

Financial Annual Report



Senior Pastor's Report

"There is a boy here who has five barley loaves and two fish. But what are they among so many people?" Jesus said, "Make the people sit down." Now there was a great deal of grass in the place, so they sat down, about five thousand in all. Then Jesus took the loaves, and when he had given thanks, he distributed them to those who were seated; so also the fish, as much as they wanted. And they were satisfied.

John 6:9-13

It looked like so little, just five barley loaves and two fish and yet it was able to feed over five thousand people. This story is one that stretches our imagination allowing us to wonder how in the world did this miracle happen. Our curiosity will never be satisfied, and yet the crowds are still fed. Jesus takes the offering the boy brings and with God's blessing it becomes enough. Enough to satisfy those who are hungry and not only satisfy them, but provide leftovers. Thanks be to God!

I believe that we at Grace Lutheran have wondered just like the disciples did- is this enough? Will there be enough for us to do all the things that we feel called to do? However, we offer up what we have and ask for God to bless it. We give of ourselves, our time, our money and our talents and devote it to God, and out of what we offer, God does important things. God takes what we have and says to us: "Yes, you are enough. This is enough."

Financially this year was one of trust and faithfulness. It also took hard work, difficult decisions and mindful management. We ended the year fiscally about fifty dollars in the black. This happened because of your generosity and willingness to support the ministry of Grace Lutheran and also because of conscious decision-making by the staff and the Vision Board.

We have a tremendous staff at Grace. They are dedicated to serving God, this congregation and the community that surrounds us. They are passionate about their faith. They welcome people into our church daily with a spirit of love. I am so grateful to be a part of such a strong team that is willing to give so much of themselves in order to share the love of God. Our staff took a hit this past year, many of their positions were cut and they underwent a pay reduction. I know that this was a hard decision for the Vision Board and Interim Pastor Bruce to make. These difficult decisions decreased our staffing costs and allowed us to be fiscally minded. I want to commend the staff for their hard work and for being faithful to Grace through this time. They are still working hard in order to care for our congregation and to further our ministry. In the year ahead, our council has proposed a 2% raise for our staff, which is minimal, but I think an important gesture to say "thank you for the work that you are doing."

When you read through this report you will see that Grace continues to extend its hands to our neighbors in generosity. Our call from God to love God by loving our neighbor, is seen not only in the ongoing programming at Grace, but in your willingness to give financially to our local partners. I am so grateful for your care for people who are hungry and homeless, living under the affects of disaster both locally and globally. Our noisy offering

allows us to help people who reach out to us with medical bills, or in the midst of disaster. I am continually moved and grateful because this ministry transforms hearts and lives.

Our Stewardship Campaign this year invited members of Grace to "C" and imagine what God is doing at Grace. As we begin our ministry together, I believe that we are given the opportunity to dream what is next for Grace Lutheran. God has new adventures in store for us and I am looking forward to discovering where God is leading us to go together. We had 67 families turn in commitment cards helping us increase our giving for 2020.

In 2020 we will be taking intentional time to discern once again the values of Grace Lutheran and to create a new vision for the next 5 years. We will also be spending time discerning what is the best location for our future ministry. Is it here on the corner of Bunker and Round Lake Blvd or on our other location on Nightingale? In order to do this, we need to intentionally spend time listening to God. If you have never been to our location on Nightingale, I encourage you to travel there, see it for yourself and pray for Grace Lutheran (located south of 151st lane and west of Nightingale). I

am looking forward to listening and learning with all of you as we discern where God is calling us to go, and who God is calling us to be.



From my cottage meetings this fall, I learned that being a place of welcome and invitation is central to Grace Lutheran Church. We are committed to serving our community and have hopes and dreams for our kids, and a desire to reach out to young adults. We also are concerned about people's mental health and in particular the mental wellness of our youth and so we will begin learning together and focusing on mental health in this upcoming year.

Given the size of our congregation and our needs and desires in ministry, I hope that we will be able to call a full-time associate pastor who will concentrate on children, young adult ministry and faith formation for all ages. This is reflected in the budget that is put before you.

The budget that we are presenting this year is stable from our budget from last year, but it anticipates a generous increase in our contributions by about \$40,000. I believe this is an opportunity for us to consider what Jesus is inviting us to offer up. Can we come forward like the little boy with five barley loaves and two fish and generously give it to God? Because in each of us giving what we have, even when it might not seem like much, with God's blessing we will once again discover that it is indeed enough. Blessings,

Pastor Joanna Mitchell

Financially this year was one of trust and faithfulness.

