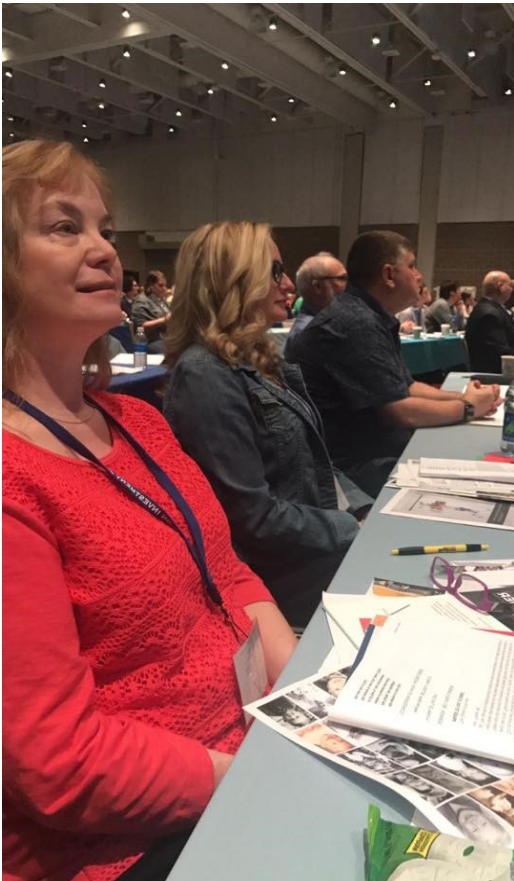




72nd Annual Meeting
Sunday, January 20, 2019
Albert Lea, Minnesota



ANNUAL
REPORT
2018

A message from Presiding Bishop Elizabeth Eaton

Dear siblings in Christ,

As members of the Evangelical Lutheran Church in America, we are freed by grace to live faithfully, witness boldly and serve joyfully. As communities of Jesus that nurture life-changing relationships with God, one another and the world, we are confident about who we are in Christ and what God is calling us to do. Whether worshiping wherever two or more are gathered, engaging in lively conversations about faith, or rolling up our sleeves and getting to work, we strive to share God's grace and love in Christ for all people and creation. This reflects the vitality we find in Jesus Christ, our own spiritual life and our desire to participate in what God is doing today.



Within each community of Jesus there are leaders who strive to model an attitude of servanthood, trustworthiness, humility, patience and listening first while striving to work with others in healthy ways. These leaders teach all ages, motivate believers, build consensus, share a vision, discern direction and facilitate action. Their attention is focused on growing disciples who are sent into their daily life to love and serve others as friends, neighbors, parents, citizens and workers. Together we recognize the importance of growing disciples and multiplying leaders who serve inside your congregation and beyond your walls.

As our congregations plan their work for the coming year and how to use the resources God has entrusted to them, I invite you all to think about the relationships that bring you vitality and the leaders you nurture for God's mission in the world. While you make many decisions, remember you are not alone. We are all partners in sharing the gospel. Together, by God's grace, we can do what God is calling us to. May you go forth to do justice, love kindness and walk humbly with God.

Serving together in Christ's name,



The Rev. Elizabeth A. Eaton
Presiding Bishop
Evangelical Lutheran Church in America

You shall love the Lord your God
with all your heart, and with all
your soul, and with all your mind,
and with all your strength.

Mark 12:30

Grace

Table Conversations:

Share with those around you...

Best Memory here at
Grace...

What are you
looking forward
to in 2019?

Favorite Bible
verse and why...

Which Bible character
would you like to meet
and why?

Would you rather be
held in high regard
by your parents or
your friends?

Agenda

1. Call to Order
2. Opening Devotions (Inside Back Cover)
3. Opening Hymn
4. Approval of Today's Agenda (Page i)
5. Approval of 2018 Annual Meeting Minutes (Page 1-2)
6. Reports
 - Pastor Shane Koepke
 - Pastor Jennifer Gonsalves
 - Grace Lutheran Staff
 - Church Council
 - Finance Team
 - Grace Foundation
 - LEAD
 - Others
7. Elections
8. Unfinished Business - None
9. New Business
 - Approval of Proposed 2019 Budget
10. Closing Prayer
11. Doxology

Index

Agenda	i
Index	ii
2018 Annual Meeting Minutes	1-2
Reports	
President Church Council.....	3
Pastor Shane Koepke.....	4
Pastor Jennifer Gonsalves	5
Grace Lutheran Staff	6-10
Finance.....	11-15
Capital Campaign	16-17
Grace Foundation.....	18-21
LEAD	22
Ministerial	23-24
Usher's.....	25
Scholarship	26
Personnel	27
Grace Seniors	27
Memorial Team.....	27
WELCA.....	28
Altar Guild	29
Building Equipment & Grounds	30
Life & Growth	31
Mission Ministry	32
Elections	33-34
New Business	
2019 Proposed Budget.....	35-36
Gustavus Annual Report	37
SEMN Synod 2016 Ministry Report	38

[Minutes of the Seventieth First Annual Meeting]

January 29, 2017

President Nikki Schumaker called the seventy first annual meeting of Grace Lutheran Church to order in the fellowship hall. Pastor Jennifer Gonsalves led the group in devotions. The hymn *Let Us Talents and Tongues Employ* was sung, accompanied by Deacon Robert Tewes. A motion was made by Jerry Dahl and seconded by Wes Dahl to approve the agenda for the annual meeting; motion carried. A motion was made by Jim Westeng and seconded by Jim Munyer to correct the minutes from the seventieth annual meeting, changing the motion regarding the approval for a new pastor from: "Brad Kirchner made a motion to approve the calling of a 2nd pastor" to "Brad Kirchner made a motion to take a vote on whether or not to call a 2nd pastor". Motion for the correction carried. A motion to approve the corrected minutes from the seventieth annual meeting was made by Bruce Olson and seconded by Bill Barber; motion carried.

Senior Pastor Report by Pastor Shane Koepke: Pastor Shane welcomed Pastor Jennifer Gonsalves to Grace. He encouraged members to introduce themselves to her to help in the process of getting to know the congregation. He reported that a Capital Campaign was initiated and continues to be in process. The goal of \$800,000.00 has not only been reached; it has been surpassed due to the generosity of the membership. He reported that the Building, Equipment and Grounds commission has been working with an engineer to get specs so that bids can be let for a new heating system for the church. They are working with an architect on plans to remodel the bathrooms and hallways. The plans for the work supported by the Capital Campaign were prioritized by the congregation and are being approached following that order.

Council President's Report: Nikki Schumaker shared that attendance at Council meetings this past year was a struggle and stated that she was looking for there to be improvement in the upcoming year. She reported that a small team of people will be reviewing the church constitution and updating it to be in line with the Synod's model constitution. She reported that the LEAD (Leading Everyday as Disciples) program has successfully initiated the backpack program at Hawthorne School and is looking to expand it to include other schools by coordinating with other churches/agencies.

Other Reports: A motion was made by Kathy Diaz and seconded by Julie Groeneweg to accept the reports included in the Annual Report as written; motion carried.

Elections: Motions were made and carried for the following nominations/elections:

Church Council: Julie Groeneweg, Truman Thrond, Dennis Hamberg, Gary Schindler
Church Council Youth: Lexis Saltou, Maggie Moller, Joey Witham
Delegates to St. John's Home annual meeting: Nikki Schumaker, Jerome Meyer
Grace Foundation: Kathy Diaz, Bruce Olson

BERC Assembly: Jim Munyer
Synod Assembly: Julie Groeneweg
Personnel Committee: Heather Earl, Darin Passer
Scholarship Committee: Jeanne Lundak, LuVerne Godtland, Steve Lee, Jackie Williamson, Julie Drommerhausen, Todd Vogelsang

Unfinished Business: None.

Minutes of the Annual Meeting Continued

New Business:

1. Budget – Pastor Shane discussed the budget planning process followed this year. It was a team effort that included staff members, personnel committee members and the finance team. Council had input to the budget process. It is now brought forward for approval. This budget includes the cost of adding a second pastor. It includes the funding for health insurance for staff members that was recommended by the personnel committee in an effort to retain our good staff. The finance team researched insurance programs and has based the cost included in the budget on the plan they found to be both the most economical and inclusive. A motion to approve the proposed budget was made by Bill Barber and seconded by Jerry Dahl.

Discussion: Bruce Olson pointed out that it was a considerable jump from the 2017 budget and asked what will happen in the event that the budget needs are not met. Pastor Shane responded that, if that were to occur, a short term loan would be made. There was a question regarding the increase in the amount of money being sent to the Synod. Patty Tewes explained that the benevolence amount is based on the amount that comes in to Grace each month using the flat rate of 6.65% of the monthly total. The amount reflected in the proposed budget has been figured using that percentage of our total budget. A question was raised as to the income from the farm this past year. Because this income is part of the Grace Foundation, it was not addressed as part of the budget discussion. The motion to approve the proposed budget was voted on; motion carried.

2. Mary Petersen, who is one of the co-chairs of Grace Seniors, asked for clarification on the dates for the Salad Luncheon and for the Heritage Luncheon if these events are going to be offered this coming fall as these will affect planning for the Grace Seniors programs.
3. A motion was made by Jerry Dahl to adjourn the meeting. The meeting was adjourned. Pastor Jennifer provided a closing prayer. The Doxology was sung, accompanied by Robert Tewes.

