

# 2016

TRINITY LUTHERAN CHURCH • STILLWATER, MN

## ANNUAL REPORT





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**A primary focus in 2016 was to build organizational capacity and financial sustainability and stability.**



Some members of the Lead Pastor Call Committee

# REPORT OF THE CONGREGATIONAL COUNCIL PRESIDENT

*Rejoice always, pray continually, give thanks in all circumstances; for this is God's will for you in Christ Jesus.*

– 1 Thessalonians 5: 16-18

For nearly two years Trinity Lutheran Church has been building towards the call of a new lead pastor. We expect that welcoming a new pastor will be a time of joy, anticipation, wonder, and relief. Our congregation has been preparing for this next step in our life as a community while continuing to live our ministry and mission. We are grateful for the commitment and faithfulness of so many in the Trinity community to make all this happen. Thank you!

A primary focus in 2016 was to build organizational capacity and financial sustainability and stability. The Transition Team established in late 2015 completed its work in May. (Please see the Transition Team report on Page 22.) The Team extensively interviewed and surveyed hundreds of our members and provided us a comprehensive overview of the hopes and disappointments, and dreams and fears of our congregation. The Team also provided extensive recommendations on structural and other changes to best serve Trinity as it moves forward. Some of the major themes that continue to reverberate at Trinity include:

- Our deep appreciation for worship excellence;
- Trinity's commitment to reaching out into the world, near and far, to be God's hands helping those in need;
- A strong desire to continue a thriving, vibrant program for children, youth and families;
- A progressive outlook, informed by our history and traditions while creating an environment that welcomes all, regardless of where someone is in their journey of faith;
- Transparent and sustainable finances; and
- Greater involvement and leadership by lay members of the congregation in all aspects of our ministry and operation.

Our journey has not been easy. We have taken hard steps in working towards financial stability. As a result, additional reductions were made in our expenditures in order to achieve a balanced budget by the end of fiscal year 2016. We said goodbye to more staff members, with appreciation for their dedication and contributions. We also are grateful for the dedication, commitment, and resiliency of our continuing staff in the face of the many staffing changes that have occurred.

But the year also has been a story of faithfulness: despite the challenges we faced, the Trinity community has continued to be strong and hope-filled. We are grateful for the tremendous gifts of time, talent, and resources our community has devoted to supporting Trinity's mission and ministry, including the Transition Team, the Lead Pastor Call Committee, the Stewardship Committee, Outreach Missions Board, real estate work group, church council members, music ministry, confirmation, Sunday School, and adult education, hospitality, finance and facilities volunteers, outreach missions volunteers, men's and women's ministries, care ministries, and many more.

And as we prepare for a new lead pastor, we again prepare to say good-bye. Our interim lead pastor, Paul Svingen, and interim pastoral associate Stefanie Fauth, both are moving on to new calls and new challenges as expected when they joined us. They have served with professionalism, love, and wisdom, providing us not only stability but helping us to grow and thrive. We offer them our blessings and gratitude. We also express our deep gratitude to Pastor Deb Ost, who also has provided leadership and continuity, and has shouldered far greater pastoral responsibility than her half-time status would provide.

With your faithful support, Trinity has resolved its immediate financial challenges. We set as a goal to address as many financial, organizational and other issues as possible in preparation for calling a new lead pastor. While there remain additional challenges, we are stronger and better prepared for the future. In the coming year we expect to engage in strategic planning for our future, continue building ministry teams involving even more lay leadership, as well as to take on the longer term work of reducing our debt. We look forward to this next part of our journey together.

*Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.*

– Philippians 4: 6-7

Amen!

**Gail M. Olson**, President, Congregational Council  
gailmarieolson@aol.com

# INTERIM LEAD PASTOR

As I'm nearing the end of my interim at the time of the 2016 Annual Meeting, I want to say "thank you" to one and all here at Trinity for the fifteen plus months we have been privileged to serve our one and only risen Lord Jesus Christ together. While I had imagined a road to the present to have been different than it has indeed been, I want to claim my own learning and spiritual growth in faith as an interim pastoral leader that has resulted from traveling a road less often traveled by an intentional interim pastoral leader.

It may be that because this interim ministry specialty has been the congregational turf where the Lord has called me to serve time and again, and because this unique leadership arena has freed me to best live out my understanding of '*the priesthood of all believers*,' that I come to every congregation with high expectations for enabling the '*equipping of the saints for ministry*,' and yes, even in the shaken emotional context of a congregation's in-between time. Thank you for this human context for my faith formation in this time and place. Surely my growth is a part of God's plan for me and my next congregational leadership experience.

While it is true that the bulk of Trinity's staff reductions occurred prior to my coming, we have bid a fond farewell to several staff during my time here. I am delighted to say that today, Trinity's staff is fully joyful, collaborative, and committed to a future marked by new directions in ministry and leadership. This reality is a gift for all. It has truly been a time of learning and spiritual growth for this entire staff. There is a lot of laughter that flavors our daily interactions and our life together. One recent event reflecting the collaborative spirit of this faithful staff was the "Trinity Fest" on September 18th. This event demonstrated that authentic leadership is co-created and co-owned. As Max DePree wrote in his book, *Leadership is an Art*, "The measure of leadership is not the quality of the head, but the tone of the body. The signs of outstanding leadership appear primarily among the followers. Are the followers reaching their potential? Are they learning? Serving? Do they achieve the required results? Do they change with grace? Manage conflict?"

A phenomenon similar to our staff development during this past year of interim ministry occurred in the functioning of the Outreach Mission Team (formerly the Mission Board). It has been my joy to have represented the church council on this Ministry Team which had been newly-formed just prior to the time of my arrival at Trinity. Few in the congregation are unaware of the multiple expressions of global, regional, local, and intra-congregational mission activities that have given particular expression to the congregational identity of Trinity. The Outreach Mission Team's discovery of and

working out of difficult issues as an expression of the interim period's essential developmental task of '*coming to terms with history*,' has been and remains, an ongoing challenge for this ministry team going forward. Its collaborative efforts are marked by the clearly-defined responsibilities, authority levels, and accountability lines for each of its three separate, but collaborative, Action Teams. This specific ministry, for me, offers one example of that lesser, but delightfully discovered, leadership path that I traveled here that is unique to this interim period and its interim process at Trinity.

While the changes in the architecture of our worship life at Trinity have been intentionally minimal, it has been a rich experience to participate in the weekly worship team planning. Since last year's report, I have been pleased with the Advent/Christmas, Lent/Easter worship experiences. Many have offered their whole selves to the privilege of planning, leading and participating in worship at Trinity. Lastly, a more specific expression of gratitude:

- to Pastors Deb and Stefanie for their competent, confident, loving, faithful, and professional approach to the responsibilities flowing directly from the Office of Pastor. It has been a grand privilege. We have been a Team .... and a happy team! And I might add, to be supported as a pastoral team (albeit 2/3rds interim) by fellow longer term staff colleagues is truly a blessing!
- to our music staff....Phil, Carol, Dave, Sonja, Jane, Robin ..... and all the auxiliary musicians who have served so faithfully.
- to our Children, Youth and Family staff.....Julie, Monty, Kelsey, Melissa, Kari.... and all who have volunteered in numerous capacities.
- to our faithful and hard-working custodians Tom and Annie.... and each of those who serve faithfully as 'helping hands' in the stewardship of Trinity's property.
- to our Caring Ministry Team.... Zanny, Sue, and Pr. Deb....as well as those faithfully serving on the supportive Prayer Team. So very important!
- to Jeannie.... For ALL that she does...so very well. And Linda Flood..for our food and kitchen needs....and more. To Travis and Craig for good sound!
- to Bob, Ellen and Eric for their dedication ... and to the faithful money counters...such good ministry in administrative service to the congregation!

- to Marilee.... for embracing the gargantuan task of communications with competence, confidence, creativity, quiet resolve and amazing grace.
- to Jill Longnecker and the Transition Team for all their efforts.
- Last, but not least...to my wonderful wife Susan who, from a distance of 187 miles, and our Island Lake home, supports me in my away-from-home ministry, and thus, all of Trinity.

**I am delighted to say that today, Trinity's staff is fully joyful, collaborative, and committed to a future marked by new directions in ministry and leadership. This reality is a gift for all.**

As I take stock of the beginning, middle and ending of the Trinity/Stillwater chapter of the extraordinary 38-year ministry that God has crafted for me to serve in congregations experiencing pastoral leadership transition in Christ's Church, I extend to the Church Council my thanks for the opportunity to serve. They have been supportive of me all along the way, and for that I am grateful. Thank you Gail, Doug, Sara, Dana, Eric, Mel, Tom and Mary Claire.

As I prepare to embrace my forthcoming interim senior pastoral role at Bethel Lutheran Church in Madison, Wisconsin, I do so readied further still for the interim ministry that awaits me and God's people there. I leave with a standing invitation to you each to remember me in your prayers. Surely my prayers for Trinity will indeed continue to flow into the ocean of God's amazing grace as the waters of the beautiful St. Croix flow further still towards the ocean.

One last time, Brother Gerhard.....

### **His Way For Me**

*The profoundest thing  
one can say of a river  
is that it's on its way to the sea.*

*The deepest thought  
one can think of a person  
is that he or she is a citizen of eternity.*

*Moments and years,  
years and moments,  
pass like sea-bent streams,  
And I? I'm carried by the current  
of an all-possessing Love.  
I'm on my way, God's way for me,  
so let it be.*

– Gerhard E. Frost

**Paul N. Svingen**, Interim Lead Pastor  
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# LIFELONG LEARNING



**Trinity continues to be a place of learners!**

Trinity continues to be a place of learners!

In 2016 we spent time learning about Lutheran basics, we learned from Austen Hartke about the LGBT community and Ally-ship, and we spent some time in Nadia Bolz-Weber's book, "Accidental Saints." As we close 2016 and move towards 2017, Sunday mornings will be spent learning about "The Story of the Bible" from Professor Luke Timothy Johnson.

The council has charged different ministry areas with forming of Ministry Teams — and Lifelong Learning will be a team with an interesting focus. Keep your eyes out for more details to come on how to be involved.

The many ministry groups that fall under the Lifelong Learning umbrella have continued to flourish and thrive during this interim time, and will continue to do so long into the future. Hearts of the Home Moms have been meeting to discuss devotions and TED talks, the GLOW group in addition to their active outings and retreats will be looking at Gary Thomas's "Spiritual Pathways" in their fall book study. The Library has updated equipment and is continuing to work hard to keep the material relevant and useful to everyone at Trinity.

As long as the people of Trinity are curious and inquisitive about life, faith and theology — there will be much to learn. Blessings to everyone as you continue learning and growing in faith, in love, and with God.

**Stefanie Fauth**, Interim Pastoral Associate  
sfauth@trinitylc.org

# CARE MINISTRIES

Trinity is a faith community that cares, and much of that caring happens beyond our walls each week. By design, Trinity's care team staff and pastors are just a part of a much larger system/force. It is the responsibility of Trinity's Care Ministry Team to empower the whole congregation for the mutual caring of one another. Our Care Ministry Team now has two years under our belts, collaboratively leading and guiding Trinity's care. The team consists of: Congregational Care Coordinator Zanny Johnson, (20 hours per week); Parish Nurse, Sue Peterson, (10 hours per week); and Pastor of Care Ministries, Deb Ost (half-time). Time and again, this team-model has proven the power of synergy in which the combined effect of the whole is greater than the sum of the individual parts.

There are nearly thirty groups and teams under the banner of Care Ministries, each of which provides important components of care (congregational and beyond). These ministries supplement the direct visits, phone contacts and care center worship services provided by the Care Ministry Team and pastoral staff.

