

# GRACE LUTHERAN FINANCIAL

## ANNUAL REPORT

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24





*If anyone is in Christ, there is a new creation: everything old has passed away; look, new things have come into being! - 2 Corinthians 5:17*

It feels as if we are turning a new page in our life together at Grace. For five years now, we have planned and dreamed. We allowed our hearts to be transformed alongside our building and throughout it all we trusted God to lead us. We have completed this huge project and finally are living in a new space. As we move into this new year, I wonder what God has in store for us.

In his second letter to the Corinthians Paul rejoices that Christ has made us a new creation, that we can let go of our old life, and walk a new path because of God's great love through Christ. He describes our mission to be ambassadors of Christ. We are the ones sent out to share the good news of the Gospel.



I believe that this is the right time for us to consider what is next for us here at Grace Lutheran Church and start the process of a strategic plan. Spending time listening to God, to our neighbor, to each other and to wonder what God is calling us to do with the information we gather. What do we need to focus on at Grace? How might God be inviting us to do new things and let old things pass away.

In this financial-annual report, you will find the budget that is proposed for 2025 including the income and expenses for Seeds of Grace, our preschool and childcare center. The budget remains relatively unchanged, decreasing a little because we will be ending our Transforming Campaign.

I want to highlight a few things about the finances at Grace. First, I want to celebrate your abundant giving that has allowed us to reach our goal of raising over \$1.5 million dollars. Thank you! Thank you for honoring the commitments that you have made. Thank you for stretching in your giving and giving faithfully when asked. We had originally anticipated having a mortgage around \$14,000 a month. Because of your generous giving, we now anticipate a mortgage of \$11,666. What a gift! I continue to see God's hand at work in building this church.

Second, I want to explain a few changes in our budget. We are no longer saving for our building project, we are paying a mortgage again. Along with the renovated building are new expenses. Our property insurance has increased. We also have a mouse problem at the church and hired a pest control agency to come quarterly. These expenses have increased our Ministry Operation expenses. While they seem to be building related, they are not "capital expenditures" which means they cannot be paid for out of a Capital account. Capital accounts are designated for things like a mortgage and big property expenses (over \$5,000). You will see in our budget that we have some capital expenses but most of our budget is Ministry Operations. We believe that the remaining money coming in from Transforming Inside & Out and Pave the Way will allow us to finish parts of our project like the lighting in the fellowship hall (\$15,000), sound panels in the sanctuary (\$20,000) and new exterior signs (\$30,000). Our budget includes these expenses funded through both Capital and Transforming Inside & Out.

You will see our budget for Ministry Operations has increased in other areas too. Ministry Operations includes staff salaries, utility bills, benevolences to our partners, and funding our ministry groups like women's ministry, mental health, youth and children, mission trips and more. Any money given to Ministry Operations can be used to pay for **both** general ministry and capital expenses. It is our hope that more of you will shift your financial giving to Ministry Operations to help us cover these expenses and have flexibility.

Finally, I want to lift up our amazing staff, who have creatively and flexibly served through transitions and through a hard year of construction. They have exceeded my expectations. I am so blessed to lead this team with their unique gifts and talents. I am also incredibly grateful to our volunteers who function as staff. We couldn't do the work we do at Grace without their faithfulness. We said goodbye to Kris Miller (Administrative Assistant) and Tracie Russell (Church Administrator) this year, both exceptionally faithful and diligent members of our team. We have also welcomed JoAnn Stubbs and Patrick Sullivan (in those roles). God continues to provide for us.

Thank you for being a part of God's new creation here at Grace, for blessing us with your faithful witness, your generous giving and sharing in God's love!

Blessings, Pastor Joanna Mitchell



**Vision Board Members  
Chrissy Gast, Chris Pace, &  
Deb Corey serving food in  
the new great hall**

Grace family, what a momentous year we have had at Grace Lutheran Church. We have been and continue to be transformed inside and out.