Respectfully submitted,
Becky Tennis Hanson
Council Secretary

President Report

2018 has been a very positive and growing year for us at Grace.

In the past year we have completed several of our Capital Campaign projects – We finally have new boilers to heat the church, this has been a topic of concern and conversation for years here.

2018 we were stretched financially and we made it through with positive attitudes.

I believed in the ability to be the congregation God is calling us to be for the future. By listening to one another and moving forward we will continue to make a difference in the life each and our community.

I would like to say Thank you to the congregation for allowing me to be your council president for the past 2 years. It has been a pleasure working with the council the past 2 years and I look forward to watching the new president and council continue the successes we have started

Nikki Schumaker, Congregation President
Grace Lutheran Church

Lead Pastoral Report

Your church. Our church. The church. The language we use matters when talking about the place we worship, learn and ignite our faith. The church is a place, yes, but more than that it is the people of God coming together. Coffee shop, grocery store, park or driveway, the coming together of Christians to pray, learn, worship and care is the church and the church in action.

Grace is living into being the church more every year. As we move forward with a more sound building, we provide a safe, reliable place for ministry and worship to happen.

The next step, then, is using this place. Ask one of the pastors or staff to lead a class or Bible study. Hold a family function here, have a group meeting here, let Grace be a place from which we not only worship, but also live out our worship-filled lives.

The budget this year is not only accurate, but it has decreased (Woo-Hoo!!) but a decreased budget does not mean decreased ministry. Why? Because you know the value of a saved dollar, a generous heart, and the power of God's people coming together to be the hands and feet of Christ in our community and the world.

Thank you for all you do to make Grace a wonderful place of ministry.
Peace on our journey- PShane

Associate Pastoral Report

One year ago, I drove into Albert Lea in the middle of a storm unsure about what this new chapter in my life would look like. And while the snow wasn't a surprise, it felt like everything else in my life was changing. For I was moving from two churches to one, from working alone to working on a staff. I was leaving behind friends and extended family and for the unknown. In the midst of all that uncertainty, I did have certainty about one thing: my life was about to change.

Change – it is a word that carries with it so much hope that can be better than they will be before, but also the fear that may not. We in the church can at times get nervous about change, because the familiar traditions, music and story of God's love can bring us a lot of comfort in the middle of an everchanging world.

Yet, we also believe in God is constantly making all things new. Whose Spirit is constantly calling us to new ways of loving and serving God and neighbor. In this past year, we dramatically changed the way Sunday School works in order to more fully share God's love with our children and youth. The Missions Team has had conversations about how we can make this work, the work of the whole congregation. And these are just two examples of the many ways in which the people are embracing the ways in which God is continually making all things, including us, new.

My prayer for this coming year is that we at Grace may continue to be open to exploring what new directions God is calling us to go as we seek to share that old, familiar story of Jesus love for us and for all the world.

Peace,
Pastor Jennifer Gonsalves

Worship and Music

As I write this article, I have just stepped away from the last of the musical rehearsals in preparation for our Advent Lessons and Carols service, to be followed immediately by our Christmas Eve and Christmas Day services. This is the most enjoyable, yet at times, stressful, seasons to be a church musician. Nonetheless, without question, it is the most rewarding time of the year!

As I work with the youth, in particular, I find myself saying similar things each year: “Everyone who gathers at worship on Christmas, regardless of their age today, first heard the Christmas story being faithfully told by a previous generation, when they were children. When we tell the story, through our songs, we take our turn in keeping this important story alive. It’s a covenant that we keep and a duty we pass on to the next generation of story keepers.”

Having completed my eighteenth year as Organist and Music Director at Grace, these thoughts swirl in my head. I have been keeping the Christmas story for many years now. I have fond memories of performances, worship services, and rehearsals where Christ was really present and harmonious sounds were performed and heard. It is also a time to reflect on those faithful story keepers from whom I heard the story told.

From David Herman, our church organist when I was growing up, to Lori, his wife, my first real piano teacher. To Gordon Bruns, my first organ instructor, to Phil Gehring, John Bernthal and Wolfgang Rübsam, my college organ instructors; Eldon Balko and Fred Telschow, my college choir directors; Greg Woodward, my college composition instructor (now President of Carthage College in Kenosha, WI); Daniel Brockopp (Dean of the Valparaiso Chapel) from whom I learned to be fascinated with liturgy, movement and the importance of purposeful silence; Paul Bouman, whose work with Children’s Choirs still gives me inspiration; and Carl Schalk, beloved composer and editor of “Lutheran Book of Worship,” who was baptized at, and grew up at Immanuel Lutheran Church in Des Plaines, Illinois, ironically the first church I served after graduating from college.

These were key figures in my own faith story. The influence each of them have had on my career cannot be overstated. I name them, because they are honorable people. Faithful leaders and teachers who kept the story alive in my life. I’m sure you have your own list of influential mentors. I invite you to take out a piece of paper and write down their names. Let this exercise be a blessing to you, as your memory of their influence on your life has doubtless already blessed you many times in the past.

With their example ever before me, I continue the tasks of selecting, rehearsing and performing music in the context of our worship services. And I am blessed to have many faithful participants who come to weekly rehearsals with myself and Sherry Seberson, offering their talents in service to others.

In closing, I share the final stanza from one of the hymns we will sing at the Advent Lessons and Carols service. The poem was written by Susan Palo Cherwien, who has eight hymn text poems in *Evangelical Lutheran Worship*. The hymn was a collaboration with Carl Schalk (whom I mentioned earlier), who wrote the melody. May its words inspire us in our journey together in this place:

*Shine your future on this place, enlighten every guest,
that through us stream your holiness, bright and blest, bright and blest,
come dawn, O Sun of grace.* (ELW 261:4)

Deacon Robert Tewes

Children, Youth and Family

The Children, Youth and Family Committee was created this year by combining the Education Team and the Youth Ministry Team into one group. This team provides input and direction on programming and faith formation opportunities at Grace. The team is advised by Pastor Jennifer Gonsalves and our Youth Director, Ashley Kuhlman.

Children's Ministry:

- A study was undertaken of our current Sunday School programming to assess its current effectiveness and to address challenges expressed by parents and volunteers.
- In Fall, we revamped our Elementary Sunday School programming and begin using Deep Blue Sunday School – Large Group/Small Group. Sunday School now takes place entirely in the Fellowship Hall and there is an emphasis on interactive learning through games, crafts and storytelling.
- Our Preschool & Kindergarteners Sunday School Class is taught by Kate Dahl who continues to create her own curriculum. This allows the kids to learn the stories through structured play and activities.
- Vacation Bible School returned to Grace this year with the help of counselors from Good Earth Village. The counselors from Good Earth taught our Elementary kids while Pastor Jennifer and volunteers lead a half day Pre-K program. We had 51 children participate in VBS this year.
- All fifth graders participated in Communion Stepping Stone Class. Any students who were not currently communing also celebrated their first communion on Maundy Thursday.
- Preschoolers received a SPARK Story Bible and 3rd Graders received a Deep Blue Common English Version Bible as part of the Stepping Stone Ministry. We also began gifting Frolic First Bibles to infants and young children baptized at Grace.
- The Christmas Program this year was "The ABC's of Christmas" and was performed by our Sunday School students.
- Mark your calendars! Vacation Bible School with Good Earth Village has been scheduled for August 5-9, 2019.

Youth Ministry:

- New curriculum has been introduced to our Bible Year of Confirmation program called "Echo the Story" by Augsburg. This year we also added more Family Nights to our Confirmation program that included topics like how the church works, a Thrivent Financial speaker and preparing for Advent Festival
- 16 youth were welcomed into our Confirmation program this fall and 21 youth were confirmed in October
- Several youth spent time at Good Earth Village this summer including 10 youth who attended Confirmation Camp with Pastor Jennifer & Ashley.

Children, Youth and Family Continued

- 19 youth and 4 adults traveled to Houston, TX in June to participate in the 2018 ELCA Youth Gathering. This event had over 30,000 participants with a theme of “This Changes Everything”. Youth participated in an Interactive Learning day, a Southeastern Minnesota Synod day, Service Learning day and Mass Gathering each night where we heard from a variety of speakers and artists.
- 17 youth participated in a Local Mission Trip Week which is a service week for our middle school youth during VBS.
- We have revamped our High School Youth Group on Wednesday nights. This November our High Schoolers packaged 24 care packages for our young adults.
- Service & Fellowship Events have included Z-Tag, Mount Kato, Spring Break Day Trip, Ewalu’s Dirty Feet Retreat, Valley Fair, Real Hope for Hungry Packing Event and Good Earth Village’s ReKindle Retreat.
- Next year we are taking 10 youth to Denver, CO for a week-long mission trip through Serve Boldly.

Family Ministry

- We held several Family Game Nights throughout the year.
- We held monthly Family Worship services during the winter and spring. During the summer, the program staff made the decision to switch to Grace at the Table – a dinner church service – which we hope will encourage the building up of relationships between the generations.
- Several events were held for our families this year including: Easter Egg Hunt, Church Picnic, Rally Sunday, Trunk or Treat and Advent Festival.

The Children, Youth and Family Committee would like to express our thanks to all the volunteers and the people of Grace for supporting the work that we do by in sharing God’s love with all the generations at Grace.