The Care Ministry Team has been intentional about integrating with Trinity's other ministry areas: children's ministry (multi-faceted Good Samaritan event), worship, adult learning, communications, facility safety, staff CPR training, global/local outreach, congregational and intergenerational events.

Likewise, the Care Team collaborates within the broader community:

- St. Croix Valley Ministerial Association. Organized and led the Community Vigil for Hope and Healing; currently developing a comprehensive plan for providing worship services at senior care centers.
- St. Croix Valley Parish Nurse Program – training, sharing information and updates on best practices

- Local/metro community service organizations – sharing resources and education
- PowerUp, community-wide youth health initiative

## Care Team Initiatives in 2015-16:

- Grieving Mindfully grief support series offered at Trinity, led by Trinity member
- Praying Through the Directory (Prayer notes sent from staff to Trinity members)
- Walking devotionals provided to promote “spiritual exercise”
- “Blessings on your faith journey” greeting cards sent to the newly baptized
- Adult education provided – Sandwich Generation, Advance Care Directives, Dementia

## Goals for 2016-17:

- Train care ministry volunteers in pastoral care essentials and in the responsibilities concerning vulnerable adults.
- Provide additional resources to newly bereaved; compile list of area grief support groups;
- Offer additional mental health education for Trinity's staff, congregation and the larger community.
- Create a New Member Information Guide to enhance new members' integration into the life and ministries of Trinity.
- Make Trinity a “Dementia Friendly Facility” through staff and congregational education.

On behalf of the Care Ministry Team: Thanks to each and every one of you for the myriad ways in which you care for one another – not only for Trinity's faith community, but for the Community of Christ, wherever a comforting word or a prayer is needed.

**Pastor Debra Ost**, Pastor of Care Ministries  
dost@trinitylc.org



“Dear Trinity Family,  
Trinity members supported our family by providing meals as we welcomed home our beautiful little girls after 114 long days in the NICU. It helped us so much to not have to worry about cooking so we could focus on caring for the babies’ many needs and enjoying our much needed snuggles together. Thank you also for all your prayers.”

“Dear Trinity Prayer Group and Chain,  
We want to thank each and every one of you for your prayers during [my husband’s prolonged illness]. He continues to heal and is doing very well... We know this has been in part from the many prayers from so many people... Your support kept us strong and still does. We are so blessed!!”



*Make a Meal Ministry:*

**35**

*35 volunteers ready and willing*

**121**

*121 meals prepared and delivered*

**11**

*11 families served*

**47**

*YogaDevotion: 47 participants*

**36**

*(36 of those participants  
—now hooked on yoga)*

**30,000**

*Prayer Team: 30,000 prayers offered for  
people and needs, at home and around  
the world*

# OUTREACH MISSIONS

The Outreach Missions Board changed its name this year to reflect our commitment to being externally focused and serving as the hands and feet of Jesus both here in the valley, and across the Twin Cities, the nation, and globe. To that end, we established three action teams: Local, Mexico Missions, and Tanzania.

As a board we have strived for clarity, transparency, and fiscal stewardship; while wrestling with complex and challenging situations. We have worked diligently to understand the many interconnections among our mission ministries and provide a pathway forward that honors the work of the past, builds and strengthens programs and services and communicates regularly with our many stakeholders. The Outreach Missions Board meets monthly with the specific action teams meeting in between.

Highlights from this year include:

- Completion of a framework outlining roles, responsibilities, accountabilities, and authority of the Outreach Missions Board
- Lead the 8th Annual Take on Hunger Golf Tournament raising \$20,899, the highest amount yet
- Assumed fiscal oversight in March 2016 including approval of all missions related expenses
- Provided leadership and support to the Last Sunday Supper ministry in conjunction with Ascension and First Presbyterian
- Establishing written protocols, policies and procedures for partnership or contracts that involve financial support

- Contributed to Lutheran related ministries;
- Global Health, ELCA–Disaster Relief,
- Supported the flood victims in Baton Rouge through working with St. Paul’s Lutheran
- Strengthened our financial support and partnership with Valley Outreach
- Met with leadership of Open Hands, Bega Kwa Bega, Mano Amiga, and Ascension

There are many people who contribute, support and benefit from the generous spirit of Trinity’s members. **We greatly value the work that each of you have done in service to and with others throughout the community, both near and far. We want to hear your new ideas, points of view, and expand Trinity’s rich mission history and legacy of service.**

As the current chairperson, I am especially grateful to each of the committee members listed below and to the wisdom, patience, and guidance of staff members Pastor Paul and Bob Eiselt.

Marlene Harty  
Michele Hermansen  
John Hodler  
Heidi Kriesel-White  
Arlyce Melheim  
Joan Newman  
Jamie Staska  
Vic Thalacker  
Pastor Paul Svingen  
Bob Eiselt

To God be the Glory!

**Renee Oswald-Anderson**, Chairperson  
stillroa@gmail.com



**We greatly value the work that each of you have done in service to and with others throughout the community, both near and far. We want to hear your new ideas, points of view, and expand Trinity's rich mission history and legacy of service.**



# CHILDREN, YOUTH & FAMILY

... the CYF Team intentionally created learning experiences and opportunities that invited children and youth to trust God, proclaim Christ through word and deed, care for others and the world God made, and work for justice and peace.



In the midst of continuing transition at Trinity, the Children, Youth, and Family Team worked hard to provide consistency, dependability and life-giving programs for the families and youth in our community. Following the Scope and Sequence laid out last summer, the CYF Team intentionally created learning experiences and opportunities that invited children and youth to trust God, proclaim Christ through word and deed, care for others and the world God made, and work for justice and peace.

Families representing 300 students (4 years old through 9th grade) chose to partner and participate in Wednesday and Sunday Learning at Trinity during the 2015-16 ministry year. More than 75 volunteers generously partnered with staff and families to help nurture and support the faith development of our young people. Through events like Pastries with the Prophets, the Live Nativity on Christmas Eve, Impact Parenting Sessions, and Keeping the Promise, families were invited to celebrate the journey of faith together and engage in conversation about what it means to be followers of Jesus. In Senior High Ministry, about 60 students attended various events throughout the year, including The River on Wednesday nights, Mexico Mission, and Wilderness Canoe Base.

The CYF Team is extremely thankful for the committed volunteers who have graciously given their time and talents to support our programs. We feel honored to serve and partner with this congregation and look forward to another year of ministry!

**Melissa Gubricky**, Birth to 3 Years  
mgubricky@trinitylc.org

**Julie Jolivette**, 4 Years to 6th Grade  
jjolivette@trinitylc.org

**Monty Lysne**, 7th & 8th Grade  
mlysne@trinitylc.org

**Kelsey Crusinberry**, 9th Grade –12th Grade  
kcrusinberry@trinitylc.org



# ADMINISTRATIVE

It has been a year of much “Transition” for Trinity Lutheran Church.

Throughout the year, there continued to be a heavy focus on financials with difficult decisions made by Council in mid-February to again recalibrate Trinity’s operations, further right-sizing the budget. This meant additional reductions in staff through position eliminations and attrition. We said farewell to valued and much-loved employees and colleagues: Rick Minichillo, Assistant Custodian, Craig Koehnen, Drive-in Worship Leader, Jody Thone, Director of On Purpose Ministries, Kim Pleticha, Director of Communications, and Tom Thiets, Director of Missions. Previous year’s reductions in program and administrative expenses were continued. Through all of these changes, we are thankful for our remaining staff and ministry volunteers who have stepped in to assume ministry responsibilities left by these expense and staff reductions.

We were also blessed with 3 new additions to our staff in FY2016, welcoming:

Monty Lysne (7th & 8th Grade Confirmation) Stefanie Fauth (Interim Pastoral Associate) and Travis Nordahl (AV Technician). It is exciting to watch these new staff fully engaged in ministry, working alongside the multitude of unpaid ministry leaders involved in the many and varied ministries here at Trinity! In addition to the staff positions previously mentioned, we also bid a warm farewell to: Rob Frost, Matthew Garavalia, and Kari Kahl. We thank them for their many contributions to the ministries here at Trinity and wish them well.

As we continued to address financial issues this year, we are ever thankful for the work of the Stewardship Team, led by Chris Johnson, attending to our needed focus on gratitude and generosity in appreciation for the financial gifts which richly bless us and this congregation.

Following the recommendations and prioritization by the Facilities Maintenance Team, a portion of the re-designated funds for Building Maintenance from Opening Doors were utilized to complete the re-roofing of the flat-surfaced roofs and replace skylights at Trinity in early November of 2015. It is an important and sizeable investment, \$160,000, to protect and maintain Trinity’s facility. Also see the report from the Facilities Maintenance Team at right.

The Helping Hands Team, under the leadership of Lowell Saterbak, continues to contribute to ministry within Trinity’s walls and outside — sharing their gifts in many missional ways to assist those in need in the community, as well as significant time continuing work on the drive-in property and a multitude of repairs and projects within Trinity. A huge thank you to this team, for their generous donation of time, equipment and expertise to Trinity and its ministries. Activities within and outside of Trinity amounted to over 1,000 volunteer hours of donated time!

In addition, a new team (The Tuesday Guys!) was started up in the Spring of 2016 by Ron Hagen. This group met every Tuesday throughout the summer and early fall to complete a myriad of Trinity’s indoor and outdoor projects! Sometimes in conjunction with the Helping Hands Team, some of what they accomplished is as follows: repaired fence rails on 4th Street, cleaned out and re-organized multiple storage spaces within Trinity, removed trees and brush from 3rd street property, facelift to office conference room and choir rooms (thank you to Kathy Hagen and others for their painting prowess!), miscellaneous electrical lighting upgrades, and ceiling tile repair/replacement. All told, over 400 volunteer hours donated to Trinity! With Ron & Kathy Hagen “wintering” in Arizona, Dan Wilson has agreed to lead this Tuesday activity during the winter months!

**Bob Eiselt**, Parish Administrator  
beiselt@trinitylc.org

**Activities within and outside of Trinity amounted to over 1,400 volunteer hours of donated time!**



# FACILITIES MAINTENANCE TEAM

Members of the team are Dave Swager, Brian Larson, Tom Hosek, Bob Eiselt, and Mark Gieseke.

## Prioritizing Needs

In early 2015, the Team inventoried all of the facilities that would likely require construction, capital maintenance, or replacement in the following 10 years. Not all of the identified projects need immediate attention. Additionally, some projects are less important than others. In order to prioritize the list a simple risk assessment process was used. Each project was scored for probability of when the needed maintenance would be needed and for how severely it would impact the integrity or functionality of the facility if not addressed.

## Projects Completed in 2016

- 3rd street lighting, steeple lighting, and landscaping has been completed.
- 4th street concrete sidewalk has been replaced
- Outdoor benches at 3rd & 4th Street entrances have been replaced.
- 4th Street entrance lighting has been improved.
- The north side windows and vents have been painted.
- The phone system has been replaced.
- The carpet in the office conference room has been replaced.
- The 4th street fence rails have been replaced.