This past year, the Grace Vision Board made some impactful decisions that helped move the church forward. Thanks to God's abundance and the increased generosity from our church community, we were able to invest more in the church by boosting the budget, which set the stage for a lot of positive changes. We have completed our building project and opened our doors to a more welcoming space for all. We also made improvements to things like WIFI and accessibility for our online services. All these investments were crucial in keeping the church strong and supported as we look forward to the years to come.

Your generosity goes beyond the walls of our church. One way we are transforming outside our church is through the 10% tithe from our Transforming Inside & Out donations. This year, our tithe of \$51,220 will benefit several important initiatives, including Family Promise in Anoka County, Grace 2 Belize, Grace4Rakai (African Children Today), HOPE 4 Youth, Quilts for Rakai, Sand Creek Elementary School, Seeds of Grace Preschool & Childcare, Stepping Stone Emergency Housing, and Tapestry (a bilingual church in Richfield). Your generosity is touching lives around the world. Thank you!

Another area of focus in 2024 was bringing people together. In partnership with our ministries, Grace hosted some great events, like the Grand Opening Celebration, God's Work Our Hands, and Trunk or Treat, all of which really brought the community closer.

Leadership was a priority for the Vision Board as well. We are incredibly grateful for the leadership of Pastor Joanna and Pastor Maria and are investing in their development to support their growth, so together they can continue to inspire and guide the church community toward its mission and vision. The Vision Board has also been evolving, saying goodbye to our outgoing members – Anna Welle, Bill Hentges, Carl Chandler and Holly Dodds, welcoming new members – Hayley Seide, Chris Pace, Ross Chambers, and Sally McPhillips, and committing to our own development as leaders of the church – by learning new faith practices and reading the book "Leading Faithful Innovation: Following God into a Hopeful Future" together.

Looking ahead, there's so much to be excited about. We're hopeful about continuing to grow our outreach and finding new ways to connect with people. We're also focused on nurturing our congregation through worship and ministries, ensuring financial sustainability, and creating a stronger sense of community. With everything we've set in motion this year, the future looks bright, and I'm eager to see how Grace Lutheran Church can keep making a difference!

*"Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen."* – Ephesians 3:20-21

With gratitude,  
Chrissy Gast, Vision Board President





Hello members of Grace, I am James Bell the new president of the Seeds of Grace Advisory Board following Amber Ringwelski's dedicated tenure as our president. 2024 was truly a transformational year for Seeds of Grace as we navigated the building project, shuffling all the little ones between rooms and various changes in their routines. We also hired our Assistant Director Rachel Malmgren who has supported our Director Christine and our mission to provide high-quality and affordable early childhood programs.

Speaking of affordability, the Seeds of Grace Advisory Board did diligent research on the cost of local early childcare costs allowing a data driven decision that best supports our budget, the children who attend, while being fair to the parents who rely on Grace to care for their children. After much deliberation, the board voted to increase our weekly rates this year by \$25 allowing us to better support our ministry. Even with this tuition increase we are still in the mid-range compared to other centers.

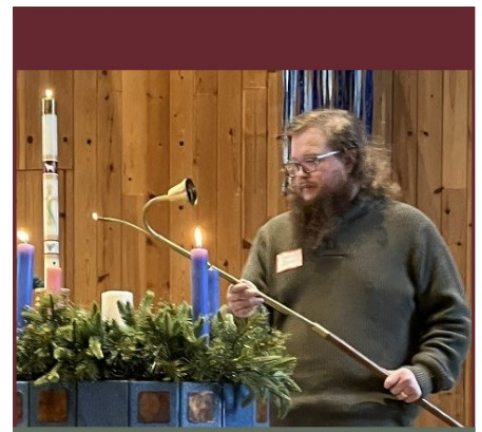
This year's greatest achievement by the board was reforming and releasing a revised parent handbook that empowers our Director, Christine, with the updated language around illnesses from the state and clarifying many of our policies that previously were ambiguous.

