child care on the northwest side of Indianapolis. They provide a faith based program with age appropriate learning using a creative curriculum with a variety of activities. Classes are on a smaller scale, offering a more personal and special learning experience provided by professional teaching staff in a safe and secure environment.

While they had excellent staff who provided loving care, they were concerned with the physical access to the church. With school shootings and child abductions making headlines across the nation, safety concerns have become paramount for many child care ministries.

Bethel UMC implemented a multi-tier security system including key pad access and safety doors with crash bar access. They received a facility grant to help with this upgrade to their security systems.





## NEW PARTNERSHIPS

The IN U.M. Loan & Savings Ministry has been blessed over the last 17 years to partner with hundreds of churches and individual members in our Annual Conference to build ministries in Indiana. The past year we added a new partner to our mix, the United Methodist Financial Credit Union.

The Loan & Savings Ministry is committed to being good stewards of the funds entrusted to us. We carefully analyze the risks associated with each loan. One of those inherent risks is the size of the loan. No matter how good the credit of a church is, the larger the loan the more you have to lose. Yet, many of our churches need to build facilities to house ministries that can exceed \$10 million. These large loans have been too much risk for The Loan & Savings Ministry in the past.

Enter a new partner. The United Methodist Financial Credit Union agreed to participate with the Loan & Savings Ministry in funding a larger loan. We were able to make a \$4.25 million dollar loan by sharing the risk with the Credit Union. The church sees no difference between a loan fully funded by the Loan & Savings Ministry and one that has a participating institution, but we are able to reduce the risk for the depositors.

This has been a blessing for everyone.



The vision of the IN U.M. Loan & Savings Ministry is “**Building Ministry for Tomorrow.**” It is through the dedicated leadership of our board and the commitment of our staff that we have provided the services and support this year.

### OFFICE STAFF



**Sue Cunningham,**  
Accounting  
Assistant



**Tammy Foster,**  
Operations  
Assistant



**Tamy Hendricks,**  
Loan Officer



**Chris Jacobs,**  
Controller



**Mary Ann Moman,**  
Director of  
Development



**Brian Phillips,**  
Director of IT



**Manet Shettle,**  
President



**Susan Stach,**  
Office Assistant

### Board Members

Dave Berry  
Wayne Buck  
Karla Elliott  
Jim Gentry  
Scott Green  
Jeff Lorentson  
Jim Need  
Manet Shettle~  
DeVon Yoho

~Ex-officio without vote

### Field Staff

Chuck Armstrong  
Larry Bush  
Marla Dernay  
Vern Deutsch  
Beck Kammeyer  
Todd Outcalt  
Paul Perry

## FINANCIAL STORY

### Statement of Financial Position

	12/31/2017	12/31/2016
Loans	\$ 29,331,525	\$ 26,801,380
Cash	251,198	216,534
Investments	7,025,212	13,460,772
Other Assets	81,201	76,888
<b>TOTAL ASSETS</b>	<b>\$ 35,689,136</b>	<b>\$ 40,555,574</b>
Deposits	\$ 34,999,840	\$ 38,879,934
Other Liabilities	302,206	319,446
<b>TOTAL LIABILITIES</b>	<b>\$ 35,302,046</b>	<b>\$ 39,199,380</b>
Unrestricted Net Assets	\$ 1,387,090	\$ 1,356,194
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 36,689,136</b>	<b>\$ 40,555,574</b>

### Statement of Activities

	12/31/2017	12/31/2016
Mortgage Interest Income	\$ 1,283,632	\$ 1,161,971
Investment Income	80,158	43,898
Other Income	12,075	10,075
<b>TOTAL INCOME</b>	<b>\$ 1,375,865</b>	<b>\$ 1,215,944</b>
Interest Expense on Deposit	\$ 819,654	\$ 665,267
Personnel	152,795	154,914
Shared Expenses with UMFI	206,476	174,674
Loan Loss Reserve Expense	-	20,000
Grants	4,669	11,741
Administration	161,375	104,290
<b>TOTAL EXPENSE</b>	<b>\$ 1,344,969</b>	<b>\$ 1,130,886</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 30,896</b>	<b>\$ 85,058</b>

## FINANCIAL STORY



This is not an offer to sell our savings accounts or certificates of participation to you, and we are not soliciting you to buy our savings accounts or certificates of participation. We will offer and sell our savings accounts and certificates of participation only in states where authorized. The offering is made solely by our Offering Circular.

**Deposits are not FDIC insured**

Loan & Savings Ministry investors receive both the benefit of outstanding returns on their deposits and knowing their money is being used to generate and expand ministry within Indiana.

We have seen a steady growth in both the deposits we manage and the loans we have funded. We hit a milestone this year with over \$30,000,000 outstanding in loans. By the end of the year we fell slightly below that high because of the outstanding payment history of our borrowers.

Footnotes, which provide significant information concerning the financial condition of IN U.M. loan & Savings Ministry, have not been included.

For a copy of the complete report of the audited financial statements please contact the Loan & Savings Ministry.

**IN UM Loan  
& Savings  
Ministry, Inc.**



317.788.7879 | 8401 Fishers Center Dr. Fishers, IN 46038 | [www.lsmindiana.org](http://www.lsmindiana.org)

The IN U.M. Loan & Savings Ministry, Inc. is a nonprofit organization that promotes the growth and development of United Methodist churches and agencies in Indiana by providing loans for new construction, remodeling, and refinancing of churches, parsonages, and other facilities.