## Projects Planned for 2017

Item Description	Recommended Action	Estimated Cost
Exterior Doors – 4th St. Door locks and other hardware are worn out. Stain glass needs repair. 3rd St. ramp door bind due to frost heaving of the concrete slab and foundation.	Replace the hardware. Install new panic devices and closers. Reconstruct the NE entrance to eliminate frost heaving and replace the doors.	\$25,000 to \$60,000
Tile at 4th street entrance is pitted from salt and water damage.	Cut out bad tile and surrounding tile; install a recessed entrance rug system full width of each door.	\$10,000 to \$20,000
Holes in the main parking lot.	Repair the underlying foundation issues and patch the surface.	\$5,000 to \$10,000
Resurface 4th St. small lot. Pavement surface is deteriorated.	Resurface the parking lot.	\$10,000 to \$20,000
South emergency exit door is rusted and requires frequent adjustment from heaving.	Replace door and replace step.	\$10,000 to \$15,000



## WORSHIP & MUSIC



**Without the hundreds of volunteers—in choirs, on the fine arts team, the altar guild, those who schedule communion servers, bread bakers, band members, AV technicians, ushers and greeters, coffee hosts—we would be hard pressed to do what we do.**

The year 2015-2016 has been enriched for us in worship with the presence of Pastor Paul Svingen as Interim Lead Pastor. It has been our great joy to work with Paul as a part of our worship planning team. His knowledge is extensive, his care for all of us has been extraordinary, and his humor always in perfect harmony with what is happening. In many ways he has brought us together as a team, by counseling/supporting us through highs and lows. (There truly have not been many lows.)

In addition to Paul, we have had the joy of working with Interim Pastoral Associate Stefanie Fauth this year. Stef brings concise, insightful sermons, musical input and endless creative ideas to our worship. She is the embodiment of the pastor of the future and we were blessed to work with her.

Pastor Deb Ost continues her excellence in planning, preaching, and presiding in worship, as well as ongoing spiritual care for all segments of our community. She has been some of the “glue” that has held us together through this interim.

Trinity continues to employ the Narrative Lectionary (NL) for our worship planning. The NL takes the congregation through the entire arc of the biblical story every year, reminding us of life’s cyclical nature, including that of our congregation.

Our choirs, bands and teams work tirelessly. The choirs welcomed numerous new members, and led worship with excellence every Sunday at 9 a.m. Children’s choirs ended their Spring 2016 season with the presentation of the musical *RESCUE IN THE NIGHT The Story of Daniel in the*

*Lions’ Den*. The Trinity choir had the pleasure of collaborating with the St. Croix Valley Symphony Orchestra.

The Trinity Concert Series continues to thrive. The series serves as a wonderful outreach to our St. Croix Valley community. We not only host such world-class organizations such as the St. Paul Chamber Orchestra and Cantus, but also fine community groups such as the Valley Chamber Chorale, the St. Croix Valley Symphony Orchestra, and various ELCA college musical organizations. Our greatest dream for the future is to invest in rehabilitating our lighting system in the Worship Center in order to continue to be an inviting venue to all groups.

Without the hundreds of volunteers—in choirs, on the fine arts team, the altar guild, those who schedule communion servers, bread bakers, band members, AV technicians, ushers and greeters, coffee hosts—we would be hard pressed to do what we do. We are grateful daily for each and every one of them. This year we give special thanks to Ann Wolff, who has so graciously and effectively taken over scheduling ushers and greeters. Together with Sylvia McCallister, Ann has brought much needed leadership to hospitality on Sunday mornings.

Our plan for the future is to continue—and grow—with excellence—and with understanding of the needs of Trinity Lutheran. A newly commissioned Worship Ministry Team, comprised of six congregation members plus music and pastoral staff, will give ears and voice to the dreams and aspirations this community has for the future of worship at Trinity.

May God continue to delight in the prayer, song and celebration we share each week.

**Carol Carver**, Director of Worship & Fine Arts Ministries  
ccarver@trinitylc.org

**Phil Kadidlo**, Director of Worship & Music Ministries  
pkadidlo@trinitylc.org

# STEWARDSHIP

In 2015, Trinity formed a new committee on stewardship. The purpose of the Stewardship Team is to bring the message of holistic, biblically-based Christian stewardship to all members of the Trinity community and to encourage those same members to practice good stewardship each and every day. In 2016, this team continued its work to build upon the work done in 2015 and to help create a strong foundation for Trinity in the future.

Admittedly, our team's focus and mission in 2015 was centered on the Responding to God's Love appeal. This year, having established a firm foundation, our focus turned to three key areas:

1. Illustrating and showcasing Trinity's strengths;
2. Communications and Gratitude; and
3. Building a Stewardship Playbook or Manual that can help serve as an outline of this committee's focus and mission.

### **Illustrating and Showcasing Trinity's Strengths:**

During any given week, it is amazing what God is doing within Trinity. There are a variety of mission teams, volunteers, leaders, clubs, and opportunities for members to engage with each other and be a part of something special. As a part of our team, we want to identify ways to share these wonderful events with others. While we are still early in our thinking and journey, we feel the use of video, email, testimonials are great ways to create visibility.

We want every member and prospective member to feel Trinity is special. We also want to recognize and showcase our church through the use of video slideshows at more services. This is a great way to visually experience what Trinity has to offer.

### **Communications and Gratitude:**

The best stories end in thanks. We feel it is our mission to constantly express our gratitude to God as well as the generosity of our Church's membership. Our team felt we should find ways to "do something special." Simple ways to express thanks. Whether it is an ice cream social at the drive-in, or scones after service. We want to remind our Church community that we are thankful for what they do. Albeit time, talent or treasures. We are just getting starting on this area and welcome additional ideas.

We also feel communications is an important element to our team. Having regular articles in the *Trinity Today* discussing Stewardship at a personal level helps to remind ourselves of God's grace through personal stories and examples.

Another area of communication we are planning is to help educate our congregation on alternative giving methods—TEXTING. We launched texting, and will soon be communicating this more broadly in the coming weeks.

### **Building a Stewardship Playbook:**

This is among our most important areas of focus. While it is still early in the development, we want a repeatable and straightforward outline of how to plan and coordinate stewardship in a calendar year. This includes drafting key reports as well as a perpetual calendar that looks at the entire year.

While the Stewardship Team is still a relatively new committee, we have some incredible talent. I want to personally thank each of our members for their dedication. The Team is chaired by Chris Johnson and other members include Katie Beaudet, Kat Carlsen, Tim Gillis, Tami Jensrud, Amy Karlstad, Zachary Lee and Claudia Swenseid. We are seeking additional members of this team. If you are interested please feel free to contact any one of the members for more information.

**Chris Johnson**, Stewardship Team Chair  
StewardshipTeam@trinitylc.org

**We want every member and prospective member to feel Trinity is special.**



# TRANSITION TEAM



The Transition Team was formed by the Council to help our congregation review mission, ministry, and structure as we prepare to call a new lead pastor. The results of this work will assist the call process and provide information about Trinity to potential candidates in the lead pastor call process, as well as help the congregation in making decisions regarding Trinity's structure and direction.

The Transition Team made use of recently completed congregational input, including the reports and survey results of the Faith and Family Team, the Opening Doors Appeal Task Force, and the Holy Cow! Congregational Assessment survey. In addition, the Team employed several new methods to seek input from the congregation and other resources. Those included the Heart2Heart listening sessions, mission/vision dialogue meetings, the LEAD assessment tool, staff interviews, interviews with leaders of other large churches, and various resource materials.

The Transition Team comprised of three work groups, who met over the course of 30 weeks. The three work groups were as follows:

**The Mission and Vision Work Group** engaged the congregation in reviewing Trinity's current vision and mission to determine whether changes are needed for the next five to seven years or to make a recommitment to the current mission and vision. Members of the group are: Karen Gieseke, Chair Dan Davis, Krista Gossai, Jeneal Olsen, Norma Wilson and Angie Hong

**The Organizational Structure Work Group** assessed existing reporting and accountability structures, reviewed the results of the Holy Cow! Congregational Assessment Tool and identified additional follow-up to be done in response to those results. The group also reviewed whether the existing committee and board structure of governance meets Trinity's needs. The group researched council size and structure used by congregations comparable to Trinity. Members of the group are: Arba-Della Beck (Chair), Laura Fredericks, Tom Haugrud, Jeff Kanewischer and Sandy Wendt

**The Staffing and Leadership Needs Work Group** identified ministry priorities for staffing; the lead pastor's responsibility, authority, and accountability regarding staffing levels, alignment with ministry, mission, and budget; staff reporting responsibilities, along with council and congregational roles for oversight; staffing levels needed to fulfill Trinity's mission and vision; and whether staff position descriptions accurately describe the responsibility, authority and accountability of each position. The work group explored how the congregation could better engage, develop and use lay leaders in our ministry and mission work. Members of the group are: Bill Bjorum (Chair), Jim Brown, Gerrie Granquist and Michele Hermansen

The Transition Team was led by Jill Longnecker and Mark Gieseke served the Team as the recording secretary.

## **A sample of Transition Team outcomes and recommendations made to council by the team**

The Transition Team hosted over 80 listening sessions for the congregation to share thoughts in their hearts and on their minds. From those sessions eight common themes were identified (see Figure 1 at right). Those themes were then presented during seventeen dialogue sessions held with congregational participants who were asked to rank the themes in order of perceived importance. These dialogue sessions have shown us the diversity of our opinions, but, more important, how we can achieve a common vision through listening and conversation.

The Transition Team recommended a new organizational structure as its Ministry Model (see Figure 2 at right). The proposed structure would assist Trinity to engage additional lay leadership in all areas of Ministry.

## **The Leadership Landscape Diagram**

(see Figures 3 & 4 at right)

The Four Quadrants for Congregations on the Leadership Landscape:

**Growing** (Leadership Style: Casting Vision ) Know purpose & values; Engage in the community

**Becoming** (Leadership Style: Networking ) Discovering purpose; Focus on the community

**Out of Breath** (Leadership Style: Consensus ) Abstract purpose; Struggle to engage leaders

**Stalled** (Leadership Style: Authoritative ) Inward purpose; Member-centric

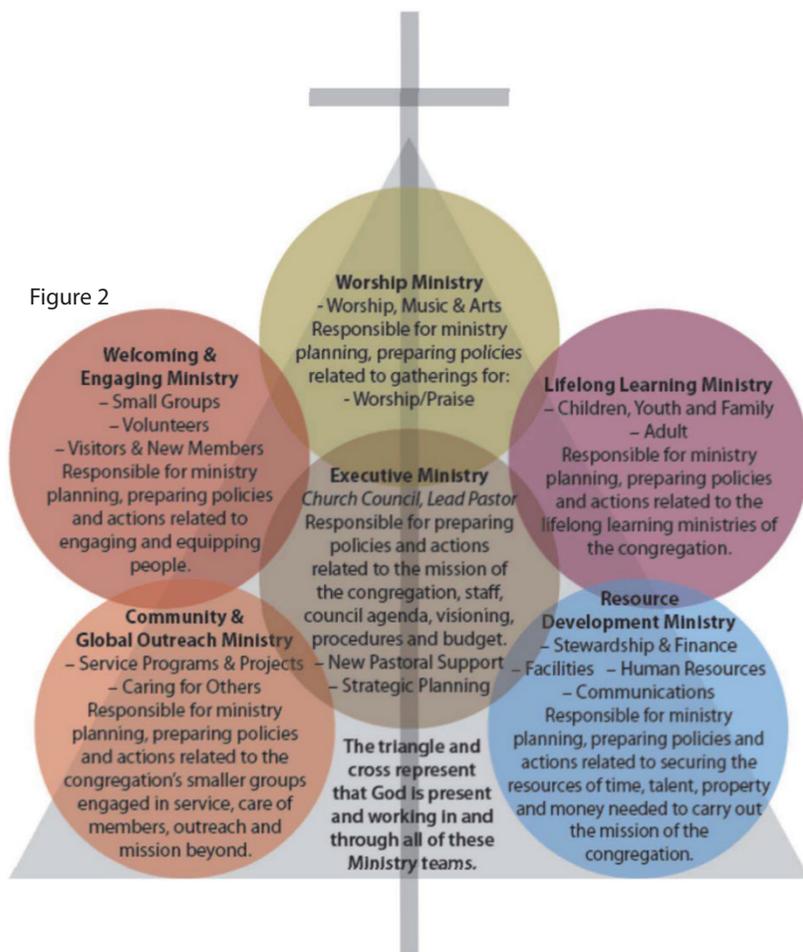
The final phase of our gathering process was the LEAD assessment. LEAD (Living Every Day as Disciples) is an ELCA ministry organization for congregational and leadership development that walks alongside congregations in transition who want to grow leaders for future ministry.