Blessings,

*Brandy Boettcher, Paula Buendorf, Sheila Calderon,
Angela Moller, Matt Moller, Rebecca Passer,
Pastor Jennifer Gonsalves, & Ashley Kuhlman*

Parish Nurse Report

Friends of Grace Lutheran,

The past year for the Parish Nurse ministry has been a busy, yet productive year providing visits to our shut-ins, long term nursing care facilities, hospitalized, homeless and also those in Hospice care. I have had the opportunity to listen, care, and pray with so many in our church family. There has been many referrals for medical care, finding transportation, health screenings, fall prevention and of course education, education, education. I continue to work part-time on Mondays at the church, however am available by phone or emails in the evenings as I continue to work full time in Owatonna as an adult mental health case manager/nurse.

To review the role of the Parish Nurse/Faith Community Nurse as used for ease of reference throughout is a specialized practice of professional nursing that focuses on the intentional care of the spirit as well as on the promotion of holistic health and prevention or minimization of illness within the context of a faith community. Here at Grace Lutheran my ministry is such that on Monday's I will stop by the local hospital to check on the status of those hospitalized here. However I might add the importance of letting the church know if you have loved ones hospitalized or planning for upcoming surgery as it has become increasingly difficult to know which hospitals are being utilized in the area and we are unable to obtain that information from hospital staff. I make phone contacts with those that are recovering from surgery, illness, or chronic long term conditions. I offer support for those that I am aware of that are experiencing loss of independence, lifestyle changes, unemployment and follow up with those in bereavement. Home visits are then offered by the parish nurse or referrals made for pastoral care, volunteer visits made by the visitation team, or referral to other local agencies.

Ways to participate in the Parish Nurse Ministry is by knitting or crocheting Prayer Shawls or Pocket Prayer Squares to be given as a gift of love to those dealing with health or bereavement issues or just as a gift to comfort and warm someone with love and prayers. The Parish Nurse offers during her visits, a homemade treat baked by volunteers within the congregation. Meal Ministry volunteers have also offered meals to be made and delivered to those in need of good nutrition at difficult times.

Health Cabinet

The Parish Nurse ministry is overseen by the Health Cabinet, which meets only 6 times per year and also assists in the Blue Christmas Service held in December. If you would be interested to serve on this ministry please contact the church office.

Homebound Ministry

Coordination of scheduled visits by volunteers to extend the ministry of the congregation and offer caring compassionate visits and communion to those that are unable to attend church services at Grace Lutheran. We are always looking for volunteers (male or female, young or old) that would be interested in setting your own schedule to visit a minimal number of individuals approximately monthly, offering updates and happenings around the church allowing them to stay connected. Members of the visitation team ensure that Holy Communion is offered on a regular basis. The parish nurse continues to offer a monthly gathering at St. John's - Knudson Place on the 4th Monday while offering a time of fellowship, and communion to those in attendance.

Grace Lutheran's visitation team meets only 6 times a year for continued training and sharing while updating the needs of our homebound.

Parish Nurse Report Continued

If you would consider serving please contact the church office.

Grief Support Groups

These groups are offered for informal discussions and support for those who have suffered the death of a spouse, child, or friend. This is also open to anyone experiencing loss in their life. The Men's group meets on the 4th Monday at 10:00 am in the kitchen. We currently do not offer a Women's Support group, however please call if you would like support in your grief journey with thoughts that this group could resume at any time.

Please call myself or the church office with interest. To offer extended support and friendship the Friends Group was developed a number of years ago and continues to remain strong. This is a group of individuals that may be widowed, divorced or single who gather on the second Sunday evening of each month for games, potlucks and support to each other. If interested please watch the bulletin or contact Sandy Frederickson for details.

My goal as your Faith Community nurse is to continue ongoing support and compassion to our faith family. Providing outreach with health promotion, education, counseling, referrals and maintenance of volunteer coordination. My desire is that we are always willing to offer a visit, prayer, or kind gesture to anyone we come in contact with and be a constant reminder that we never have to walk alone.

Do not fear, for I am with you, do not be afraid, for I am your God; I will strengthen you, I will help you, I will uphold you with my victorious right hand. Isaiah 41:10

May God Bless You,
Lori Tuchtenhagen
Parish Nurse/Faith community nurse

Balance Sheet

Grace Lutheran Church 918 Garfield Avenue Albert Lea, Minnesota 56007

Dec 31 2018

Balance Sheet

ASSETS

Cash Accounts	
Security Checking Account	\$162,709.64
Security Savings Account	\$4,833.42
US Bank Checking Account	\$100.00
US Bank Savings Account	\$10,120.42
Mission Investment Fund Account	\$108,321.62
Thrivent Savings Account	\$0.00
Ameritrade Account	\$0.00
Martin Luther Fund Checking Account	\$0.00
Ryan Scholarship Mission Investment Fund Acct	\$11,559.89
Guse Scholarship Mission Investment Fund Acct	\$28,899.68
Cash Accounts Total	\$326,544.67
TOTAL ASSETS	\$326,544.67

LIABILITIES

Cash Accounts	
Federal Payroll Taxes Payable	\$5,173.54
State Payroll Taxes Payable	\$881.47
Retained Earnings	\$0.00
Member Pretax Contribution	\$0.00
Mission Investment Fund Loan	\$0.00
Cash Accounts Total	\$6,055.01
TOTAL LIABILITIES	\$6,055.01

FUND BALANCES

Undesignated	
General Fund	\$59,159.35
Undesignated Total	\$59,159.35
Designated	
Designated Education	
Education Ministry Fund	\$1,058.98
Library Fund	\$2,092.71
Sunday School Offering	\$58.00
Designated Education Total	\$3,209.69

Balance Sheet Continued

Designated Missions	Billboard Fund	\$0.00
	Congregation Member Mission Fund	\$430.05
	Martin Luther Fund	\$4,308.99
	Hawthorne Fund	\$515.00
	Hawthorne Backpack Fund	\$3,153.32
	Food for Backpacks Grant Fund	\$2,869.51
	Chart your Course Fund	\$0.00
	World Hunger	\$98.75
	International Health Partners	\$40.70
	Heifer Fund	\$2,580.12
	Missionary for a Day Fund	\$756.49
	Local Food Shelves	\$10,305.78
	Designated Missions Total	\$25,058.71
Designated Parish Nurse	Prayer Shawl Fund	\$838.97
	Parish Nurse Fund	\$617.50
	Designated Parish Nurse Total	\$1,456.47
Designated Property	Boiler Maintenance Fund	\$712.06
	Building Fund	\$8,582.39
	Memorials Fund	\$10,512.05
	Prayer Garden Fund	\$5,002.69
	Thrivent Choice Fund	\$14,252.08
	New Boiler Fund	\$0.00
	Roof Fund	\$0.00
	WELCA Cookbook Fund	\$81.00
	Altar Guild Expense Fund	\$0.00
	Sound System Fund	\$20.00
	Capital Campaign	\$71,804.96
	Chairs for Chapel	\$50.00
	WELCA Sewing Fund	\$337.74
	WELCA Stewardship Fund	\$8.61
	WELCA General Fund	\$5,579.02
	Designated Property Total	\$116,942.60

Balance Sheet Continued

Designated Scholarships	Godtland Scholarship Fund	\$17,327.84	
	Guse Nursing Scholarship Fund	\$25,103.47	
	Hanson Scholarship Fund	\$2,567.88	
	Loehr Scholarship Fund	\$0.00	
	Mathews Scholarship Fund	\$3,790.00	
	Lu Ryan Scholarship Fund	\$10,265.12	
	Don Gross Education Scholarship Fund	\$2,404.38	
	Egland Scholarship Fund	\$0.00	
	Lisa Vogelsang Scholarship Fund	\$270.00	
	Laurence O. McGill Scholarship Fund	\$23,450.00	
	Don and Donna Scholarship Fund	\$4,695.00	
	Designated Scholarships Total	\$89,873.69	
	Designated Worship		
	Choir Robe Fund	\$3,544.74	
	Music Fund	\$6,379.01	
	Organ Fund	\$1,424.24	
	Designated Worship Total	\$11,347.99	
	Designated Youth		
	Camp Scholarship Fund	\$4,618.14	
	Foundation Camp Scholarship and VBS Fund	\$32.54	
	Youth Fund	\$8,790.48	
	Designated Youth Total	\$13,441.16	
	Designated Total	\$261,330.31	
TOTAL FUNDS			\$320,489.66
TOTAL LIABILITIES AND FUNDS			\$326,544.67

GRACE LUTHERAN
Albert Lea, Minnesota

Income

Budgeted Offering

	2018 Budget	2018 Actual	2018 Difference
Envelopes	\$ 709,087.00	\$ 616,334.77	\$ (92,752.23)
Initial Offering	\$ 1,000.00	\$ 601.00	\$ (399.00)
Loose Offering	\$ 6,000.00	\$ 7,905.45	\$ 1,905.45
Love Offering	\$ 1,500.00	\$ 1,992.00	\$ 492.00
Lenten Offering	\$ 6,000.00	\$ 4,964.00	\$ (1,036.00)
Easter	\$ 10,000.00	\$ 6,133.00	\$ (3,867.00)
Thanksgiving	\$ 1,500.00	\$ 3,267.00	\$ 1,767.00
Christmas	\$ 12,500.00	\$ 10,352.00	\$ (2,148.00)
Budgeted Offering Total	\$ 747,587.00	\$ 651,549.22	\$ (96,037.78)