Program Staff's Report

Outreach Ministries

One of our goals this year in the area of Outreach Ministries is to become better acquainted with area churches, learn what they're doing to make a difference in the community, and explore opportunities for collaboration! Our first collaborative effort will be a Lenten project with Lord of Life and Cross of Hope Lutheran Churches in Ramsey! Grace will be entering into a "friendly competition" with these churches to benefit the hungry in our community. We'll see which congregation can collect the most non-perishable food items throughout Lent, and the winning church (most likely Grace!) will be rewarded with a celebratory ice cream social! All food collected will be donated to ACBC Food Shelf in Anoka.

Debbie Jorgens
Director of Outreach Ministries



Youth Ministries



Last fall Tom Baker and I sat down together and came up with five words we wanted to use when planning ministry for young people in our congregation. After a long discussion we agreed on relationships, leadership, justice, community and understanding. When it came time to put together the budget for 2020, we revisited these words. In terms of budgeting, two words stood out. The first word was leadership. We wanted to create an opportunity for middle school students to lead amongst their peers and what better way to do that than camping! Instead of a traditional mission trip this year we decided to go on a four-day camping trip that is both economical and also provides the opportunity for students to take the lead at mealtime, clean up, recreational activities, and in everyday camp life.

The second word we focused on was community. It is important for young people to have a safe and welcoming space to gather when at church so that they can form a community with their peers. In the past, the youth room in portable 2 has been that space. But now it's time for a face lift. The 2020 budget includes monies for furniture and a few other cosmetic enhancements to really make a warm and inviting environment for young people to gather. We also have made the decision to move the youth room to classroom 106 in hopes that a room inside the church will lend itself to more opportunities for students to use the space.

Thank you for the continued support of our middle and high school students at Grace. As always, we wouldn't be able to do what we do without your time, resources and prayers.

Kristi Larson
Director of Youth and Family Ministries

Children's Ministries

Children's Ministry at Grace has been through a lot of change! With change there is a lot of uncertainty, but there is also excitement that God goes with us! Deuteronomy 31:6 says, *"Be strong and bold; have no fear or dread of them, because it is the Lord your God who goes with you; he will not fail you or forsake you."*

Our budget reflects some of these changes. The vision for Children's Ministry at Grace is learning together about who God is and what God is up to in our world. In line with this vision are old and new programs where parents and children can learn and grow in their faith together, we are adding a new children's faith library to Grace, and plan to create a pray-ground in the worship center. This year we will include VBS back into our ministry offerings for the Grace community and into the surrounding communities of Andover, Coon Rapids, Blaine, and beyond!

Maria Markman
Director of Children's Ministries



Top Photo: Youth helping to prepare a meal on the mission trip to Boston.
Middle : Youth Mission Team Group photo.
Bottom: Children's Christmas Program



President's Report



New Beginnings and Continued Guidance

When I think about 2019, what comes to mind is *new beginnings*. Throughout this year, we have called a new Senior Pastor, hired a Children's Ministry Director and an accompanist for the choir, and made changes in our worship schedule, among other things.

As the year opened, the call committee had just submitted the Ministry Site Profile to the Synod office to start the process of finding candidates for our open Senior Pastor position. Bishop Ann Svennungsen came to talk to the congregation to ask additional questions and hear, first hand, all that we were looking for in a new Senior Pastor. We also held an outreach ministry fair for people to learn about and explore ways in which they might serve our community and beyond.

In the early spring, members of the congregation shared parts of their faith stories in conjunction with our Lenten services.

We also took part in the "Forgiveness Project", reading and hearing stories of incredible forgiveness, both extended to others and received. As a congregation and Vision Board, we also voted to determine where to distribute nearly \$20,000 in benevolence. Monetary gifts were distributed to Grace4Rakai, Grace2Haiti, Family Promise, Sand Creek, Stepping Stones, and Feed My Starving Children. We were also blessed with a gift of time from the city of Andover in granting us a four-year extension on the permit for our portables, through 2023. This provides us the time to discern the next steps in God's vision for Grace as we move into the new phase of our journey.

Also in spring, the call committee interviewed candidates for Senior Pastor, and after multiple rounds of interviews and site visits, along with prayerful hours of deliberation, Pastor Joanna Mitchell was selected as the candidate to consider for call. In a nearly unanimous vote, with only one member voting no, Pastor Joanna was called as the next Senior Pastor of Grace Lutheran.