The LEAD assessment was not a survey. It did not ask participants what they preferred or if they were satisfied with Trinity. It was 20 statements about the congregation and its current behavior in specific ministries. The assessment concluded that Trinity sees itself overall as a Becoming congregation.

For more information about the results and details of the Transition Team's work, please see the full report which is available at [www.trinitylc.org](http://www.trinitylc.org) > then select NEWS > then select Congregational Council > then select Transition Team.

Transition Team Dialogue Session Theme Ranking																	
Theme	Wed Feb 24th	Wed Feb 24th	Tue Feb 23rd	Tue Feb 23rd	Tue Feb 23rd	Wed Feb 17th	Wed Feb 17th	Wed Feb 17th	Wed Feb 17th	Sun Feb 21st	Sun Feb 21st	Sun Feb 21st	Sun Feb 29th				
Children, Youth, & Family	4	5	5	6	3	6		1	5	3	2	1	4	6	1	3	5
Worship	2	2	6	1	1	7	3	2	2	5	1	7	3	5	6	2	7
Outreach & Mission	6	6	1	6	5	3		5	3	2	3	2	2	7	3	4	6
Engaging People	3	7	2	3	4	2	1	6	4	1	4	5	1	1	4	1	1
"All Are Welcome"	1	8	3	2	2	1		7	6	4	5	8	6	2	7	6	2
Financials	5	1	4	4	7	5		3	1	7	7	3	8	3	5	8	3
Staffing	7	4	7	5	8	4	2	4	7	8	8	4	5	4	2	5	4
Learning	8	3	8	6	6	8		8	8	6	6	6	7	8	8	7	8

Figure 1

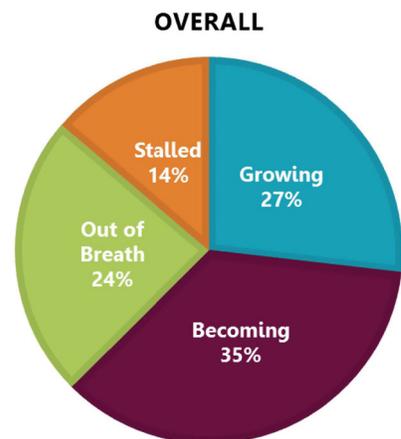


**The Transition Team hosted over 80 listening sessions for the congregation to share thoughts in their hearts and on their minds.**

Figure 3



Figure 4 **Trinity Lutheran Overall: Becoming**



Jill Longnecker, Transition Team Leader  
 jnjlongy@msn.com

# ANNUAL MEETING AGENDA

## 146th ANNUAL MEETING OF TRINITY LUTHERAN CHURCH Stillwater, Minnesota

November 20, 2016, 12:00 p.m.

### Meeting Agenda

1. Meeting Called to Order – President Gail Olson
2. Opening Prayer
3. Approval of Agenda
4. Introduction of Parliamentarian
5. Approval of Procedures
6. Appointment of Tellers
7. Approval of Minutes of November 2015 Annual Meeting
8. Introduction of Congregational Council Members
9. Report of the Nominating Committee
10. Election of Council Nominating Committee
11. Election of 1 Congregational Council position
12. Approval of Mandatory changes to Constitution
13. Recommended motion – nomination of Synod Delegates – May 2017
14. Reports from the Congregational Council, Staff and Ministry Teams
15. Report of the Church Treasurer for FY 2016
16. Presentation of Proposed Budget for FY 2017
17. Approval of Proposed Budget for FY 2017
18. Other Business
19. Adjournment

# MINUTES

## CONGREGATIONAL ANNUAL MEETING

November 15, 2015

### Minutes of the 145th Annual Meeting of Trinity Lutheran Church held on November 15th, 2015

1. Congregational Council President Gail Olson called the meeting to order at 12:03 p.m.; 114 congregational members were in attendance.
2. Pastor Paul Svingen led us in an opening prayer.
3. Gail Olson presented the proposed Annual Meeting Agenda to the Congregation. A motion was made and seconded to approve the agenda. There was no discussion. Motion carried.
4. Dan Wilson was introduced as Parliamentarian for the annual meeting.
5. Dan Wilson reviewed the proposed procedures of the annual meeting, which are in addition to those in the Trinity Constitution. A motion was made and seconded to approve the procedures; the motion passed.
6. Tellers were appointed for the meeting. The tellers are Jeff Anderson, Kristie Anderson, Tim Gillis, Glenda Bjorum, Norma Wilson, Amy Karlstad, Ryan Karlstad, and Jim Untiedt.
7. The minutes of the November 2014 Annual Meeting were presented for approval. A motion was made and seconded to approve the annual minutes as presented; the motion passed.
8. Gail introduced the members of the Congregational Council and thanked them for their service, with special thanks to outgoing members Sara Godfrey and Dana Miller for their years of service:
  - Gail Olson, President
  - Doug Johnson, Vice President
  - Sara Godfrey, Secretary
  - Tom Olsen, Treasurer
  - Dana Miller
  - Eric Olsen
  - Paul Svingen
9. Report of the Nominating Committee – Eric Jackson reported on the two candidates for election to Council.
10. Eric Jackson asked for a motion to elect the 2017 Nominating Committee. The current committee is Eric Jackson, Julie Schmidt, and Jeffrey Anderson. Normally those moving off of council become the next year's nominating committee. A motion was made and seconded to elect Eric Jackson, Dana Miller, and Sara Godfrey as the 2017 Nominating Committee. The motion carried unanimously with no discussion.
11. Gail Olson presented the ballot for the two open Congregational Council positions. Mary Claire Olson Potter and Melanie (Mel) Sullivan were presented as the sole candidates nominated prior to the meeting. They were determined as eligible by the Nominating Committee for 3-year terms each on the Congregational Council. Per procedure requirements, Gail asked 3 times if there were any nominations from the floor for additional candidates and none were presented. A motion was made and seconded to authorize a voice vote in place of a paper ballot. The motion was approved with no opposition. A motion was made and seconded to elect Mary Claire Olson Potter and Melanie Sullivan to the Congregational Council. The motion was approved unanimously.
12. A motion was made and seconded to delegate authority to the Congregational Council to select delegates to attend the Synod Assembly in May of 2016. The motion passed.
13. Reports from the Congregational Council, Staff, and Ministry Teams. Reports are printed in the 2015 Annual Report.
  - a. Gail Olson presented the report from the Council and recognized the work of the several boards and teams formed in the past year.
  - b. Transition Team. Jill Longnecker reported on the mission of the Transition Team and introduced the members. The Team has three working groups, Mission and Vision, Staffing and Leadership, Organizational Structure and Governance.
  - c. Chris Johnson reported on the mission of the Stewardship Team to grow stewards in the congregation and to create a culture of giving of time, talent and resources. The Team led the 2015 summer appeal that raised \$276,000 to close the budget gap. The status of the 2016 stewardship drive is 386 giving units have pledged \$1.021 million.

- d. Renae Oswald-Anderson introduced the team and reported on the Missions Board activities. The work of the team is beginning by creating a vision for missions at Trinity and documenting the variety of mission activity at Trinity.
- e. Pastor Deb Ost introduced the team and reported on the activities of the Care Ministries Team. The team is beginning to describe how Care Ministries will look for Trinity in the future.
- f. Mark Gieseke reported on the facilities maintenance plan that has been created for Trinity's assets and progress in completing maintenance projects on the roof, skylights, and one air conditioning unit. Additional projects will be chosen from the plan with remaining dollars from the Opening Doors Appeal funding directed to building maintenance.

14. Report of the Church Treasurer for FY 2015. Treasurer Tom Olsen gave the report.

- Trinity finished last year with a slight surplus due to the Respond to God's Love summer appeal.
- Approximately \$480,000 of the now-concluded Opening Doors Appeal funds were redesignated by the donors to other uses during the fiscal year, \$190,126 of which went to the general fund.
- Expense reductions were detailed for how the budget in fiscal year 2015 was reduced to address the budget shortfall. Budget reductions were made in seminary scholarships, interns, continuing education, auxiliary musicians, and personnel.
- Trinity's total debt was near \$4.5 million before the debt reduction effort began. The debt has been reduced by \$555,000 to date, with the line of credit now under \$800,000.

15. Presentation of the budget for FY 2016. Treasurer Tom Olsen presented the proposed budget.

- The proposed fiscal year 2016 projected contribution income included in the proposed budget is \$1.6 million. This amount is slightly more than last year's total contributions, which included contributions from regular giving and the summer appeal.
- The budget includes a 2% salary increase to occur mid-year.
- \$23,000 of debt payments will be saved due to the debt reduction.
- The proposed 2016 budget requires pledges of about \$1.425 million. While pledges are ahead of last year at this same time, they are still short of the amount needed as of the time of this report.
- Until the Fall pledge drive is completed we will not know whether contributions will reach the needed level for a balanced budget, so budget reduction scenarios are being planned. It typically takes 10-12 weeks to complete a fall pledge drive, so it is anticipated that a more reliable estimate for 2016 contributions can be made by the end of December 2015.
- To avoid making budget reductions based on incomplete projections, the council presented a motion which requires the council to make budget adjustments by the end of 2015 if realistic income projections do not meet the \$1.6 million needed to maintain current expenditures.

The following motion was made to adopt the proposed budget. The motion was seconded.

*The proposed budget for FY 2016 is adopted subject to the following:*

*By the end of December 2015, the council shall review projected revenue for FY 2016 and shall adjust the budget as follows:*

*If realistic projected revenues are lower than the adopted budget, the Council shall reduce projected FY2016 expenditures to not exceed projected revenues and shall notify the congregation of the action taken.*

*If realistic projected revenues exceed the adopted budget by more than \$50,000, the Council shall propose a revised budget at a duly called congregational meeting.*

*If realistic projected revenues exceed the adopted budget by less than \$50,000, the Council may make revisions without further action by the congregation and shall notify the congregation of the action taken.*

Discussion took place on the motion.

- Member question: Why not wait to adopt a budget until the pledge information is better known? Response: The council has attempted to balance the need for more final income projections with the need to make budget reductions as early as possible in the fiscal year. If budget reductions are necessary, delaying them will increase the amount of cuts needed to be made in order to reach a balanced budget for 2016.

- Member questions: Is the proposed mission budget level realistic? Response: The mission budget spends what it takes in, so the level has no impact on the rest of the budget. The number chosen was based upon historical and expected mission activities.
- Member question: How many giving units participated in last summer's giving appeal. Response: About 320.
- Member question: What is the status of mortgage interest/principal payments under the proposed budget? Response: The mortgage interest and principal will be paid under any scenario.
- Member question: Does the budget include funding for a new lead pastor? Response: Yes.
- Member comment: Trinity has lost members who pledged at a higher level than the new members coming in to Trinity. Trinity needs to grow to be successful. Cutting programs makes Trinity look less attractive to new members.
- Council comment: By presenting the budget in this manner, the Council is giving notice to the congregation that cuts will be necessary if the contribution budget is not reached.
- Member comment: People give because they trust. We all have to trust each other and give more to do more.
- Member comment: Those attending this meeting now know the budget. We need to share that information with all those who were not here today so that they understand the budget also.

A motion was made and seconded to call the question. The motion passed.

The proposed budget motion then passed unanimously.