Undesignated

Fees and Miscellaneous Total
Interest Income Total

Undesignated Total

Designated

Designated Education Total
Designated Missions Total
Designated Parish Nurse Total
Designated Property Total
Designated Scholarships Total
Designated Worship Total
Designated Youth Total

Designated Total

Total Income

Expense

Budgeted

Mission to Others Total (Benevolence)
Pastoral Ministry Total (Pastoral/Staff Expense)
Congregation Ministries Total (Ministries Team)
Church Upkeep Total

Budgeted Total

Income and Expenditures

Income and Expenditures Continued

Undesignated
Fees and Miscellaneous Total
Undesignated Total

\$ 5,183.61
\$ 5,183.61

Designated

Designated Education Total
Designated Missions Total
Designated Parish Nurse Total
Designated Property Total
Designated Scholarships Total
Designated Worship Total
Designated Youth Total

\$ 362.94
\$ 29,849.25
\$ 495.70
\$ 510,078.06
\$ 3,000.00
\$ (2.00)
\$ 36,279.79

Designated Total

\$ 580,063.74

Expense Total

\$ 747,587.00 \$ 1,270,754.50 \$ (523,167.50)

Net Budgeted Income/Loss

\$ - \$ (33,957.93)

Ending 12-31-18

See Balance Sheet

\$ 3,209.69
\$ 25,058.71
\$ 1,456.47
\$ 116,942.60
\$ 89,873.69
\$ 11,347.99
\$ 13,441.16
\$ 261,330.31

Capital Campaign	
Opening Balance	\$ 357,287.50
Income (Pledges)	\$ 197,559.36
Expenses	\$ (483,041.90)
Closing Balance	\$ 71,804.96

Respectfully submitted,

Grace Lutheran Finance Team

Capital Campaign

The year of 2018 was the first year for the initiation of the Capital Campaign projects. A great deal of progress has been made and your generosity has made that possible. The projects completed include:

- Roof project
- Replacement of the exterior doors
- Partial payment of Mission Support to the Lofstrom's
- Boiler project; including new sanctuary fans

Campaign funds have been coming in on a regular basis. With the ongoing receipt of funds, Grace will pay off the balance due for the boiler, the fans, and the Loftstrom's Mission Support gift.

A campaign update was conducted in November at an Adult Forum; with approximately fifty Grace members in attendance. At the Forum, members were asked for their opinion on the priority of the remaining projects. Based upon that feedback, the next projects in prioritized order will be the bathroom expansion and remodeling project, and the front entry steps and sidewalk replacement project. The remaining projects will be started once additional funds are received.

On the next page is a detailed update on the projects and campaign giving.

Capital Campaign Continued

Project	Projected Costs	Actual Project Costs	Funding Notes	Additional Notes
Roof Replacement	\$366,000	\$369,592	Insurance settlement: \$82,179 Special Capital Campaign gift: \$200,000 Capital Campaign funding: \$87,413	
Door replacement	\$25,000	\$29,041	Capital Campaign funding: \$29,041	
Mission support (Loftstrom's International Health Partners – Tanzania)	\$15,000	\$5,000 paid to date	Capital Campaign funding: \$5,000 to date	The balance of the remaining \$10,000 will be paid as funds for the campaign are collected.
Sanctuary fans		\$13,660	Capital Campaign funding: \$13,660	This payment is pending. The balance will be paid as funds for the campaign are collected.
Boiler replacement	\$200,000	\$466,200	Capital Campaign funding: Est. of \$309,000 paid to date	At the start of the campaign, it was noted that additional research needed to be done on the best system to purchase for Grace. The campaign is short of to paying the final balance but funds are coming in on a regular basis.
Bathroom remodeling	\$80,000			This is the next project and will start as we have campaign funds available.
Front entry steps and Sidewalk replacement	\$40,000			This project will follow the completion of the bathroom project and will start as we have campaign funds available.
Campaign expenses		\$46,157	Capital Campaign funding: \$46,157	Funds were chiefly used to cover the cost of the firm used to orchestrate the campaign.

Total Campaign Pledges.....\$795,000 (excludes the special campaign gift of \$200,000)

Campaign funds collected to date... \$559,473

Pledges remained to be collected... \$235,527

Submitted by Gary Schindler – Capital Campaign Co-Chair

Grace Foundation, Inc.

The purpose of the Grace Lutheran Foundation continues to be to receive from Grace Lutheran members or from the public, gifts, bequests or properties as may from time to time be given. Such gifts are invested with proper regard for their safety and interest according to the will of the congregation membership and designation of the donors. Interest accrued from funds and investment returns including realized and unrealized capital gains controlled by the foundation may be designated by the board to be used for missions, education or other specific projects of Grace Lutheran Church in its Gospel outreach.

We are grateful for the collaborate work of Perry Loge and Brad Kirchner and for the in-house audit that was completed for the year ending 2018. The foundation's main source of income was again the farmland rental monies. We are entering the second year of a two-year rental agreement.

Monetary support was again given in the form of scholarships to students from our congregation attending a Lutheran college. We once again supported Vacation Bible School.

The foundation granted a request to support the Hawthorne Backpack program of \$2017. Pastor Shane made a request for monetary support for the stained-glass window upgrade above the new entrance doors for \$2,310 and \$1185.40 was given to support water mitigation issue in the boiler room.

In 2017, the Foundation Board members agreed to contribute \$20,000 per year over the three years of the Capital Campaign for a total of \$60,000. This money will be disbursed by December 1st of the year with no discretion as to how the funds are to be disbursed.

As we look ahead to 2019, we prayerfully consider the needs of Grace Lutheran Church and continue to provide appropriate financial support for the congregation; it's ministry programs and gospel outreach.

Sincerely in Christ,

The Grace Foundation Board

Matt Kermes – Chairman

Bruce Olson – Vice-Chairman

Dale Elvebak – Treasurer

Steve Bracker – Secretary

Pastor Shane Koepke

Dale Buendorf

Kathy Diaz

Mark Grossklaus

Nikki Schumaker

Marsha Smith

Grace Foundation, Inc. Balance Sheet

GRACE FOUNDATION, INC.

Balance Sheet

December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Security Bank Checking Account	\$ 93,595.28	\$ 109,645.25
Schwab Cash Account	<u>2,017.75</u>	<u>21,584.39</u>
Total Current Assets	95,613.03	131,229.64
Foundation Investments		
Schwab Investments	<u>233,520.99</u>	<u>230,556.90</u>
Total Foundation Investments	233,520.99	230,556.90
Godtland Investments		
Mission Investment CD	20,000.00	20,000.00
Mission Investment CD	20,000.00	20,000.00
Mission Investment CD	10,000.00	10,000.00
Security Bank CD	54,259.77	54,259.77
Security Bank CD	16,323.79	16,323.79
CD Interest added back to CD in January 2018	<u>0.00</u>	<u>195.86</u>
Total Godtland Investments	120,583.56	120,779.42
Fixed Assets		
H. Nelson Farm (Perpetuity)(At Appraised Market Value)	<u>1,010,100.00</u>	<u>1,086,800.00</u>
Total Fixed Assets	1,010,100.00	1,086,800.00
TOTAL ASSETS	\$ <u>1,459,817.58</u>	\$ <u>1,569,365.96</u>

[Grace Foundation, Inc. Balance Sheet Continued]

LIABILITIES AND NET ASSETS

Net Assets

Permanently Restricted Net Assets

Perpetuity Money/Godtland	\$ 566,637.17	\$ 566,637.17
Farmland Market Value Increase	717,000.00	793,700.00
Current Year Memorials	<u>284.00</u>	<u>0.00</u>
Total Permanently Restricted	1,283,921.17	1,360,337.17

Temporarily Restricted Net Assets

Seminary Donations	<u>0.00</u>	<u>800.00</u>
Total Temporarily Restricted Net Assets	0.00	800.00

Unrestricted Net Assets

Unrestricted Net Assets (Income)	155,180.76	184,005.74
Current Year Unrestricted Net Income (Loss)(Less Memorials)	(2,845.21)	(22,558.76)
Unrealized Security Gains (Losses)	<u>23,560.86</u>	<u>46,781.81</u>
Total Unrestricted Net Assets	<u>175,896.41</u>	<u>208,228.79</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,459,817.58</u>	<u>\$ 1,569,365.96</u>
---	-------------------------------	-------------------------------

Note: In 2012, we went to recording farmland value using the County Assessor's market value.
Appraised market value for farmland for 2019 is set at \$984,500.00

Grace Foundation, Inc. Income Statement

GRACE FOUNDATION, INC.