At this same time, we were in the process of searching for a Children's Ministry Director and an accompanist for the choir. In late summer, God brought us Maria Markman, an exuberant seminarian with experience as a Children's Director, and Melita Anderson, an extremely talented music teacher, to fill these roles. At the start of the program year, we had all three new staff members in place and had modified our worship schedule from four services to three, keeping the 5:00 pm Saturday service and the 10:30 am Sunday service contemporary style, and shifting to one Sunday traditional service, beginning at 8:45 am.

In the fall, we had Pastor Joanna's installation services, with Pastor John Hulden from the Minneapolis Area Synod presiding. Also in the fall, members of the congregation stepped forward in faith to share stewardship talks. In addition, many members and attenders participated in cottage meetings held at people's homes to provide Pastor Joanna the opportunity to learn some of the hopes, dreams and challenges at Grace. As part of who we are and who we continue to strive to be, Grace offered a series of inclusivity trainings and opportunities to experience a broader sense of interacting with and getting to know our "neighbors".

We finished the year "in the black" thanks to the generosity and faithfulness of the Grace congregation and community. Additionally, Grace's mortgage went from \$658,309.59 to \$575,428.20. Even so, our giving units for "all funds" declined from 449 to 385 units and considering only "current" fund giving units, we decreased from 419 to 379 units.

The year 2019 was a year of many new beginnings and God is sure to have much in store for Grace Lutheran throughout 2020. We are embarking on a time of visioning and discernment, listening and considering what God is calling us to do throughout the next decade. It is exciting to imagine what the next year will bring and comforting to know that God has prepared us well by putting us on a solid foundation from which to launch. May we soar throughout the new year upon the abundance of His continued guidance and grace. Praise be to God!

Johnna Hirt, Vision Board President



Above: Children's Ministry Director Maria Markman shares a children's message

Right (pg 5) : Pastor Jonna is being installed by Pastor Holden and Vision Board President Johnna Hirt

Special Meeting Minutes

**Grace Lutheran Church
Special Congregational Meeting
Sunday, June 23, 2019 - 9:30 am**

Johnna Hirt called the meeting to order at 9:31 am and shared an opening prayer. We had a quorum of 181 voting members.

Johnna had members of the Transition Team, the Call Committee and the Vision Board stand as introduction.

Our candidate for the new Senior Pastor was announced as Pastor Joanna Mitchell who was unanimously affirmed by the Call Committee and Vision Board. A brief slide presentation highlighted Pastor Joanna's areas of ministry experience, theology influence and focus of leadership.

The meeting was then open to a question & answer period by the congregation.

- Why is Pastor Joanna leaving her current church?
- What is the size of her current congregation & age range?
- What are some examples of her ministries/programs she started?
- Does Pastor Joanna plan to relocate?
- Why did she leave her first church to the second church?
- How many candidates were considered?
- Was Pastor Joanna involved in Women's Ministry specifically?
- As congregants, how do we support this candidate & her family?

Johnna Hirt called for the vote. The congregation was then instructed to mark their ballot as "member" or "non-member". They had a choice to vote "yes", "no" and "abstain".

The results were of 181 voting members; 179 voted "yes", 1 voted "no" and 1 "abstained"; more than 2/3rds was met to confirm Pastor Joanna the call as Grace Lutheran's Senior Pastor.

The meeting was closed in prayer. A motion was made by Ellen Law to adjourn the meeting; seconded by Chuck Donaldson and all voted "aye". The meeting adjourned at 10:00 am.



Respectfully submitted,
Vickie Meade,
Secretary of Vision Board

Membership Statistics

Baptized membership 1088

New Members Received

Adults 24

Children 3

Baptisms

Adults 1

Children 20

Weddings 2

Funerals 9

Confirmations 32



Average Worship Attendance 332



Above: Oktoberfest band warms up

Grace Lutheran Church Mission Statement

God has created us as a ministry of grace in the heart of Andover. God...

Welcomes us into a personal relationship with Jesus Christ as Lord through the transforming power of the Holy Spirit.

Encourages us to grow in our discipleship through worship, learning, and fellowship;

Equips us to share this ministry of grace and love through serving others; and

Sends us into the world to do God's will.