#### 16. Other business

- a. Member question: What is the status of that Saturday night service in this budget? Response: Pastor Paul is exploring ideas to bring the service back with a minimal budget impact. We also may want to explore whether other service options should be considered. Any suggestions would be welcomed. With the budget still uncertain, no decisions have been made on whether Saturday night services will be restarted.
- b. Member comment: Younger members are often attracted to Trinity by programs for children, youth and family. Younger members find it hard to get to meetings like this one, but they do have an interest in Trinity. Children, youth and family activities were cut last year without offering the opportunity for parents to respond by giving more for the support of those activities, and before any future cuts, members should have that opportunity.
- c. Member comment: Thank you to Gail Olson for her leadership during this past year's challenging transition.

18. Motion to adjourn was made and seconded. The motion passed. The meeting was closed with prayer.

Respectfully submitted,

Mark Gieseke, Recording Secretary

Acting for Congregational Council Secretary

## 2016 Trinity Congregational Council

Gail Olson \_\_\_\_\_ Council President  
 Doug Johnson \_\_\_\_\_ Vice President  
 Eric Olsen \_\_\_\_\_ Secretary  
 Tom Olsen \_\_\_\_\_ Treasurer  
 Melanie (Mel) Sullivan \_\_\_\_\_ Council Member  
 Mary Claire Olson Potter \_\_\_\_\_ Council Member

### Fiscal Year 2016 Statistics

Total number of baptized members on Sept. 1, 2015 \_\_\_\_\_ 3,853  
 Number of members received through baptism \_\_\_\_\_ 32  
 Number of members received through confirmation \_\_\_\_\_ 14  
 Number of members received through transfer/affirmation of faith \_\_\_\_\_ 35  
 Number of members removed through death \_\_\_\_\_ 23  
 Number of members removed through transfer, request, etc. \_\_\_\_\_ 236  
**Total adjusted number of baptized members on August 31, 2016** \_\_\_\_\_ **3,675**  
 Non-member funeral services conducted by Trinity pastors \_\_\_\_\_ 4  
 Weddings conducted by Trinity pastors \_\_\_\_\_ 7

### Worship Attendance

#### 2015 Christmas Eve:

2 p.m. \_\_\_\_\_ 468  
 3 p.m. \_\_\_\_\_ 410  
 4 p.m. \_\_\_\_\_ 501  
 5 p.m. \_\_\_\_\_ 243  
 7:30 p.m. \_\_\_\_\_ 199  
 9 p.m. \_\_\_\_\_ 268  
**TOTAL** \_\_\_\_\_ **2,089**

#### 2015 Christmas Day:

10 a.m. \_\_\_\_\_ 135

#### Easter:

Total of all Lenten Services \_\_\_\_\_ 223  
 Maundy Thursday \_\_\_\_\_ 121  
 Good Friday \_\_\_\_\_ 168  
 5 p.m. – Easter Eve \_\_\_\_\_ 91  
 7 a.m. \_\_\_\_\_ 65  
 9 a.m. \_\_\_\_\_ 435  
 10 a.m. \_\_\_\_\_ 500  
 11 a.m. \_\_\_\_\_ 340  
**TOTAL** \_\_\_\_\_ **1,943**

#### Average Worship Attendance:

9 a.m. \_\_\_\_\_ 250  
 10:30 a.m. \_\_\_\_\_ 171  
 9 a.m. Drive-In (Summer) \_\_\_\_\_ 231  
 9 a.m. Worship Center (Summer) \_\_\_\_\_ 105

### Trinity Staff as of August 31, 2016

Carol Carver \_\_\_\_\_ Director of Worship, Adult Choir Director  
 Kelsey Crusinberry \_\_\_\_\_ Youth Specialist  
 Bob Eiselt \_\_\_\_\_ Parish Administrator  
 Sonia Esch \_\_\_\_\_ Lead Children's Choir Director  
 Pastor Stefanie Fauth \_\_\_\_\_ Interim Pastoral Associate  
 Linda Flood \_\_\_\_\_ Food Service Manager  
 Dave Goulette \_\_\_\_\_ Organist  
 Melissa Gubricky \_\_\_\_\_ CYF Specialist, Birth to Age 3  
 Thomas Hosek \_\_\_\_\_ Lead Custodian  
 Zanny Johnson \_\_\_\_\_ New Member Development/Care Coordinator  
 Julie Jolivette \_\_\_\_\_ CYF Specialist, Age 4–Grade 6  
 Phil Kadidlo \_\_\_\_\_ Director of Worship & Music Ministries  
 Monty Lysne \_\_\_\_\_ CYF Specialist, Grades 7 & 8  
 Anne Mikesch \_\_\_\_\_ Custodian  
 Ellen Neseth \_\_\_\_\_ Accounting Coordinator  
 Travis Nordahl \_\_\_\_\_ Audio Visual Technician  
 Pastor Deb Ost \_\_\_\_\_ Pastor of Care Ministries  
 Charlene Parayno \_\_\_\_\_ Child Care Provider  
 Sue Peterson \_\_\_\_\_ Parish Nurse  
 Almond Skraba \_\_\_\_\_ Child Care Provider  
 Jane Strauman \_\_\_\_\_ Children's Choirs  
 Pastor Paul Svingen \_\_\_\_\_ Interim Lead Pastor  
 Marilee Tangen \_\_\_\_\_ Publications Manager  
 Eric Troisdahl \_\_\_\_\_ Financial Secretary  
 Jeannie Wendorf \_\_\_\_\_ Office Manager

# PASTORAL ACTS

## BAPTIZED

Tristan Ulrik Keister  
Frederick George Ore  
Brynn Josephine Smith  
Sonja Margaret Nelson  
Brecken Cary Hugh Spurbeck  
Peyton Craig Thomas  
Wyatt Michael Parks  
Rowan Amos Zehr  
Annabeth Marie Pointer  
Ethen David Pointer  
Harrison Daniel Jablonski  
Brooks George Kresen  
Lucy Ann Majchrzak  
Emmy Harper Gotch  
Lexa Leigh Long  
Jay Crosby Haws  
Ava Lorraine Monroe

Charlotte Katie Budion  
Edith Vivian Clavette  
Benjamin Christian Kimble  
Peyton Clarence O'Connor  
Bjorn Eric Olsen  
Samuel James Urbaneck  
Austin Charles Wukawitz  
Eliette Arlene Barr  
Brita Noelle Gossai  
Dominic Alex Bosmoe  
Axel Steven Frokjer  
Chloe Jean Horning  
Kira Mae Granquist  
Kora Rose Kensler  
Watson Elwood Armstrong

TOTAL = 32

## MARRIED

Sharon Aiken & Dean Peterson  
Alicia Idle & Andrew Dale  
Kelly Ogburn & Timothy Flesch  
Rachel Printon & Daren Dressler  
Katie Beaudet & Jason Monroe  
Leigha Anderson & David Barta  
Ashley Junker & Harrison Koehnen

TOTAL = 7

## CONFIRMED April 2016

**David John Andrews II**  
Nicole Catherine Berglund  
Maria Kathryn Brand  
Christine Marie Brennan  
Benjamin Lawrence Brynestad  
Thomas Mark Buckrey  
**Ben Richard Carle**  
Stephanie Marie Christopher  
**Ethan James Darby**  
**Mason Garrett Day**  
**Eliza Noel Eger**  
**Lauren Joan Elliott**  
Chloe Jeanne Engstrum  
Blake Thomas Evensen  
Taylor Grace Gilles  
Andrew Lawrence Glassman  
William Walter Gleason  
Maxwell William Gonnion  
Emilie Mae Greene  
**Emma Susan Griffith**  
**Michael Steven Griffith**  
**Molly Jean Griffith**  
Jay Crosby Haws

Josephine Bonnie Jelinek  
Annika Elizabeth Johns  
Annette Joy Johnson  
Kaitlin Mae Johnson  
**Kaitlin Kaufman**  
Maya Loren Linn  
Gabrielle Allana Lombard  
Mya Joy Lysne  
Henry Jones Mapstone  
**Mitchell Bancroft Miesen**  
**Joshua Charles O'Hara**  
**Quinn Schafer**  
Katrina Marie Rydeen  
Josefina Barbara Scherek  
Jack Delich Swanson  
Simon Thomas Tangen  
Makena Christine Valsvik  
Joseph Michael Weckwerth  
**Evelyn Grace Young**

TOTAL = 42  
NEW MEMBERS = 14 (BOLD)

## FUNERALS

**Eric Michael Nelson**  
**Philip Arthur Walen**  
**Roger Glenn Benson**  
**JeLaine Odelle Lee**  
**Hollis Charles Grubb**  
**Michael James Doe**  
**Edward Paul Biegging Sr.**  
**Donald J. Baker**  
**Dwayne W. Johnson**  
**Deborah Lynn Schuna**  
Douglas Ten Eyck Berg  
**LaVern LeLand Linse**  
**Norma Johnson**  
**Jeanne Jensen**  
**Evelyn Elizabeth Koehnen**  
**Hazel Vernice Carlson**  
Thomas Adrian Junker  
**Charles Edward Kotval**  
**Marian D. Carlson**  
**Charlotte Marie Diggins**  
Jewel Johnson  
**Margaret (Peggy) Anne Houston**  
Diane (Dee) Nelson  
**David Eugene Jensen**  
**Marian Broecker Carlson**  
**Sandra Gene Ecker**  
**Borghild Elaine Risendal**

TOTAL = 27  
MEMBERS = 23 (BOLD)



# CPA REPORT



foley kalseim

and company, ltd.

certified public accountants  
and consultants

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Church Council  
Trinity Lutheran Church  
Stillwater, MN

We have reviewed the accompanying financial statements of Trinity Lutheran Church (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of August 31, 2016 and 2015, and the related statements of revenues, expenses and other changes in net assets and cash flows – all on the modified cash basis, for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Church management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting, as described in Note B.

### **Known Departure From Modified Cash Basis of Accounting**

As disclosed in Note B to the financial statements, the capitalization of property and the recording of depreciation over the estimated useful lives of the assets is a generally accepted modification of the modified cash basis of accounting. Management has informed us, however, that the Church has stated property and equipment in the accompanying financial statements at the November 1, 1995 replacement cost, which is not a generally accepted modification of the modified cash basis of accounting. Capital additions after that date are being recorded at cost or fair market value if received as donations. The effect of these accounting departures from the modified cash basis of accounting on the financial statements is not practical and has not been determined.