Income Statement

For the years Ended December 31, 2018 and 2017

	2018	2017
Income		
Checking Account Interest	\$ 138.23	\$ 122.73
Donations	284.00	0.00
Seminary Donations	0.00	0.00
Mission Fund Interest - Godtland	936.90	903.00
CD Interest - Godtland	549.90	712.19
Schwab Interest/Dividends/CG Distributions	15,386.35	9,484.98
Farm Land Rent	28,812.00	28,812.00
Farm Land CRP	3,948.00	3,948.00
Loan Repayment - Grace Lutheran Church	0.00	60,000.00
Total Income	50,055.38	103,982.90
Investment Sales		
Investments Sold	0.00	20,000.00
Cost of Investments Sold	0.00	(19,595.38)
Gain (Loss) on Investments Sold	0.00	404.62
Expenses		
Student Grants	3,125.00	6,875.00
Farmland Property Taxes	8,720.00	8,580.00
Farm Expenses	15.00	297.17
Safe Deposit Box Rent	40.00	40.00
Investment Expenses	1,897.59	1,742.56
Grace Lutheran Youth Camp Expense	125.00	14,954.00
Grace Lutheran VBS Expense	4,990.00	1,290.53
Grace Lutheran - Capital Campaign	20,000.00	20,000.00
Loan to Grace Lutheran Church	0.00	60,000.00
Staff Training - Kandy	0.00	1,667.02
Youth - National Youth Gathering	0.00	9,500.00
Training - Pastor Shane	0.00	2,000.00
Mission Trip Sponsorship-Cully Larson	700.00	0.00
Hawthorne Backpack Start-up	2,017.00	0.00
Treasurer Salary-2017 and 2018	1,498.00	0.00
Stained Glass Window by front door	2,310.00	0.00
American Waterworks-Boiler Room	7,179.00	0.00
Total Expenses	52,616.59	126,946.28
Net Income (Loss)	\$ (2,561.21)	\$ (22,558.76)

Lead Report

LEAD: Living Everyday as Disciples

¹⁰For we are God's handiwork, created in Christ Jesus to do good works, which God prepared in advance for us to do.-Ephesians 2:10 (NIV)

LEAD's core Belief says that people of faith are called to join in God's mission

Our focus for Grace has been HEART, one of LEAD's core convictions.

"HEART: *Listens* for God's leading in mission, service, and doing justice in the world, neighborhood, and congregation.

LEAD's Core Practices answer the question **How Loving God with all of our heart calls us to listen?**

As a LEAD group at Grace we continue to listen to the needs of our community in our journey to meet the needs of hungry children. As we thought about the new school year we thought about how to best expand the Food for Backpack program, so.....

early in the summer churches in Albert Lea were invited to join the challenge to feed the hungry children in Albert Lea. We now have 8 churches in the group including: Ascension Lutheran, United Methodist, Salem Lutheran, Zion Lutheran, Hayward Lutheran, First Lutheran, First Presbyterian and then Grace Lutheran. We continue to work with JA Foods out of northern Michigan. This program would not work without the partnership of the social workers in each of the buildings. Volunteers from each church distribute the meals to each of the schools on Thursday, so they can be in the child's backpack to be taken home on Friday. Each child receives a breakfast, snack and a lunch for both Saturday and Sunday. Presently we are serving 329 children. Hawthorne Elementary 71, Sibley Elementary 60, Lakeview Elementary 29, Halverson Elementary 148, Southwest Middle School 30.

Grace Lutheran and Zion Lutheran are working in partnership to serve Hawthorne this year. Several other churches are working in partnerships to serve the schools as well.

The LEAD group extends a deeply felt "Thank You" to everyone who has so generously supported the Food for Back Pack program with your funding, words of encouragement, and prayers. This special gratitude also goes to the many Grace volunteers who have offered their services to support this program as well.

If anyone is interested in joining LEAD in this opportunity of discipleship, please contact any of the members listed below.

God of compassion, give us the courage to follow you as we lead, loving you with all of our heart, soul, mind and strength. Help us to live every day as your disciples. Amen.

LEAD members:

Joel Erickson

Julie Drommerhausen

Janece Jeffrey

Pastor Shane Koepke

Corrine Tims

Ministerial Report

WORSHIP SERVICES

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Sunday Worship Services	55	51	53	53
Total Weekday Worship Services	59	41	48	49
Total Services with Communion	68	64	68	89

PASTORAL ACTS

Children Baptized	10	6	15	5
Adults Baptized	0	0	0	0
Confirmation of 9 th Graders	20	11	32	19
Confirmation of Adults	0	0	0	0
Weddings	6	4	3	6
Reaffirmation of Wedding Vows	0	0	0	0
Funerals	18	26	17	22

MEMBERSHIP REPORT

Increases:

a. By Baptism (Children)	10	8	15	4
b. By Baptism (Adults)	0	0	0	1
c. By Reaffirmation of Faith	21	11	32	19
d. By Letter of Transfer	3	1	14	3
e. By Adult Instruction	0	0	0	4
f. From Other Sources	0	0	0	0
g. By Confirmation (not previously baptized members)	1	0	0	0

TOTAL

35 20 61 31

Decreases:

a. By Death	15	26	24	22
b. Inactive Member Reduction	253	0	0	0
c. By Transfer to ELCA Congregations	3	6	7	4
d. By Transfer to Other Lutheran Congregations	1	0	1	0
e. By Release to Non-Lutheran Congregations	4	2	0	0
f. For Other Reasons (or requested removal)	1	0	0	0

TOTAL

277 34 32 26

TOTAL BAPTIZED MEMBERSHIP

Total Baptized Membership, December 31, 2017	1,582
Total Baptized Membership, December 31, 2018	1,572
NET FOR 2018	-10

TOTAL CONFIRMED MEMBERSHIP

Total Confirmed Membership, December 31, 2017	1,214
Total Confirmed Membership, December 31, 2018	1,211
NET FOR 2018	-3

Ministerial Report Continued

2018 BAPTISMS: (5) Nora Stirling, Emma Flatness, Eliza Graf, Brynlee Boverhuis, Henry Clotfelter

2018 MARRIAGES: (3) Christy Rayman and Brian Baas, Allie Songstad and Jacob Sorenson, Alexandra Leland and Josh Elston

2018 REAFFIRMATION OF VOWS: (None)

2018 DEATHS: (22) Todd Schumaker, Donna Ball, Carroll Jacobson, Sharon Seedorf, Evelyn Hovland, Sadie Flattum, Henry Clotfelter, Evan Long, James Grodhaus, Jerome Rasmussen, Willard Spilde, Carol Christenson, Laverne Roberts, Roland Marquardt, Raymond Hanson, Betty Hanson, Birdiene Bowman, Judith Anderson, Norma Ruud, Peggy Bangert, Robert Pleiss, Gerald Wangen

NEW MEMBERS RECEIVED INTO GRACE LUTHERAN: Cody & McKenzie Pobanz, Sarah Kocher, Jameson & Amanda Toft, Terry & Nancy Peterson

MEMBERS TRANSFERRED OUT OF GRACE LUTHERAN: Bruce & Jill Hagen, Jeffery & Brenda Wieland

Ushers' Report

SPECIAL SERVICES

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Mid-Week Lenten Services (average, 6 services)	184	157	132
Holy Week Attendance (Maundy Thursday, 1 service)	99	224	187
Good Friday Service	96	133	64
Easter 8:00am	163	184	176
Easter 9:30am	266	374	367
Easter 11:00am	273	132	157
Thanksgiving Eve	130	105	87
Blue Christmas	64	108	84
Christmas Eve 3:00pm	296	343	250
Christmas Eve 5:00pm	262	245	305
Christmas Eve 11:00pm	119	118	157
Christmas Eve Total	677	706	712
Christmas Day	75	51	51

WEEKLY ATTENDANCE

Total Weekly Attendance	13,153	14,604	13,860
January-May and September-December (average)	263	275	287
9:00am Sundays, 5:30pm Wednesdays			
June-August, Sunday (average)	222	221	205
9:30am Sundays, 5:30pm Wednesdays			
All Weeks - 12 months (average)	253	276	267
Sundays in the Year	52	53	52
Record Sunday	702	690	700
Record Sunday (other than Easter)	424	407	383
	(10/30)	(10/29)	(10/28)
	Confirmation	Confirmation	Confirmation

= Three Services

Respectfully submitted,
James Munyer, Director of Ushers

Scholarship

In 2018, the Scholarship Team:

- Thanked Julie Drommerhausen for her service in heading this committee and welcomed Pastor Jennifer Gonsalves into the leadership role.
- Set up and awarded two new scholarships:
- The **Donna Ball Memorial Scholarship** is a \$500 scholarship for any student attending an institution of higher learning with a preference given to individuals pursuing a career in education.
- The **Donald Ball Memorial Scholarship** is a \$500 scholarship for any student attending a technical college or working toward certification for a career in the trades. Preference will be given to individuals pursuing a career as a linesman.
- Awarded ten scholarships to twelve applicants:
- **Grace Foundation Scholarship:** Alex Goodmanson, Jens Lange & Rachel Rehnelt
- **Donald Gross Elementary Education Scholarship:** Rachel Rehnelt
- **Godtland Scholarship:** Lauren Bizjak
- **Gertrude Hanson Memorial Scholarship:** Jazmin Brue
- **John and Alma Matthews Memorial Scholarship:** Riley Jimenez
- **Janice M. and Henry J. Guse Scholarship:** Brayden Boettcher
- **Lindsey Loehr Diemer Memorial Scholarship:** Brendan Frederickson
- **Lisa Vogelsang Scholarship:** Jadin Brue
- **Donna Ball Memorial Scholarship:** Hailey Adams
- **Donald Ball Memorial Scholarship:** Alyssa Matson
- We receive no applications for the **Lu Ryan Memorial Scholarship** or the **Grace Foundation Scholarship for Non-Traditional Students**.