Benevolence & Noisy Offerings

Worldwide Outreach ELCA

ELCA Worldwide Disaster	\$1,559
Feed My Starving Children	\$762
Grace 2 Haiti	\$478
Grace 4 Rakai	\$755
Lutheran Disaster Relief	\$388
Robins Nest Sewing Center	\$479
WVW Healthy Mothers, Healthy Babies	\$1,646
Contribution:	\$6,067

Community Outreach

Families In Need	\$4,026
Habitat for Humanity	\$351
Hope4Youth	\$377
Family Promise	\$411
Family Table	\$910
Faith Partnership with Sand Creek	\$350
Stepping Stones	\$662
Other	\$1,720
Contribution:	\$8,807

NOISY OFFERINGS TOTAL **\$14,874**

Benevolence

ELCA -Minneapolis Area Synod	\$40,000
LSS – Lutheran Social Services	\$4,500
Other	\$12,266
	\$56,766

2018 Benevolence Tithe Free2B and Current Given out in 2019

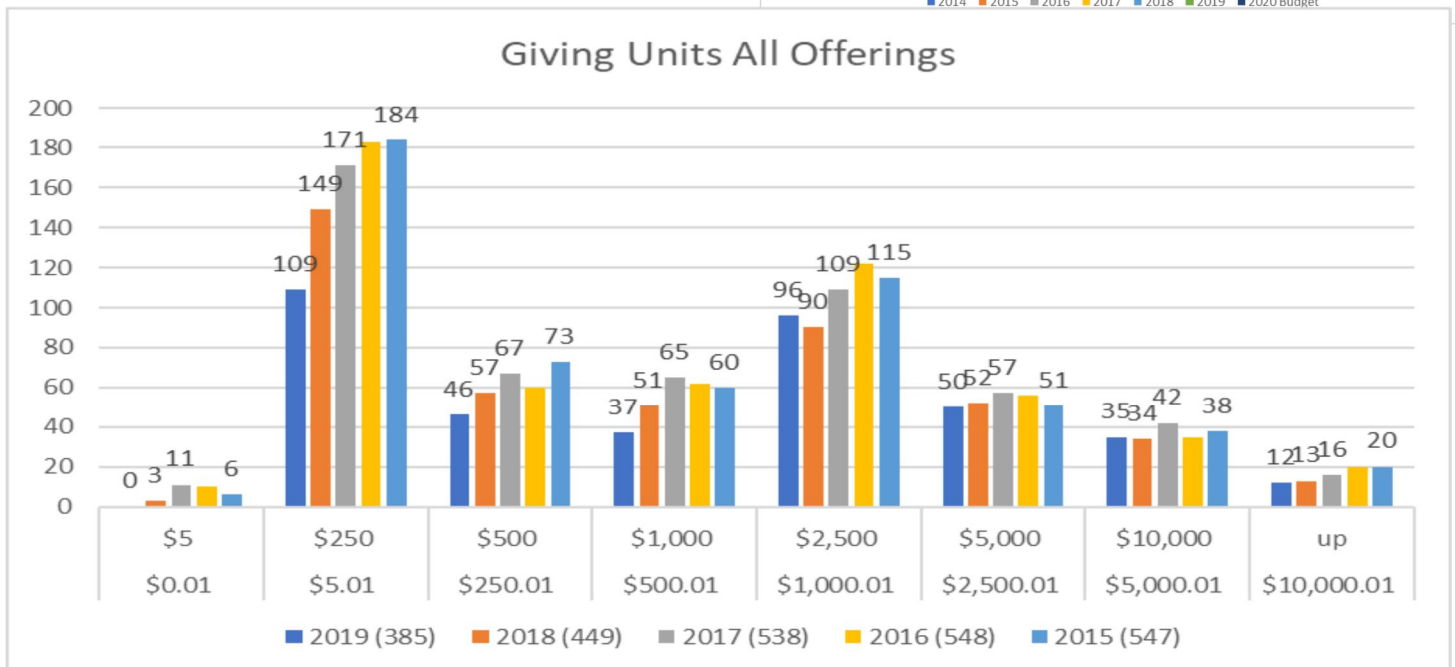
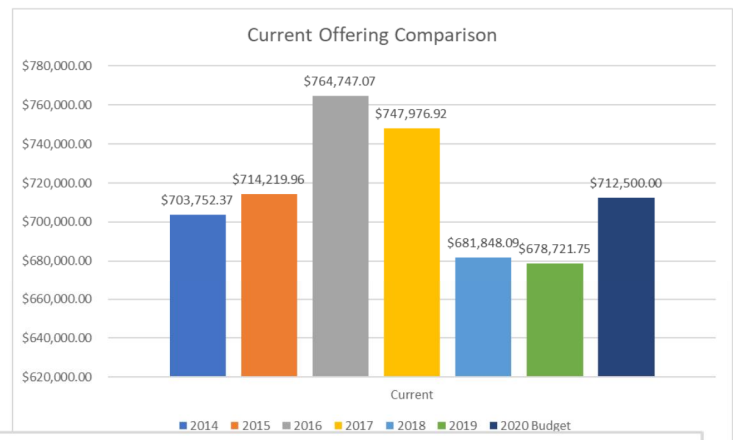
MLPS Area Synod Special Project	\$5,000.00
Grace 2 Haiti	\$2,163.47
Grace 4 Rakai	\$2,163.47
Family Promise	\$2,163.47
Faith Partnership with Sand Creek	\$1,153.87
FMSC	\$1,730.77
Hope 4 Youth	\$3,317.30
Stepping Stones	\$1,730.77