A special achievement I would like to highlight is our licensing inspection this year. It was our Director's first year in this role, and we passed with minimal notes passed along. For those who aren't as close to our daycare, this is a triumph to navigate the regulatory requirements of childcare while also developing over 50+ young ones and maintaining relationships with parents and guardians day in and day out. We are truly blessed with a staff and leadership team that does it all!

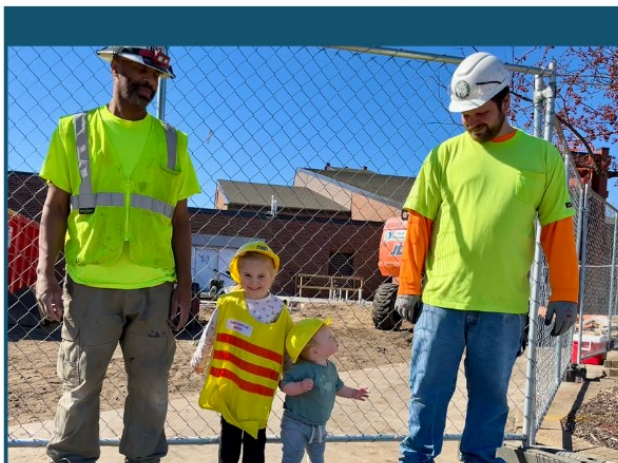
Next year we have many plans and projects at Seeds of Grace. Now that our rooms are renovated and refreshed, we're ready to begin the process of researching and hopefully renovating our playground in the spring. Our fence is beginning to show its age, and our equipment is beginning to fade after several years of dutiful sliding, pushing, and playing.

I speak for all the members of the Seeds of Grace Advisory Board when I say thank you to the staff. Truly it is a blessing to have each of you within the ministry of Seeds of Grace. Thank you, members of Grace Lutheran Church, for enabling a ministry that fills the halls every weekday with the laughter and chaos of the children of our community. Thank you, Christine, and Rachel, for your servant leadership to the staff, the children, and our church.

Thanks, James Bell

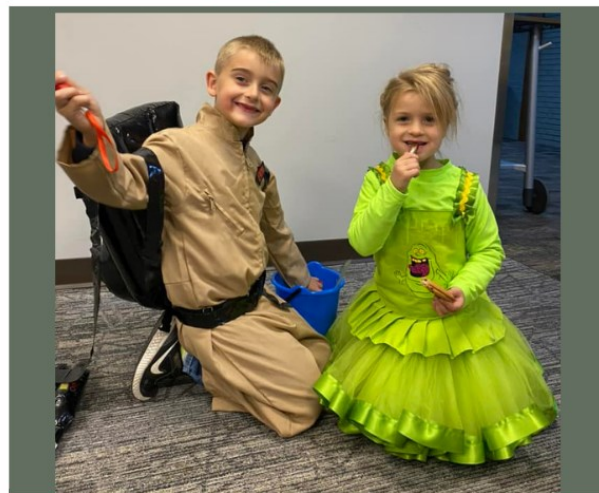


**James Bell lighting the Advent wreath**



**Seeds of Grace kids and construction workers**

3



**Seeds of Grace kids having fun at Trunk or Treat**



Hello from Seeds of Grace Preschool and Childcare Center,

As we look back on the past year, we couldn't help but use the words grateful and blessed.

We are grateful for our amazing staff. Our staff is resilient and has overcome many obstacles during this year of construction and transition. Daily our staff shows love and care to children, their families and one another. Because of their hard work and dedication, we want to be able to offer higher wages and benefits. To do this, we increased our tuition by \$25 per week per student.

This year we hired Rachel Malmgren as our Assistant Director. Even with two newbies, we passed our licensing inspections with only a few minor paperwork violations. All classrooms passed their individual inspections, which is huge! We are so thankful construction is over, and we have all settled into our new classrooms!