12415 55th street north • lake elmo, mn 55042  
phone: 651-430-3635 • fax: 651-430-9326 • www.foleykalseim.com

# CPA REPORT

## **Basis of Accounting**

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Joly Kalouin & Company Ltd.*

Lake Elmo, MN  
November 2, 2016

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis  
August 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Cash	\$ 159,291	\$ 303,584
Investments	990,530	963,576
Prepaid expenses	1,000	27,000
Master plan design fees	336,085	336,085
Property and equipment, net of accumulated depreciation	4,869,526	4,926,473
 Total assets	 \$ 6,356,432	 \$ 6,556,718
<b>LIABILITIES AND NET ASSETS</b>		
Payroll liabilities	\$ 2,308	\$ 6,024
Program deposits	7,876	7,676
Drive-in escrow	8,600	8,600
Security deposits	1,288	1,288
Funds held for others	77,037	72,360
Mwatasi water project	2,479	5,354
Refundable advances	-	1,056
Long-term debt	3,930,651	3,936,462
 Total liabilities	 4,030,239	 4,038,820
 Net assets:		
Unrestricted	1,224,299	1,288,133
Temporarily restricted	105,109	259,934
Permanently restricted	996,785	969,831
 Total net assets	 2,326,193	 2,517,898
 Total liabilities and net assets	 \$ 6,356,432	 \$ 6,556,718

**See accountants's review report and notes to financial statements.**

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# CPA REPORT

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT:</b>				
Contributions	\$ 1,286,203	\$ 275,352	\$ -	\$ 1,561,555
Rental income - church property	43,421	-	-	43,421
Rental income - post office building	24,000	-	-	24,000
Rental income - Croix Center	51,684	-	-	51,684
Fees and other payments for program activities	86,119	-	-	124,068
Interest income	-	37,949	-	37,949
Miscellaneous income	1,944	-	-	1,944
Unrealized gain on investment	-	-	26,954	26,954
Loss on disposal	(1,308)	-	-	(1,308)
Net assets released from restrictions upon expiration of proposed restrictions	468,126	(468,126)	-	-
<b>Total revenue and support</b>	<u>1,960,189</u>	<u>(154,825)</u>	<u>26,954</u>	<u>1,870,267</u>
<b>EXPENSES:</b>				
Staff salaries and benefits	1,035,934	-	-	1,035,934
General operating expense	208,927	-	-	208,927
Building maintenance expense	27,829	-	-	27,829
Interest expenses and other borrowing costs	149,969	-	-	149,969
Missions and benevolence	278,784	-	-	278,784
Children, youth & family ministries	29,653	-	-	29,653
Communications	7,437	-	-	7,437
Lifelong learning ministries	4,638	-	-	4,638
On purpose ministries	339	-	-	339
Worship and music	12,443	-	-	12,443
Mutual care/small groups	19,392	-	-	19,392
Depreciation expense	248,678	-	-	248,678
<b>Total expenses</b>	<u>2,024,023</u>	<u>-</u>	<u>-</u>	<u>2,024,023</u>
<b>CHANGE IN NET ASSETS</b>	(63,834)	(154,825)	26,954	(191,705)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,288,133</u>	<u>259,934</u>	<u>969,831</u>	<u>2,517,898</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,224,299</u>	<u>\$ 105,109</u>	<u>\$ 996,785</u>	<u>\$ 2,326,193</u>

See accountants' review report and notes to financial statements.

# CPA REPORT

2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT:</b>				
Contributions	\$ 1,589,060	\$ 294,610	\$ 2,546	\$ 1,886,216
Rental income - church property	40,113	-	-	40,113
Rental income - post office building	24,000	-	-	24,000
Rental income - Croix Center	18,561	-	-	18,561
Fees and other payments for program activities	81,948	-	-	81,948
Interest income	-	37,664	-	37,664
Miscellaneous income	111	-	-	111
Unrealized loss on investment	-	-	(64,757)	(64,757)
Net assets released from restrictions upon expiration of proposed restrictions	712,450	(712,450)	-	-
Total revenue and support	<u>2,466,243</u>	<u>(380,176)</u>	<u>(62,211)</u>	<u>2,023,856</u>
<b>EXPENSES:</b>				
Staff salaries and benefits	1,246,373	-	-	1,246,373
General operating expense	275,356	-	-	275,356
Building maintenance expense	26,103	-	-	26,103
Interest expenses and other borrowing costs	180,381	-	-	180,381
Missions and benevolence	296,560	-	-	296,560
Children, youth & family ministries	34,402	-	-	34,402
Communications	9,951	-	-	9,951
Lifelong learning ministries	4,386	-	-	4,386
On purpose ministries	307	-	-	307
Worship and music	25,064	-	-	25,064
Mutual care/small groups	10,932	-	-	10,932
Opening Doors and TFT campaign	183,791	-	-	183,791
Depreciation expense	274,097	-	-	274,097
Total expenses	<u>2,567,703</u>	<u>-</u>	<u>-</u>	<u>2,567,703</u>
<b>CHANGE IN NET ASSETS</b>	(101,460)	(380,176)	(62,211)	(543,847)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,389,593</u>	<u>640,110</u>	<u>1,032,042</u>	<u>3,061,745</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,288,133</u>	<u>\$ 259,934</u>	<u>\$ 969,831</u>	<u>\$ 2,517,898</u>

See accountants' review report and notes to financial statements.

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Statements of Cash Flows - Modified Cash Basis  
For the Years Ended August 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (191,705)	\$ (543,847)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	248,678	274,097
Unrealized (gain) loss on investments	(26,954)	64,757
Loss on disposed asset	1,308	-
Changes in operating assets and liabilities:		
Prepaid expenses	26,000	13,655
Credit cards payable	-	(37,737)
Payroll liabilities	(3,716)	(220)
Program deposits	200	6,834
Security deposits	-	1,288
Funds held for others	4,677	4,219
Mwatasi water project	(2,875)	(24,998)
Refundable advances	(1,056)	249
Net cash flows from operating activities	54,557	(241,703)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Construction work in process	-	21,892
Disposal of Opening Doors and TFT	-	81,492
Purchases of property and equipment	(193,039)	(85,179)
Net cash flows from investing activities	(193,039)	18,205
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings on debt	8,471	-
Payments of debt	(14,282)	(177,413)
Net cash flows from financing activities	(5,811)	(177,413)
Net change in cash	(144,293)	(400,911)
<b>CASH</b>		
Balance at beginning of year	303,584	704,495
Balance at end of year	\$ 159,291	\$ 303,584
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 149,969	\$ 180,381

**See accountants' review report and notes to financial statements.**

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements  
For the Years Ended August 31, 2016 and 2015

## NOTE A - ORGANIZATION

Trinity Lutheran Church (the Church) located in Stillwater, Minnesota was organized in 1871. The Church is a constituent of the Evangelical Lutheran Church in America (ELCA). The Church is a nonprofit organization and is dedicated to engaging as many persons as will share its confession of faith in the fellowship of worship, learning, witness, service and support, so that the Word of God may become effective in their lives together and individually. This includes relationships with other Christian fellowships and with social institutions at home and throughout the world. The Church is supported primarily through contributions of the congregation.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements have been prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the modified cash basis, revenues are generally recorded when cash is received and expenses are generally recorded when cash is disbursed. Modifications to the cash basis of accounting include recording:

1. Property and equipment purchased as assets
2. Accumulated depreciation and depreciation expense on property and equipment
3. Liabilities arising from the receipt of borrowed cash
4. Employee FICA and withholding taxes not deposited with the IRS
5. Permanently restricted net assets at fair value

The modified cash basis of accounting does not give affect to account receivables, pledge receivables, inventories, accounts payable, and accrued expenses.

The Church has stated property and equipment in the accompanying financial statements at the November 1, 1995 replacement costs, which is not a generally accepted modification of the modified cash basis of accounting. Capital additions after that date are being recorded at cost or fair market value if received as donations. The effect of this accounting departure from the modified cash basis of accounting on the financial statements has not been determined.

Financial Statement Presentation: Revenues and support are classified on the presence or absence of donor restrictions and reported in the following net asset categories:

- Unrestricted net assets represent the portion of net assets that are not subject to donor restrictions.
- Temporarily restricted net assets arise from contributions that are restricted by donors for specific purposes or time periods.
- Permanently restricted net assets arise from contributions that are permanently restricted by donors for specific purposes.

Concentration of Credit Risk: The Church places its cash with one banking institution. At times, the amount on deposit exceeds the insured limit of the institution and exposes the Church to a collection risk. Additionally, the investments in the Endowment Fund Pooled Trust of the ELCA are not insured and consequently expose the Church to a collection risk. The Church has not experienced any losses.

Property and Equipment: The Post Office property purchased in May 1991 is valued at the Church's purchase price. All other property and equipment on hand at November 1, 1995 is valued at the replacement cost on that date. Additions to fixed assets after November 1, 1995 are valued at actual cost if purchased, or fair market value at date of donation for donated property. Valuation of fixed assets at current replacement cost is not in accordance with the modified cash basis of accounting.

Depreciation has been computed on the straight-line basis, beginning with the 1997 financial statements. The Church capitalizes all expenditures in excess of \$500, and whose useful lives are more than a year.

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash: For the purposes of statement of cash flows, the Church considers all short-term debt securities purchased with a maturity of three months or less to be cash.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires or is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Investments: Investments are reported at fair value. Realized and unrealized gains and losses are included in the statement of activities.

Income Taxes: The Church is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income taxes.

The Church has evaluated for uncertain tax positions and management has expressed there are no uncertain tax positions as of August 31, 2016. Tax returns for the past three years remain open for examination by tax jurisdictions.

Subsequent Events: In preparing these financial statements, the Church has evaluated events and transactions for potential recognition or disclosure through November 2, 2016, the date the financial statements were issued.

Use of Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Prepaid Expenses

The Church has recorded prepaid expense which is a departure from the modified cash basis of accounting.

NOTE C - INVESTMENTS

Cost and fair value of investments held for permanently restricted purposes consist of the following:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Endowment Fund				
Pooled Trust - ELCA	\$ 1,028,228	\$ 990,530	\$ 1,028,228	\$ 963,576

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

## NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2016</u>	<u>2015</u>	Depreciation Lives
Land	\$ 806,438	\$ 806,438	-
Drive-in	484,784	484,784	-
Church Building	4,205,095	4,040,000	40 years
Croix Center	330,000	330,000	10 years
Remodeling	1,627,807	1,610,483	5-25 years
Furniture, fixtures and equipment	1,122,953	1,119,955	2-25 years
Computers	78,843	78,843	5 years
Music equipment	521,074	521,074	5-25 years
Vehicles	26,672	26,672	5 years
	<u>9,203,666</u>	<u>9,018,249</u>	
Less accumulated depreciation	<u>(4,334,140)</u>	<u>(4,091,776)</u>	
<b>Total</b>	<b><u>\$ 4,869,526</u></b>	<b><u>\$ 4,926,473</u></b>	

## NOTE E - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2016</u>	<u>2015</u>
Mortgage bearing interest at 3% at August 31, 2016 and 2015, payable in monthly principal and interest installments of \$14,934. Matures May 1, 2034. Secured by Church building and land.	\$ 2,463,835	\$ 2,567,436
Line of credit in the amount of \$1,000,000, bearing interest at 4.75%, payable in monthly interest only payments of approximately \$3,190 and a lump-sum payment upon maturity. Matures July 3, 2017. Secured by Church building and land.	872,221	761,721
Mortgage bearing interest at 5.45%, payable in monthly installments of \$4,482 (principal and interest). Matures April 9, 2018. Secured by 216 West Myrtle Street building and land.	586,370	607,305
Note payable bearing interest at 4.95%, payable in monthly installments of \$160 (principal and interest). Matures June 20, 2021. Unsecured.	8,225	-
	<u>\$ 3,930,651</u>	<u>\$ 3,936,462</u>

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

NOTE E - LONG-TERM DEBT (continued)

Future maturities of long-term debt, are as follows, August 31:

2017	\$	1,002,985
2018		675,519
2019		115,053
2020		118,587
2021		121,909
Thereafter		1,896,598
		\$ 3,930,651

NOTE F - PERMANENTLY RESTRICTED NET ASSETS

During 1997, an Endowment Fund Committee was started by the Church Council. The committee has established policies and procedures for the Endowment Fund. The Endowment Fund is invested in the ELCA Endowment Fund Pooled Trust. Earnings on the Endowment Fund are temporarily restricted for one year after they are earned. The Endowment Fund Committee waived this requirement for \$37,949 and \$37,664 in the years ended August 31, 2016 and 2015, respectively.