The scholarship would like to thank the Grace Foundation and all of donors to their commitment to education and students at Grace.

Respectfully Submitted,
The Scholarship Team:
Julie Drommerhausen
LuVerne Gotdland
Steve Lee
Jeanne Lundak
Todd Vogelsang
Jackie Williamson
Pastor Jennifer Gonsalves
Ashley Kuhlmann, Youth Director

Personnel Committee

The Personnel Team took a breath this year in terms of work completed. Over the last 18 months, we have revised the employee handbook, set expectations for benefits and have revised the employee evaluation process. All of these efforts have made it much more fruitful for all involved.

We look forward to a year ahead and will continue to do this important and often confidential work of this team. Thanks for trusting us to work on your behalf in this way.

Grace Seniors

The 2018 year ended with Evelyn Egland and Mary J. Peterson still working together to keep Grace Seniors meetings active. As of the end of December 2018 Evelyn is retiring. I hope that some will step forward to help keep Grace Seniors going for at least one more year. Please come join us as we have some interesting programs already planned for 2018.

We have our July picnic, a Valentine luncheon and our Christmas dinner with them being catered.

We have had many interesting speakers this year and hope to continue doing the same. We have entertained guests from all walks of life. Many with interesting information and some for mainly entertainment. Our list for this coming year for speakers is growing. Please put us on your calendar if you have never attended and come and join us. It is surprising just what you can still learn at our age.

Grace Seniors meet the second Wednesday of each month, usually at 2:00 p.m. in the Fireside Room.

See you soon at Grace Seniors.

Evelyn Egland and Mary J. Peterson

Memorial Team

We think we have a diamond in the rough in the Prayer Garden. It takes many people to keep the garden looking so great! We'd like to thank all of them, especially Lester Perschbacher for all the hours he spends there. If anyone has any suggestions for us or would like to join us, we are looking for 2 people. Please consider it.

This past summer, Plaza Landscaping redid the center portion of the garden, which looks great. We still have plans to redo the edging, which will be done with bullet edging. Hopefully this will be done this next summer.

Memorial Team

WELCA

Mission Statement: To mobilize women to act boldly on their faith in Jesus Christ

On behalf of WELCA, I would like to thank all of the women (and men) who have helped to further God's work here at Grace Lutheran Church and in the local and world-wide community. Many willing hands, heads and hearts have made the work fun and rewarding.

In the past year our stewardship to others has included:

- Sent on the Lutheran World Relief Truck – Spring and Fall

- 48 school kits gathered

- 158 quilts

- 25 Personal Care Kits

- Served 12 funerals

- Served refreshment for Residents at St Johns

- Collected \$550 for our ThankOffering for World Missions in November

- Donated \$500 towards the Back Pack program with Hawthorne

We held another successful Salad Luncheon in October. We served over 250 guests with wonderful salads donated by our wonderful members and donations from Mrs Gerry's. Donations in the amount of \$500 was given to our Grace Church Youth group to help defray some of the expenses for their summer mission trip, \$100 was donated to both the Salvation Army and Senior Resource center, \$250 was donated to Youth for Christ, and Christmas gifts were given to the hard working staff at Grace.

Our annual kitchen cleaning was accomplished in October and was much needed after the heating project was completed. In December we held our potluck supper and decorated the Fireside room for Christmas.

We would like to invite all women who are members of Grace to join us each month for our meetings. It is a great time to meet new members, socialize and brainstorm on the best programs to meet our WELCA goals and purpose. Our meetings are held the first Thursday of each month – Please join us – we would love to hear your suggestions and ideas.

Respectfully submitted

Jane Smith

President - WELCA

Altar Guild

The 2018 year the Altar Guild was included in the Church Council of Worship leaders group, with altar guild member Corrine Tims serving as our Council Representative.

2018 Sunday regular church services for communion **8050** were served. For our special church service communion for Easter **703**, Reformation/Confirmation **476**, Thanksgiving and Christmas **835**. Wednesday night and weekday special services **1787** were served.

**** Communion Total served in 2018 – 12,015**

The Altar Guild would like to thank the following for their Help and Contributions

*Kent and Julie Jaspersen for the Thanksgiving decorations

*Frank Wakefield for supplying Palms Leaves for Palm Sunday

The Altar Guild would also like to thank all of you that gave to the 2018 flower, wine and bread fund. With this help we can keep the flowers fresh, and keep the cost under control.

The Altar Guild is to prepare for the Sunday mornings and Wednesday evening prayer services. This is to include communion setup and the flower arrangements. The Altar Guild also continues to assist families with baptisms and funerals. The Funeral committee for 2018 was Ray Langerud and Carol Perkins, Greeters/hosts - Irmi and Gerhard Kleih .

All of the duties of the Altar Guild workers have remained the same for 2019. We have 14 current members. The Church is looking for 10 additional members to assist the Altar Guild, if you or anyone who would like more information, please contact the church office.

Respectfully Submitted
Co-Directors
Judy Hall & Terry Perkins

Building, Equipment and Grounds

Building, Equipment and Grounds of Grace Lutheran Church has been very productive year, by having very successful major jobs completed, and close to being completed. The biggest job this fall, and winter has been the installation of the new hydronic heating system. Johnson Heating and Air has done a great job coordinating with the churches schedule and all of the sub-contractors. They are currently about 70% completed with the job. The Johnson crew that has been working here has been great and it awesome to see them work with great passion as they do their job. During this job Grace was able to update the basement hallway with new color of paint and lights in the new suspended ceiling. Everything has come together very well and looks amazing! A big thanks for everyone for the hard work on making all this possible! We also updated all the exterior wooden door to aluminum with glass. Also, a very nice change! It is great to allow natural light into the church and to be able to view the outside from the inside. Grace will be receiving suitable equipment for snow removal around the first week in February that has been worked into the budget. With this equipment I will be able to clear the sidewalks in more productive time without the worry on not being able to and keeping the newer lawn mower running. I will also be able to clear the parking lot myself with this new equipment. My biggest goal is to keep everyone safe and feel comfortable to come to worship and all the other events.

I would like to thank Richard and Wynnette for their care of the building and being great at their job, Thank you. I would also like to thank the rest of the Grace Staff for being a great team, couldn't ask for better. Thank you!

Respectfully submitted by,
Darin LaFrance
Building Superintend

New Boilers



Life and Growth/Social Concerns Ministry Team

Galatians 6:9-10: Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up. Therefore, as we have opportunity, let us do good to all people especially to those who belong to the family of believers.

The ministry team met monthly, typically on the same night as the Church Council meeting. Accomplishments this year included:

- Two Red Cross blood drives were hosted at Grace Lutheran
- Initiated the effort to complete a new Pictorial Directory for the church and headed up the committee that carried out the process
- Continued the Enough Food for All campaign that collected food 6 months out of the year for the local ecumenical food shelf
- The muffin team continued to support the Muffin Ministry that Youth For Christ provides at Southwest Middle School. A team of 31 muffin makers delivered 18 dozen muffins the first week of each month.
- Provided a 4 week Bible study that explored 'Who is My Neighbor' from a global to a local perspective
- Offered a Voyagers trip in the spring that did not have enough participants to be carried out
- Hosted a welcome coffee and a celebration for Pastor Jennifer's installation
- Sponsored the first Grace Lutheran Art Share held in July on the front lawn of the church

The Life and Growth Ministry Team would welcome new members in an effort to enrich the fellowship within the Grace family and to increase the outreach to those in the Grace neighborhood (from local to global). Please prayerfully consider this opportunity that helps us realize our mission of **Bringing People Together and Becoming Disciples for Christ.**

Respectfully submitted,

Life and Growth/Social Concerns Ministry Team

Patty Tewes

Sandy Fredrickson

Darin Passer

Becky Tennis Hanson

Mission Ministry

The Mission Ministry Team meets on the first Wednesday of each month with the guidance of Pastor Jennifer.

Fair Trade Equal Exchange products (coffee, tea, cocoa, candy bars, and olive oil) are sold from our kiosk the first Sunday of each month. These products are sold at cost and help to support an alternative trade system that cuts out the middle man and pays small farmers a better price for their products.

In March we participated in the Channel One food share drive by encouraging members to give monetary gifts to help Channel One restock food shelves.

Each summer members are invited to bring surplus produce from their gardens to the "Garden Table". Those who do not have gardens may "buy" the produce for a free will donation that is given to the local food shelf.

The Mission Team hosted Denny & Paula Lofstrom from IHP (International Health Partners of U.S. and Tanzania) October 7th. During the church service as well as during Adult Forum they updated us on the work they do and the progress of the hospital they are building. They also brought native handcrafted items for display and sale. We look forward to hosting them again in the fall of 2019.

Our annual Thanksgiving food drive totaled 240 pounds and was given to the Ecumenical Food Shelf.

Quarters for World Hunger and the annual World Hunger emphasis in November is also a project of the Mission Team. The total sent to ELCA World Hunger in 2018 was \$1,432.25.

We again sponsored the Salvation Army Angel Tree in December.