**Toddlers exploring their new room**



**Preschoolers having fun at Vacation Bible School**



**Toddlers presenting their Christmas Program**

The Seeds of Grace Advisory Board welcomed James Bell, Nikki Salfer, Emma Myrum & Emily Wick. We also said goodbye to Amber Ringwelski, who faithfully chaired the board for 6 years, and Michelle Niemi (1 year). I couldn't do this work without our supportive and insightful board.

We are blessed to have wonderful parent support. Our parents help with field trips, volunteering, and donations, whether it is of monetary value or toys & clothes for our classrooms. Not only have our parents been able to help support us, but we have also been able to help support four families during difficult times with our scholarships this year. This graciousness is one of the many reasons why we love working here at Seeds of Grace.

Currently, we have fifty-three children who are enrolled in Seeds of Grace. Our toddler and infant rooms are at full capacity, and while our preschool rooms have a few openings, we hold those openings for our current children who will be moving up.

In 2025, we hope to develop a plan for a new and safer outside playground. Members of our Board are researching options and costs, and we are taking input from families and staff. There is around \$25,000 in a dedicated account for the playground, and we received \$7,000 from the Transforming Tithe. Thank you, Grace Lutheran Church, for your commitment to our families. We anticipate the playground costing around \$100,000, which includes fencing, equipment, removing rocks, landscaping, and installing synthetic turf. We will be applying for grants and fundraising for the remainder of the cost.

I give thanks again to all the Seeds of Grace staff, Advisory Board, Grace Lutheran Church, and its Vision Board, and all our families for their continued support!

*"Be joyful always; pray continually; give thanks in all circumstances."* – 1 Thessalonians 5:16-18

With blessings,

Christine Klersy, Director

Rachel Malmgren, Assistant Director

<b>Grace Lutheran Church 2025 Itemized Operational Budget</b>			
<b>RECEIPTS</b>	<b>2024 BUDGET</b>	<b>2024 ACTUAL</b>	<b>2025 BUDGET</b>
Current Offerings (Grace Ministry Operations)	\$735,000.00	\$753,603.33	\$860,000.00
Sunday School Offerings	\$450.00	\$274.96	\$300.00
Noisy Offerings	\$3,000.00	\$2,326.08	\$2,300.00
Capital Offerings	\$90,000.00	\$76,544.00	\$87,770.00
Transforming Inside & Out (Building Project)	\$450,000.00	\$458,713.68	\$135,500.00
Gifts of Grace	\$1,500.00	\$2,551.00	\$2,500.00
Miscellaneous Income/Other Receipts	\$250.00	\$12.91	\$100.00
Sub Total - Contributions	\$1,299,200.00	\$1,294,025.96	\$1,088,470.00
Use of Facilities	\$3,500.00	\$811.56	\$1,000.00
Seeds of Grace Receipts	\$710,000.00	\$719,741.68	\$833,655.00
Registration Fees/Books	\$35,900.00	\$23,834.74	\$36,475.00
Other Receipts	\$59,300.00	\$214,303.05	\$67,800.00
<b>TOTAL RECEIPTS</b>	<b>\$2,107,900.00</b>	<b>\$2,252,716.99</b>	<b>\$2,027,400.00</b>
<b>COST OF MINISTRY</b>	<b>2024 BUDGET</b>	<b>2024 ACTUAL</b>	<b>2025 BUDGET</b>
Seeds of Grace Investments	\$91,065.00	\$92,650.07	\$92,335.00
Administrative Expenses	\$73,465.00	\$64,122.53	\$75,952.00
Worship Investments	\$7,400.00	\$9,380.15	\$9,500.00
Stewardship Investments	\$-	\$0	\$20,000.00
Christian Education Investments	\$7,000.00	\$5,686.05	\$6,775.00
Music Investments	\$2,400.00	\$2,771.52	\$2,600.00
Social Ministry Investments	\$-	\$2,374.00	\$2,500.00
Parish Life/Fellowship Investments	\$10,900.00	\$9,584.99	\$11,000.00
Property Investments	\$558,616.00	\$105,970.27	\$346,400.00
Youth Investments	\$43,180.00	\$29,824.99	\$39,680.00
Benevolence	\$55,500.00	\$57,370.68	\$60,500.00
Additional Expenses	\$28,000.00	\$615,229.32*	\$30,050.00
<b>TOTAL COST OF MINISTRY</b>	<b>\$877,526.00</b>	<b>\$994,964.57</b>	<b>\$697,292.00</b>
<b>PERSONNEL INVESTMENTS - SALARIES &amp; BENEFITS</b>			
Pastors	\$240,564.75	\$241,687.25	\$253,228.96
Grace Staff	\$395,007.40	\$348,947.70	\$396,735.80
Other Personnel Investments	\$32,700.00	\$31,742.27	\$32,053.42
Seeds of Grace	\$562,093.49	\$591,068.93	\$652,776.17
<b>TOTAL PERSONNEL INVESTMENTS</b>	<b>\$1,230,365.64</b>	<b>\$1,213,446.15</b>	<b>\$1,334,794.35</b>
<b>TOTAL RECEIPTS</b>	<b>\$2,107,900.00</b>	<b>\$2,252,716.99</b>	<b>\$2,027,400.00</b>
<b>TOTAL EXPENSES</b>	<b>\$2,107,891.64</b>	<b>\$2,208,410.72</b>	<b>\$2,032,086.35</b>
<b>MARGIN</b>	<b>\$8.36</b>	<b>\$44,306.27</b>	<b>(\$4,686.35)</b>