NOTE G - RETIREMENT PLANS

The Church makes monthly contributions to two retirement plans on behalf of eligible employees. Eligible employees are those employees who work 32 hours or more per week. During the year ended August 31, 2016, retirement contributions for 12 eligible employees were funded at a cost of \$27,691. During the year ended August 31, 2015, retirement contributions for 18 eligible employees were funded at a cost of \$41,418.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are for the following purposes:

	2016	2015
Opening Doors	\$ 40,257	\$ 206,321
Memorials to be Designated	5,482	2,348
Organ Fund	1,296	1,296
Church Sign	11,900	11,900
Scholarship Fund	4,725	4,856
Fund Raising	7,523	6,944
Indoor Gardens	287	287
Capital Funds	33,639	25,982
	\$ 105,109	\$ 259,934

NOTE I - LEASES

Post Office – The Church owns and leases to the United States of America, the building and land for the current Stillwater Post Office. The lease calls for monthly payments of \$2,000. The lease may be renewed at the option of the Government for three five-year terms. The lease is currently in its first five-year period, and renewed the second five-year period. The second lease will expire December 31, 2021 if the Government does not exercise its option for the third five-year period. Rent collected under this lease was \$24,000 for the years ended August 31, 2016 and 2015.

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

NOTE I – LEASES (continued)

Lil' Tulip's – The Church owns and leases to the Lil' Tulip's, Incorporated. The lease calls for monthly payments of \$2,390. The lease is for 5 years and will expire April 30, 2020. Rent collected under this lease was \$27,684 and \$7,561 for the years ended August 31, 2016 and 2015, respectively.

Reclaiming Beautiful – The Church owns and leases to the Restoring Beautiful, LLC. The lease calls for monthly payments of \$2,000. The lease is for 2 years and will expire January 31, 2017. Rent collected under this lease was \$24,000 and \$11,000 for the years ended August 31, 2016 and 2015, respectively.

Future minimum lease payments to be received on operating leases, are as follows, August 31:

2017	\$ 65,684
2018	52,684
2019	52,684
2020	43,123
2021	24,000
Thereafter	8,000
Total	<u>\$ 246,175</u>

NOTE J - LEASE COMMITMENTS

The Church leases copiers, rental expenses under these leases totaled \$22,012 and \$23,911 for the years ended August 31, 2016 and 2015, respectively. The copier lease expires June 30, 2020.

The minimum future lease commitments are payable, as follows, August 31:

2017	\$ 29,340
2018	29,340
2019	29,340
2020	24,450
Total	<u>\$ 112,470</u>

NOTE K - PROGRAM SERVICES AND SUPPORTING ACTIVITIES

Program services and supporting activities are summarized below:

	<u>2016</u>	<u>2015</u>
Program services	\$ 1,619,218	\$ 2,054,162
Management and general	<u>404,805</u>	<u>513,541</u>
Total Expenses	<u>\$ 2,024,023</u>	<u>\$ 2,567,703</u>

NOTE L – FAIR VALUE OF FINANCIAL INSTRUMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

NOTE L – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

*Level 1*

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Church has the ability to access.

*Level 2*

Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3*

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at August 31, 2016.

ELCA Funds – The fair value of investments in marketable equity and debt securities is based on quoted market prices of the funds in the investment.

Long-term debt and line of credit – The carrying amount reported in the statement of financial position approximates fair value because the Church can obtain similar loans at the same terms.

The following tables set forth by level, within the fair value hierarchy, the Church's assets and liabilities at fair value as of August 31, 2016 and 2015 as follows:

Fair Value Measurements at Reporting Date Using:			
		Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)
<u>August 31, 2016</u>	<u>Fair Value</u>		
ELCA Fund A	\$ 990,530	\$ -	\$ 990,530
Long-term debt	3,930,651	3,930,651	-
Total	<u>\$ 4,921,181</u>	<u>\$ 3,930,651</u>	<u>\$ 990,530</u>
<u>August 31, 2015</u>			
ELCA Fund A	\$ 963,576	\$ -	\$ 963,576
Long-term debt	3,936,462	3,936,462	-
Total	<u>\$ 4,900,038</u>	<u>\$ 3,936,462</u>	<u>\$ 963,576</u>

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

NOTE M – ENDOWMENT

The Church's endowment consists of a fund established for a variety of purposes. As required by authoritative guidance, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Church Council has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Church classifies as permanently restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. In accordance with UPMIFA, the Church considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. All funds shall be used as the donor intended at the time the Church solicited or accepted the gift.
2. Investment portfolio shall provide a long-term growth real (inflation-adjusted) assets.
3. Provide a predictable stream of income to the Church for programs.
4. Follow investment policies of the Church.
5. Other resources of the Church.
6. General economic conditions.

			<u>Permanently Restricted</u>
September 1, 2014	Donor-Restricted Endowment Funds	\$	1,032,042
	Contributions		2,546
	Unrealized Loss		<u>(64,757)</u>
August 31, 2015	Endowment Net Assets	\$	<u>969,831</u>
September 1, 2015	Donor-Restricted Endowment Funds	\$	969,831
	Contributions		-
	Unrealized Gain		<u>26,954</u>
August 31, 2016	Endowment Net Assets	\$	<u>996,785</u>

# CPA REPORT

TRINITY LUTHERAN CHURCH  
Notes to Financial Statements (continued)  
For the Years Ended August 31, 2016 and 2015

## NOTE M – ENDOWMENT (continued)

### Investments Objectives and Strategies

The Church has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the Church Council, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy.

To achieve these objectives, the Church follows an asset diversification plan, sets performance benchmarks for investment managers, and has established various asset quality and limitation thresholds. The Church expects its endowment, over time, would achieve total returns after all fees to be equal to or exceed an annualized realization rate of 5%. These total returns are expected to meet or exceed the composite performance of the securities markets on a three to five-year basis. Actual returns in any given year may vary from this amount.

## NOTE N – OPENING DOORS AND TRINITY FOR TOMORROW

The Church Council appointed a special task force group to review the Opening Doors and Trinity for Tomorrow campaigns. The task force recommended to the Church Council that the campaigns be discontinued. This resulted in an expense of \$81,492 for the year ended August 31, 2015 and an asset of \$336,085 for the master plan and design fees the Church believes still hold value.

The Church has re-designated the remaining money related to the Opening Doors and Trinity for Tomorrow campaigns to building improvements and debt reduction.

## NOTE O – CONTINGENT LIABILITIES

A lawsuit has been served on Trinity Lutheran Church by an individual claiming sexual abuse by a former staff member in the late 1980s. The lawsuit claims damages in excess of \$50,000 but specific damages have not yet been identified. The lawsuit has not been filed in court and discovery has not yet begun. While Trinity will seek to arrive at a mediated resolution of the claims, it will vigorously defend the lawsuit if that resolution is not reached.

## NOTE P – LINE OF CREDIT

The Church had an available supplemental line of credit in the amount of \$300,000 at a 5.25% interest rate at August 31, 2016. There was no balance outstanding for the year ended August 31, 2016. The line of credit is renewable July 3, 2017.

# FINANCIAL REPORT OVERVIEW

## TRINITY LUTHERAN CHURCH

Stillwater, Minnesota

The following pages include various reports related to the financial operations of Trinity Lutheran Church for the fiscal years 2015 and 2016.

Trinity ended its fiscal year on August 31, 2016.

A “Balance Sheet Summary” on page 46 compares assets, liabilities and equity for the fiscal years ending 8/31/2015 and 8/31/2016. This presents more detail than the CPA’s Balance Sheet included on page 32.

The “Year-End Summary of Income and Expense”, on page 47, shows the budgeted and actual amounts for income and expenses for Fiscal Year 2016. The Change in Net Assets matches the amount shown as Unrestricted Change in Net Assets on page 34.

Included for your information is a report from the Treasurer on page 48.

The “2017 Ministry Budget” is presented on page 49. The budgets are prepared by our staff and reviewed by the Finance Team and the Congregational Council.

The Finance Team and the Trinity Congregational Council have approved the proposed budget to be submitted to the congregation for adoption at the Annual Meeting.

# BALANCE SHEET SUMMARY

## Balance Sheet Summary

	Aug 31, 16	Aug 31, 15
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash Accounts</b>		
Checking, Money Market & Savings Accounts - General	\$ 112,780	\$ 91,008
Savings Account - Current Year Endowment	6,255	6,255
Opening Doors Appeal Fund	40,257	206,321
Investment Account-Trinity Endowment (ELCA Fund)	990,530	963,576
Accounts Receivable/Prepaid Expenses	1,000	27,000
<b>Total Current Assets</b>	<b>1,150,822</b>	<b>1,294,160</b>
<b>Fixed Assets</b>		
Land	1,306,968	1,306,968
Buildings	4,557,754	4,392,660
Work in Progress	0	0
Furniture & Fixtures	3,312,272	3,291,950
Passenger Van	26,672	26,672
Accumulated Depreciation	(4,334,140)	(4,091,777)
<b>Total Fixed Assets</b>	<b>4,869,526</b>	<b>4,926,473</b>
<b>Other Assets</b>		
Master Plan Design Fees	336,085	336,085
<b>TOTAL ASSETS</b>	<b>\$ 6,356,433</b>	<b>\$ 6,556,718</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
<b>General Funds Held For Future Disbursement</b>		
Designated Gift Funds	\$ 99,628	\$ 257,586
Memorial Funds (Not Yet Designated)	5,482	2,348
<b>Temporary Funds</b>		
Misc donations for mission trips & outreach	79,515	77,714
Program funds carried forward from prior year	0	1,056
Payables (including payroll liabilities)	20,072	23,588
Operations Cash Flow Line of Credit	872,221	761,721
Endowment Earnings Available: Current Yr & Next Yr	6,255	6,255
<b>Total Current Liabilities</b>	<b>1,083,173</b>	<b>1,130,268</b>
<b>Long Term Liabilities</b>		
Mortgage - Thrivent Financial	2,463,835	2,567,437
Mortgage - 216 Myrtle - First State Bank & Trust	586,370	607,305
Bank Loan - Phone System	8,225	0
<b>Total Long Term Liabilities</b>	<b>3,058,430</b>	<b>3,174,742</b>
<b>EQUITY</b>		
Investments - Endowment Fund	990,530	963,576
Net Assets	1,288,132	1,389,592
Current Year Change in Net Assets	(63,834)	(101,460)
<b>Total Equity</b>	<b>2,214,830</b>	<b>2,251,708</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,356,433</b>	<b>\$ 6,556,718</b>