One of our mission partners is St. Catherine Lutheran Church in Valka, Latvia. We authorized a gift of \$1500 from the Missionary for a Day Fund to be sent to them at Christmas. Pastor Jennifer suggested members of Grace send Christmas cards to the members of St. Catherine's. The cards were included in the Christmas package sent to the church.

We welcome ideas and suggestions for projects as well as new members to our team.

Respectfully submitted,

Mission Ministry Team

Al & Pat Arends

Bill & Gwen Groskurth

Todd & Christma Lange

Becky Tennis Hanson

Hazel Spiering

Pastor Jennifer Gonsalves

Elections — Nominations for 2019

* FOR CHURCH COUNCIL – 3 year term (January '19 to January '22):

1. Jim Munyer
2. Virginia Sorenson
3. Jerome Meyer
4. Bill Barber (nominate from the floor)

* FOR CHURCH COUNCIL (Youth) – 1 year term (January '19 to January '20):

1. Henrik Lange
2. Maggie Moller

PRESENT COUNCIL MEMBERS:

- | | | | |
|--------------------|-----------|--------------------|-----------|
| 1. Nikki Schumaker | Jan. 2020 | 6. Gary Schindler | Jan. 2022 |
| 2. Corrine Tims | Jan. 2021 | 7. Julie Groeneweg | Jan. 2022 |
| 3. Jerry Dahl | Jan. 2021 | 8. | |
| 4. Dennis Hamberg | Jan. 2022 | 9. | |
| 5. Truman Thron | Jan. 2022 | 10. | |

* DELEGATES TO ST. JOHN'S HOME, Annual Meeting, December 2019

1. Todd Vogelsang
2. Wes Dahl
3. Jerry Meyer

* GRACE FOUNDATION – 3 year term (January '19 to January '22):

- 1.
- 2.
- 3.

PRESENT GRACE FOUNDATION, INC. DIRECTORS:

- | | | | |
|--------------------|-----------|----------------------------------|------|
| 1. Dale Elvebak | Jan. 2020 | 6. Dale Buendorf | 2020 |
| 2. Mark Grossklaus | Jan. 2020 | 7. Marsha Rafdal | |
| 3. Matt Kermes | Jan. 2019 | 8. Alex Johnston, Advisory | |
| 4. Steve Bracker | Jan. 2019 | 9. Nikki Schumaker, Council Rep. | |
| 5. Bruce Olson | Jan. 2021 | 10. Pastor Shane Koepke | |

Elections — Nominations for 2019 Continued

* VOTING MEMBERS TO BLUE EARTH RIVER CONFERENCE ASSEMBLY

(February 10, 2019—Trinity Lutheran Church, Blue Earth MN) (Alternate snow day—February 24, 2019)

- | | |
|------------------------|-----|
| 1. LuVern Godtland | 9. |
| 2. Gary Schindler | 10. |
| 3. Jeanne Schindler | 11. |
| 4. Dave Drommerhausen | 12. |
| 5. Julie Drommerhausen | |
| 6. | |
| 7. | |
| 8. | |

* VOTING MEMBERS TO SOUTHEASTERN MN SYNOD ASSEMBLY

(May 31st—June 1st, Mayo Civic Center, Rochester, MN)

- | | |
|------------------------|---------------------|
| 1. Becky Tennis Hanson | 3. Jeanne Schindler |
| 2. Gary Schindler | 4. LuVern Godtland |

NOMINATING COMMITTEE FOR 2019:

- | | |
|------------------------|----|
| 1. Nikki Schumaker | 4. |
| 2. Becky Tennis Hanson | 5. |
| 3. | 6. |

* PERSONNEL COMMITTEE – 3 year term (January '19 to January '22):

1. Truman Thron

PRESENT PERSONNEL COMMITTEE MEMBERS:

- | | | |
|----------------------|-----------|----|
| 1. Tricia Dahl | Jan. 2020 | 6. |
| 2. Gary Schindler | Jan. 2020 | |
| 3. Sandy Fredrickson | Jan. 2020 | |
| 4. Darin Passer | Jan. 2021 | |
| 5. Heather Earl | Jan. 2021 | |

* SCHOLARSHIP COMMITTEE FOR 2019:

- | | |
|---------------------|------------------------|
| 1. Jeanne Lundak | 4. Jackie Williamson |
| 2. LuVerne Godtland | 5. Julie Drommerhausen |
| 3. Steve Lee | 6. Todd Vogelsang |

* = Elections are to be held for these offices.

New Business— 2019 Proposed Budget

GRACE LUTHERAN CHURCH	BUDGET 2018	ACTUAL 2018	PROPOSED 2019
-----------------------	-------------	-------------	---------------

MISSION TO OTHERS

SOUTHEASTERN MINNESOTA SYNOD	\$49,000.00	\$42,741.63	\$47,300.00
BLUE EARTH RIVER CONFERENCE	\$300.00	\$363.25	\$370.00
GOOD EARTH VILLAGE	\$1,000.00	\$1,000.00	\$1,000.00
MISSION GIVING		NEW	\$3,600.00
LUTHERAN SOCIAL SERVICE	\$1,000.00	\$1,000.00	\$1,000.00
ST JOHN'S LUTHERAN HOME	\$400.00	\$400.00	\$400.00
MISSION TO OTHERS TOTAL	\$51,700.00	\$45,504.88	\$53,670.00

PASTORAL MINISTRY

STAFF SALARIES	\$208,338.00	\$236,157.96	\$232,663.00
STAFF WAGES	\$145,630.00	\$115,931.69	\$111,310.00
HOSPITALITY EXPENSES		NEW	\$1,500.00
STAFF DEVELOPMENT & expenses	\$4,000.00	\$1,624.62	\$4,000.00
rostered AUTO ALLOWANCE	\$5,000.00	\$3,267.38	\$5,000.00
rostered PROFESSIONAL EXPENSES	\$5,000.00	\$4,512.19	\$5,000.00
PENSION AND HEALTH INSURANCE	\$84,742.00	\$77,941.45	\$65,991.00
staff health insurance	\$46,668.00	\$46,037.96	\$49,038.00
staff mileage	\$1,000.00	\$541.19	\$800.00
staff social security	\$17,309.00	\$16,170.95	\$16,452.00
CONFERENCE & SYNOD ASSEMBLY	\$2,500.00	\$2,860.96	\$2,500.00
GUEST SPEAKERS/ORGANISTS	\$500.00	\$375.00	\$500.00
PASTORAL MINISTRY TOTAL	\$520,687.00	\$505,421.35	\$494,754.00

CONGREGATION MINISTRIES

EDUCATION MINISTRY TEAM	\$11,000.00	\$4,012.03	\$9,250.00
library ministry	\$1,000.00	\$0.00	\$250.00
LIFE & GROWTH MINISTRY TEAM	\$1,200.00	\$488.31	\$1,000.00
MISSION MINISTRY TEAM	\$500.00	\$283.10	\$500.00
STEWARDSHIP MINISTRY TEAM	\$500.00	\$1,723.15	\$1,000.00
WORSHIP & MUSIC MINISTRY TEAM	\$4,300.00	\$4,255.56	\$4,900.00
YOUTH MINISTRY TEAM	\$10,500.00	\$3,744.77	\$10,500.00

New Business— 2019 Proposed Budget Continued

ADMINISTRATION	\$24,500.00	\$27,716.15	\$26,500.00
ADVERTISING	\$3,000.00	\$3,240.13	\$2,700.00
MISCELLANEOUS	\$3,000.00	\$1,993.86	\$1,500.00
CALL PROCESS	\$0.00	\$0.00	\$0.00
PASTOR MOVING EXPENSE	\$0.00	\$0.00	\$0.00
L.E.A.D.	\$500.00	\$148.37	\$250.00
ALTAR GUILD	\$1,500.00	\$0.00	\$750.00
TECHNOLOGY MINISTRY TEAM	\$6,000.00	\$6,973.12	\$7,725.00
PARISH NURSE/VISITATION	\$1,200.00	\$1,276.65	\$1,200.00
CONGREGATION MINISTRIES TOTAL	\$68,700.00	\$55,855.20	\$68,025.00

CHURCH UPKEEP

NEW EQUIPMENT	\$4,000.00	\$7,261.68	\$4,000.00
MAINTENANCE	\$42,500.00	\$21,038.68	\$38,000.00
PROPERTY & LIABILITY INSURANCE	\$30,000.00	\$14,588.73	\$26,740.00
UTILITIES	\$30,000.00	\$35,836.63	\$34,767.00
CHURCH UPKEEP TOTAL	\$106,500.00	\$78,725.72	\$103,507.00

BUDGETED EXPENSE TOTAL	\$747,587.00	\$685,507.15	\$719,956.00
-------------------------------	---------------------	---------------------	---------------------

BUDGETED OFFERING

ENVELOPES	\$709,087.00	\$616,334.77	\$684,056.00
INITIAL OFFERING	\$1,000.00	\$601.00	\$600.00
LOOSE OFFERING	\$6,000.00	\$7,905.45	\$7,000.00
LOVE OFFERING	\$1,500.00	\$1,992.00	\$1,800.00
LENTEN OFFERING	\$6,000.00	\$4,964.00	\$5,000.00
EASTER	\$10,000.00	\$6,133.00	\$6,000.00
THANKSGIVING	\$1,500.00	\$3,267.00	\$3,000.00
CHRISTMAS	\$12,500.00	\$10,352.00	\$12,500.00
BUDGETED INCOME TOTAL	\$747,587.00	\$651,549.22	\$719,956.00

ANNUAL REPORT FROM GUSTAVUS CHURCH RELATIONS — DECEMBER 2018

Greetings to you from your partners in ministry at Gustavus Adolphus College! The definition of community at Gustavus has always included the wider ELCA community. The network of institutions and relationships which holds our Lutheran congregations, synods, camps, colleges, seminaries, and social agencies together plays a vital role in nourishing and advancing our collective and important contribution to the world. We all make a greater impact because of this diverse network to which we belong.