2019 Benevolence and Free2B Tithe to be Given out in 2020

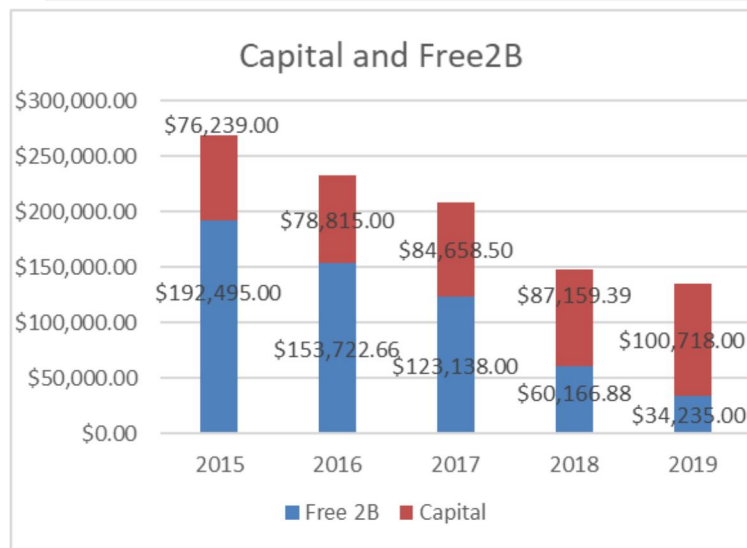
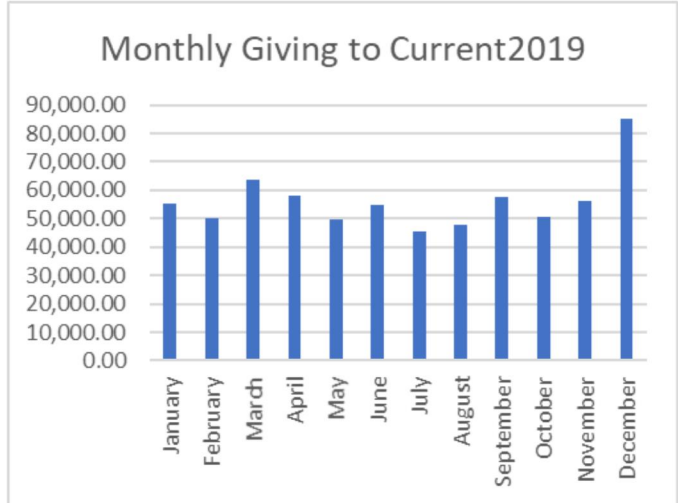
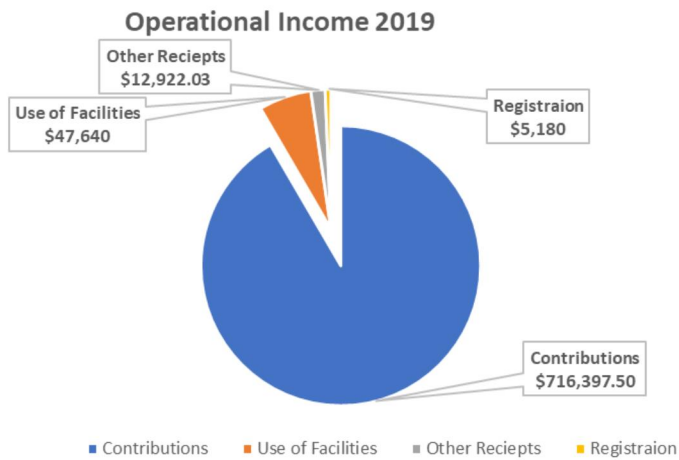
Current	\$12,265.61
Free2B	\$3,423.50

2019 Mortgage Information

Principal Paid	\$82,880.27
Interest Paid	\$23,271.73
Remaining Balance	\$575,428.20



How did Grace receive income in 2019?



can shift donations from Free2B to capital or operational investments if they choose. The church has a continual need for capital donations to pay the mortgage. The church needs at least \$112,000 a year to pay the mortgage. Capital donations are kept for capital expenses from year to year.