# FISCAL YEAR-END SUMMARY OF INCOME & EXPENSES

	<u>FY '16 Actual</u> Sep '15 - Aug '16	% of Budget	<u>FY 2016 Budget</u> FY '16 Budget
<b>Operating Summary:</b>			
OPERATING INCOME:			
Contributions - General	\$ 1,289,086	98%	\$ 1,310,000
Contributions - Restricted	8,210	103%	8,000
Mission Revenue	243,585	69%	352,950
Released from Endowment	37,887	99%	38,400
Croix Center Rent	51,684	111%	46,684
Rental Income	43,421	96%	45,000
USPS Facility Rent	24,000	100%	24,000
Fees and Payments	86,119	92%	93,475
Misc. Income	1,944		-
<b>TOTAL OPERATING INCOME</b>	<u>\$ 1,785,935</u>	93%	<u>\$ 1,918,509</u>
OPERATING EXPENSES:			
All Personnel Expenses	\$ 1,035,934	101%	\$ 1,026,000
Finance, Facilities, Operations	236,756	88%	267,678
Loan Interest	149,969	101%	148,000
Communications	7,437	69%	10,800
Benevolence	35,199	117%	30,000
Missions	243,585	70%	347,450
Children / Youth / Family	29,653	64%	46,400
Lifelong Learning	4,638	63%	7,400
On Purpose	339	104%	325
Groups and Teams	19,392	128%	15,200
Worship and Music	12,443	63%	19,810
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 1,775,345</u>	93%	<u>\$ 1,919,063</u>
Operating Surplus (Deficit)	\$ 10,590		\$ (554)
<b>Capital Summary:</b>			
CAPITAL FUNDS:			
Capital Appeal Funds Recognized	166,064	95%	175,000
Capital Funds - Other	9,500		-
<b>TOTAL CAPITAL FUNDS</b>	<u>\$ 175,564</u>	100%	<u>\$ 175,000</u>
CAPITAL EXPENSES:			
Loan Principal	124,537	100%	\$ 125,000
Redesignated Opening Doors	162,064	93%	175,000
Technology Expense	-		-
Capital Expenditures	22,504	450%	5,000
<b>TOTAL CAPITAL EXPENSES</b>	<u>\$ 309,105</u>	101%	<u>\$ 305,000</u>
Capital Surplus (Deficit)	<u>\$ (133,541)</u>	103%	<u>\$ (130,000)</u>
<b>Operating Surplus (Deficit)</b>	<b>\$ 10,590</b>		<b>\$ (554)</b>
Less: Capital Surplus (Deficit)	(133,541)	103%	(130,000)
<b>Total Surplus (Deficit)</b>	<u><b>\$ (122,951)</b></u>	94%	<u><b>\$ (130,554)</b></u>
<b>Adjustment to tie to CPA Report: Page 34</b>			
OPERATING INCOME (from above)	\$ 1,785,935		
CAPITAL FUNDS (from above)	175,564		
<b>TOTAL INCOME</b>	<u>1,961,499</u>		
less: Loss on Disposal of Fixed Assets	(1,308)		
<b>Adjusted Income</b>	<u>1,960,191</u>		
Total Operating Expenses (from above)	1,775,345		
Add: Depreciation Expense Annual allocation	248,678		
<b>TOTAL EXPENSES</b>	<u>2,024,023</u>		
<b>CHANGE IN NET ASSETS</b>	<u>\$ (63,834)</u>		

# TREASURER'S REPORT

Fiscal 2016 (September 2015-August 2016) was a challenging year for Trinity. Operating income was \$1,786,000 which exceeded operating expense by approximately \$10,000. However, capital spending and mortgage principle payments of approximately \$133,000 resulted in a total deficit of \$123,000. In Fiscal 2015 the church had a total surplus of \$1,513.

At the November, 2015 annual meeting the council presented the fiscal 2016 ministry budget with an estimated total surplus of \$446. This budget assumed contribution revenue of \$1.6 million and that staffing and other expenses would continue at the running rate established in the 2nd half of fiscal 2015. At the time of the annual meeting the council was concerned about the projected revenue of \$1.6 million as potentially being overly optimistic so the budget resolution approved at last year's annual meeting reflected this concern. The resolution stated:

“By the end of December, 2015, the council shall review projected revenue for 2016 and shall adjust the budget as follows: - If realistic projected revenues are lower than the adopted budget, the council shall reduce projected expenditures to not exceed the projected revenues and shall notify the congregation of the action taken.”

By December of 2015 it was clear revenues would not be close to the \$1.6 million and that based on stewardship pledges received the budget for fiscal 2016 should realistically assume revenue of \$1.3 million. The council did make spending adjustments in early 2016 which had the impact of reducing projected expenses by \$265,000 on an annualized basis but by January it was too late to see the full year savings so the revised budget assumed a total deficit for the year of \$131,000. To offset this projected deficit the council approved the sale of the unencumbered 3rd street property which was estimated to provide net proceeds after expenses of approximately \$130,000. We were advised at the time that the sale could take up to 18 months which of course meant that the gain from the sale would be reported in the next fiscal year. The council decided to proceed with this approach risking having a deficit in 2016 in order to not have to make any further spending adjustments in 2016.

Assuming the sale of the 3rd street property will close as expected; the church will recognize a net gain of approximately \$160,000 in fiscal 2017 which will more than offset the deficit of \$130,000 in fiscal 2016. Thus, the impact will be a surplus of approximately \$30,000 for 2016 combining the two fiscal years.

In the last two years the church has made significant downward adjustments to spending in order to bring the spending in line with realistic revenues. The table below shows some of the areas where spending was reduced and the annualized impact of the changes.

<b>Expense Reductions:</b>	Actual FY'15 Expense Reduction	Annualized FY'16 Effect	Additional FY'16 Expense Reduction	Annualized FY'17 Effect	2-Year Cummulative Expense Reductions
Personnel Expenses	\$ 129,600	\$ 272,353	\$ 166,837	\$ 265,565	\$ 537,918
Admin & Program Expenses	\$ 27,316	\$ 34,000	\$ 35,000	\$ 35,000	\$ 69,000
<b>Total Expense Reduction</b>	<b>\$ 156,916</b>	<b>\$ 306,353</b>	<b>\$ 201,837</b>	<b>\$ 300,565</b>	<b>\$ 606,918</b>

Finally, I wanted to comment on Trinity's debt. The table below provides a summary of our outstanding debt at the beginning and end of the fiscal year.

<b>Outstanding Debt:</b>	<u>9/1/2015</u>	<u>Incr (Decr)</u>	<u>8/31/2016</u>
Long Term Liabilities	\$ 3,174,742	(116,312)	\$ 3,058,430
Line of Credit	761,721	110,500	872,221
<b>Total Outstanding Debt:</b>	<b>\$ 3,936,462</b>	<b>\$ (5,812)</b>	<b>\$ 3,930,651</b>

We reduced the principal outstanding on our mortgage debt by \$124,536 in fiscal year 2016. We did see an increase in the line of credit of approximately \$110,500 but, this amount will be reduced by approximately \$160,000 once the sale of the 3rd street property closes. Interest and principal payments are about 16% of Trinity's total budget. In fiscal 2017, the finance team will be looking at our debt to see if there is some way to reduce this burden which would free up funds for other uses.

**Tom Olsen**, Treasurer  
blue6500@comcast.net

# FISCAL YEAR 2017 PROPOSED MINISTRY BUDGET

## OPERATING SUMMARY:

OPERATING INCOME:	
Contributions - General	1,300,000
Contributions - Restricted	13,000
Mission Revenue	184,700
Released from Endowment	38,000
Croix Center Rent	52,660
Rental Income	44,000
USPS Facility Rent	24,000
Fees and Payments	89,000
Misc. Income	-
<b>TOTAL OPERATING INCOME</b>	<b>\$ 1,745,360</b>

## OPERATING EXPENSES:

All Personnel Expenses	929,500
Admin (Finance, Facilities, Operations)	244,980
Loan Interest	145,000
Communications	9,800
Benevolence	34,000
Missions	179,700
Children / Youth / Family	35,790
Lifelong Learning	7,200
Groups and Teams	16,850
Worship and Music	18,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,620,820</b>
Operating Surplus or (Deficit)	<b>\$ 124,540</b>

## CAPITAL SUMMARY:

### CAPITAL FUNDS:

Capital Appeal - Funds Recognized	-
<b>TOTAL CAPITAL FUNDS</b>	<b>\$ -</b>

### CAPITAL EXPENSES:

Mortgage Principal	\$ 124,540
Facility Improvements	-
Technology Expense	-
Capital Expenditures	-
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 124,540</b>
Capital Surplus or (Deficit)	<b>\$ (124,540)</b>
Total Surplus or (Deficit)	<b>\$ -</b>

## Endowment Fund

Since its inception in 1997, Trinity's Endowment Fund has been a very useful addition to the financial resources that make it possible for the many and varied ministries of Trinity to happen. The Endowment Fund is made up of enduring and enduring gifts from dear, departed and living people supporting Trinity. These gifts are invested with the ELCA Endowment Fund and earnings from these gifts are distributed back to Trinity for use in the areas designated by the donors. As of Aug. 31, 2016, the market value of Trinity's Endowment Fund stood at \$990,530. Earnings from the fund of \$37,887 were distributed back to Trinity in FY2016. The earnings were used to fund ministry activities and programs in the areas of: General Ministry (IT Network Support and 3rd St. Property Appraisal & Legal fees), Mutual Care (Parish Nurse), Worship & Music (Auxiliary Musicians, Guest Preachers, and Instrument & AV maintenance) and Children & Youth (Summer Program Staffing), as designated by donors. Thank you to those whose many and generous gifts have made this financial tool a valuable asset for Trinity.

# NOMINATING COMMITTEE REPORT & COUNCIL ELECTION

## Report of the Nominating Committee

TRINITY LUTHERAN CHURCH  
ANNUAL MEETING  
November 20, 2016

Sara Godfrey  
Eric Jackson  
Dana Miller

The Nominating Committee consulted with Council leadership, the Pastor and current staff members in regard to the opening for Congregational Council. Based on these consultations, the committee recommends the following:

For the existing vacancies, we present Arba-Della Beck for a three-year term.

In addition, the committee recommends the following names to be elected to the 2017 Nominating Committee:

Eric Olsen  
Dana Miller  
Eric Jackson

### Council Election Procedures:

1. Nominees, whether by the committee or from the floor, are expected to be in attendance at the Annual Meeting.
2. Each nominee will be given up to one minute to introduce him/herself, tell why he/she would like to serve on the Council, and give other information including areas of interest, in order to help the voters choose Council members.
3. Nominees, whether by the committee or from the floor, will be expected to have completed the requested information forms ahead of time or, in the case of nominees from the floor, at the meeting.
4. Endorsement speeches or questions of the candidates will not be a part of the Annual Meeting agenda.
5. After all nominated candidates have been identified, a sample ballot will be projected onto a large screen at the front of the sanctuary. The names of all candidates, whether nominated by the committee or from the floor, will be listed alphabetically.
6. A motion to approve the ballot will be made, seconded, and approved.
7. Ballots will be handed out by authorized tellers. The ballots will include pre-printed names of the candidates placed in nomination by the Nominating Committee and blank lines available to write-in names of the candidates nominated from the floor, using the names projected onto the screen as a reference.
8. Voting will be by written ballot.
9. To be elected, a candidate must receive a majority vote of the number of valid ballots cast.
10. In the event a run-off election is required, all candidates not receiving a majority of the votes will be entered on a second and succeeding (if required) ballots. Voting will continue until all council vacancies are filled by candidates elected by a majority (as described in #9).

## Sample Ballot

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TRINITY LUTHERAN CHURCH  
Stillwater, Minnesota  
November 20, 2016

NOMINEE(S) FOR CONGREGATIONAL COUNCIL

### BALLOT

#### VOTE FOR (1)

Arba-Della Beck (3-year term)

#### Nominated from the floor

\_\_\_\_\_

SAMPLE

# CONGREGATIONAL COUNCIL NOMINEE



## **Arba-Della Beck**

My experience at Trinity has included serving on council 12-15 years ago. I also have taught Sunday school, lead small groups for confirmation, and sang in the choir. Further, I've been on mission trips to Mexico and Tanzania, and served with Loaves & Fishes.

I am interested in serving on council because it is a time of renewal as well as a time of coming to terms with challenges at Trinity. In my career I have worked with a board for more than 30 years, and understand strong governance and organizational health. After chairing the lead pastor call committee, it is good to feel engaged again at Trinity and this is one way I feel I can make the most positive contribution going forward. The current council is a very talented group and I would be grateful to have the opportunity to work more closely with them and with our new lead pastor. I am also at the time in my life when I have the time and energy to serve in this capacity.

I am currently President of FamilyMeans, a local nonprofit organization providing services to families struggling with finances and debt, mental health concerns, caregiving for family and friends with disabilities or chronic illness and after school programs for youth in Cimarron and Landfall. I have a masters degree in social work and an MBA from St. Thomas.

I have been and continue to be blessed by my involvement at Trinity and am grateful for opportunities to serve.



trinity  
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