We have witnessed the power of network collaboration in the 15 years of the Pastor-to-Pastor ministry, a clergy led program for learning and supportive collegiality that Gustavus manages in partnership with the Southeastern and Southwestern Minnesota Synods of the ELCA. We were pleased to announce earlier this year the award of a \$1 million grant from Lilly Endowment Inc. to greatly expand the existing clergy support program to create The Continuous Growth Pathway, a combined and comprehensive leadership development and continuing education structure for the ELCA rostered leaders of Southern Minnesota.

As you gather for congregation annual meetings and synod assemblies, we hope you are inspired by the reminder of the many others who walk along side you in mission. We are blessed to be able to share numerous resources with your congregation. Thank you to the many of you who have made good use of our church and college ministry partnership.

MARK YOUR 2019 CALENDARS AND JOIN US FOR THESE SPECIAL EVENTS:

- **STEP UP — MARCH 7 and 14, 2019**, a leadership development resource for high school youth. Students will be introduced to college level concepts of leadership that will help them develop a stronger personal plan for continuing to grow as a leader. For more information: gustavus.edu/churchrelations/stepup
- **Annual Gustavus Faith Conference and Association of Congregations Business Meeting Luncheon — APRIL 27, 2019**
- The theme for the 2019 conference is “Developing Spiritual Intelligence: From Filling Committees to Growing Spiritual Leaders.” Featured presentations by Dr. Terri Elton, Associate Professor for Leadership at Luther Seminary and the Rev. Dr. Kai Nilsen, Lead Pastor at Peace Lutheran Church, Gahanna, Ohio and Institute Faculty member of Renovaré Institute of Christian Spiritual Formation. The Annual Business Meeting of Gustavus Adolphus College Association of Congregations will take place during the luncheon meeting. For more information: gustavus.edu/faithconference
- **MAYDAY! Peace Conference—MAY 1, 2019** “Journalism and Peacebuilding” with featured speaker Award-winning New York Times journalist and author Thomas Friedman. For more information: gustavus.edu/events/mayday
- **The Gustavus Academy for Faith, Science, and Ethics — JUNE 22-28, 2019**, an exciting resource for high school youth interested in exploring creative alliances between faith and science. The theme for the 2019 Academy is “Faith and Science in a Changing Climate: Modeling a Just Response.” For more information and to nominate a high school student: gustavus.edu/chaplain/academy
- **Annual Nobel Conference®— SEPTEMBER 24-25, 2019** “Climate Changed: Facing Our Future”
- **Christmas in Christ Chapel— NOVEMBER 29 - DECEMBER 1, 2019**

For more information about these events and the many resources we offer congregations, please contact the Office of Church Relations or visit us on-line at: www.gustavus.edu/churchrelations. Thank you for your partnership and prayers!

Rev. Grady St. Dennis
College Chaplain/Director of Church Relations

SEMN Synod 2018 Ministry Report

A Ministry Report of the Southeastern Minnesota Synod, ELCA
in celebration of the ministry that took place throughout 2018

We join together in giving thanks for the multitude of ways the Holy Spirit is at work through the ministries of our Southeastern Minnesota Synod!

DEVELOPING LEADERS

5 Ministers of Word and Sacrament were ordained.
2 Theological Education for Emerging Ministries (TEEM) candidates were placed in a ministry setting.
171 rostered & lay leaders participated in the Fall Theological Conference.
23 active ministry candidates across 6 seminaries participated in the candidacy process.
7 candidates for rostered ministry were approved and sent into the wider church to serve as either Word and Sacrament or Word and Service Ministers.
426 families contributed to Leading Together.

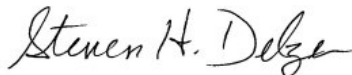
EQUIPPING CONGREGATIONS

10 congregations took part in Stewardship for All Seasons, utilizing a stewardship coach for a year.
2 congregations worked with LEAD (Living Everyday As Disciples), receiving a congregational assessment and coaching for a year.
Ongoing strategies like Hope in Christ & Let's Talk Ministry took place to empower congregations to explore what it means to follow Jesus into a changing world.
42 congregations were in the call process.
17 congregations called a rostered leader.
517 people attended the 2018 Southeastern Minnesota Synod Assembly.

ACCOMPANYING GLOBAL PARTNERS

The 2018 Synod Assembly was a significant global highlight! The theme was "Celebrating Our Global Congregation," and we hosted special guests Bp. Alex Mkumbo (Central Diocese-Tanzania), Bp. Atahualpa Hernandez and Rev. Angelica Bernate (Evangelical Lutheran Church of Colombia – IELCO), Rev. Deborah Lyanga (Evangelical Lutheran Church of Tanzania), Rev. Benyam Kassahun (ELCA-Global Mission). In addition to presenting at Synod Assembly, our guests visited and preached at St. Olaf College, Luther Seminary, and in congregations throughout the synod.
We launched *Hand-in-Hand*, a new opportunity for congregations of the synod to partner with our global partners in health, education and entrepreneurial ministries.
We provided pre-visit accompaniment-focused orientations to synod congregations traveling to Tanzania.
In June, Bishop Steve Delzer and Kathy Chatelaine participated in the IELCO Consultation in Alberta, Canada.
In July, the synod hosted Rev. Mawien Ariik, ELCA Missionary in Juba, South Sudan.
In August, Bishop Delzer, Kathy Chatelaine, and Kari MacIver visited the Central Diocese-Tanzania. Bishop Delzer and Kathy then participated in the ELCT-ELCA Bishops Summit in Moshi, Tanzania followed by a visit with Rev. Wal Reat (ELCA Missionary to South Sudan) in Gambela, Ethiopia and the Reconciliation Lutheran Church, Community Center, and Primary Health Clinic in Juba, South Sudan. Chatelaine is the first woman of the ELCA to visit the Lutheran congregations in Gambela, Ethiopia.
Bishop Delzer and Kathy Chatelaine participated in the ordination service of 24 Lutheran pastors in the Central Diocese of Tanzania. Bishop Delzer preached in Swahili and consecrated the new pastors.

Peace in Christ,



Steven Delzer, Bishop

[

Notes

]

[

Notes

]

[

Notes

]

[Annual congregational meeting opening liturgy]

Spirit of God, Descend upon My Heart

1 Spir - it of God, de - scend up - on my heart;
 2 I ask no dream, no proph - et ec - sta - sies;
 3 Have you not bid me love you, God and King;
 4 Teach me to love you as your an - gels love,

wean it from earth, through all its puls - es move;
 no sud - den rend - ing of the veil of clay,
 all, all your own, soul, heart, and strength, and mind?
 one ho - ly pas - sion fill - ing all my frame:

stoop to my weak - ness, strength to me im - part,
 no an - gel vis - i - tant, no op - 'ning skies;
 I see your cross; there teach my heart to cling,
 the bap - tism of the heav'n - de - scend - ed dove,

and make me love you as I ought to love.
 but take the dim - ness of my soul to a - way.
 Oh, let me seek you and, oh, let me find!
 my heart an al - tar, and your love the flame.

Text: George Croly, 1780-1860

Music: MORECAMBE, Frederick C. Atkinson, 1841-1897

Text and music are in the public domain. Reproduced from Evangelical Lutheran Worship, hymn #800. May be reproduced without restriction.

Litany

- L Recognizing that our faith is a living, busy, active and mighty thing, may the grace of our Lord Jesus Christ and the communion of the Holy Spirit be with each of you.
- C And also with you.
- L Teach us, O Lord, to love you with all our heart, soul, mind and strength.
- C Lord in your name we pray.
- L Descend on our hearts, O Lord, that we may love others in the way Jesus loves us.
- C Christ in your name we pray.
- L Empower us, O Lord, to be enthusiastic in pursuing your vision for our congregation.
- C Lord in your name we pray.
- L Move us, O Lord, to engage issues in our community in Christ-like ways, and to pursue deep and authentic relationships with those we serve and partner.
- C Jesus in your name we pray.
- L Strengthen us, O Lord, to face the barriers we encounter in doing your work, learning to work with others although we may not agree.
- C Lord in your name we pray.
- L Give us, O Lord, the ability to adapt to the cultural, economic and social changes that occur in the neighborhoods we serve.
- C Christ in your name we pray.
- L Guide us, O Lord, to be a healthy congregation that learns from our failures as well as our successes and offers wisdom to others.
- C Lord in your name we pray.
- L Let us pray. As we strive to become the church that we proclaim to be, help us to grow leaders who focus on the gospel of freedom, forgiveness and reconciliation as given to us through God's indescribable act of love in the death and resurrection of Jesus the Christ. Help us to take a fresh look at our baptism each day so we may discover vitality in our relationship with you, each other and those we serve in the world.
- C Amen.