In 2019 the church received about 40% of offerings online and 60% in worship or via the mail. Many people over the age of 70 ½ are taking advantage of giving part or all their mandatory IRA distribution to the church for tax reasons.

Grace receives the majority of its contributions in March and April, depending on when Easter falls and then at the end of the year. Summers can be a difficult time for cash flow. However, in recent years on-line giving, the Trust distribution, and one-time gifts from mandatory distributions have helped with some of this fluctuation.

In 2020, the proposed budget includes starting to build a children’s library, fellowship time every week, the nursery staffed by youth on Sunday mornings, God’s Work our Hands and much more. Grace Lutheran is going to spend time praying, dreaming, creating, worshiping, and growing as a community over the next year. I am excited about the possibilities.

Kate Morphew
Church Administrator

Administrator’s Report

These pages give much information about our financial health and wellbeing, and how the church shows love and support through giving of the offerings we receive. God is generous and Grace shares in that generosity by tithing on all current, holiday and Free2B contributions.

The congregation supports Grace Lutheran financially in many ways. Grace has 3 main funds listed on envelopes and online for donations. Current or Operational supports the ministry of Grace. Information about these areas are in the operational budget. Free2B was a capital campaign that started more than 6 years ago. This was to help Grace pay down its mortgage and much more. Capital donations pay the mortgage and other capital improvements.

Giving to the Operational or Current fund in 2019 was very similar to the giving in 2018, after a significant decline from 2017. This budget projects an achievable growth in giving with God’s help and a willing heart.

As we move through 2020, the church will remove the offering line on envelopes and online for Free2B. People with existing gifts online will be able to continue to give to this fund. People



Above: Young girl prepares a kit at God’s Work our Hands

Offerings and Revenue

	2019 Actual	2019 Budget	2020 Budget
Contributions			
Current	678,721.75	714,000.00	721,500.00
Easter/Lent	10,706.17	15,500.00	12,000.00
Thanksgiving	820.00	1,200.00	1,500.00
Christmas	11,275.27	14,900.00	13,500.00
Noisy Offerings	14,874.01	15,100.00	15,000.00
Sub Total	716,397.20	760,700.00	763,500.00
Use of Facility			
Day Care	45,000.00	46,500.00	45,000.00
Other	2,640.00	3,020.00	3,000.00
Sub Total	47,640.00	49,520.00	48,000.00
Registration Fees	5,180.00	18,800.00	16,200.00
Other Receipts			
Other Receipts	2,922.03	2,410.00	2,550.00
Olson Trust	10,000.00	12,500.00	10,000.00
Sub Total	12,922.03	14,910.00	12,550.00
Total	782,139.23	843,930.00	840,250.00

Summary of Operational Expenses

	2019 Actual	2019 Budget	2020 Budget
Benevolence	\$71,640	\$75,850	\$76,350
Administrative	\$42,898	\$50,110	\$53,450
Worship	\$4,454	\$6,750	\$6,550
Stewardship	\$0	\$800	\$500
Education	\$2,360	\$11,850	\$17,700
Music	\$2,011	\$3,350	\$3,650
Outreach Ministry	\$995	\$1,800	\$2,400
Fellowship	\$3,125	\$6,970	\$8,250
Property	\$77,688	\$70,550	\$71,800
Youth	\$6,422	\$8,600	\$7,750
Personnel	\$570,494	\$604,900	\$591,850
Total	\$782,086	\$841,530	\$840,250

Giving Comparison 2014-2019

	2014	2015	2016	2017	2018	2019
Current	\$703,752.37	\$714,219.96	\$764,747.07	\$747,976.92	\$681,848.09	\$678,721.75
Other	\$33,264.12	\$31,394.72	\$43,723.93	\$29,926.51	\$29,739.41	\$22,801.44
Capital	\$80,332.00	\$76,329.00	\$78,834.66	\$84,658.50	\$87,159.39	\$100,718.00
Free 2B	\$187,271.50	\$192,495.00	\$154,222.66	\$123,138.00	\$60,166.88	\$34,235.00
Total:	\$1,004,619.99	\$1,014,438.68	\$1,041,528.32	\$985,699.93	\$858,913.77	\$836,476.19

* These numbers do not include noisy offerings