\*Includes Transforming Inside & Out, Pave the Way, and other dedicated account transfers.





Grace congregation gathered in the renovated sanctuary



Using the new washer and dryer



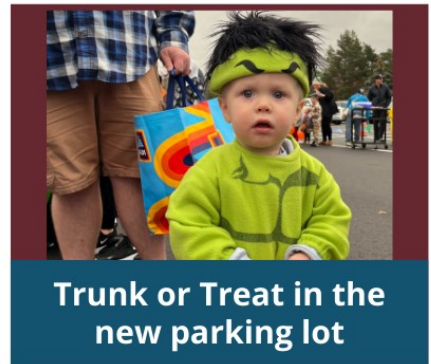
Pie social set up in the renovated kitchen

# Congregational Meeting Agenda

February 9, 2025 at 9:30am in the Sanctuary

## Agenda

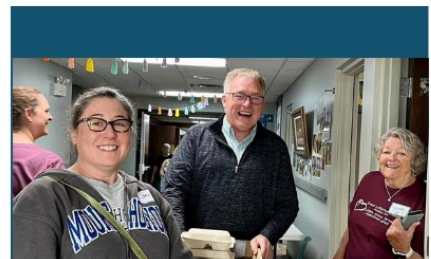
- Opening Prayer
- Review 2024
- State of Grace Lutheran Church and looking forward
- Budget 2025
- Nominations for Synod Assembly
- Vote on 2025 Budget and Synod Assembly Members
- Closing Prayer



Trunk or Treat in the new parking lot



Wednesday night Praise Band in the low light of the fellowship hall



Family Table using the renovated kitchen for meals



All Saints Sunday in the renovated sanctuary



Advent wreath lighting in the renovatd sanctuary



Bike day at S.O.G. in the new roundabout

Grace Lutheran Church  
13655 Round Lake Blvd. NW  
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**FINANCIAL**

# CONGREGATIONAL MEETING

FEB. 9TH AT 9:30AM IN THE SANCTUARY

BUDGET INFORMATIONAL MEETING:

JAN. 26TH  
9:45AM IN ROOM 113