

2017 ANNUAL REPORT

TRINITY LUTHERAN CHURCH • STILLWATER, MN



trinity
Lutheran Church

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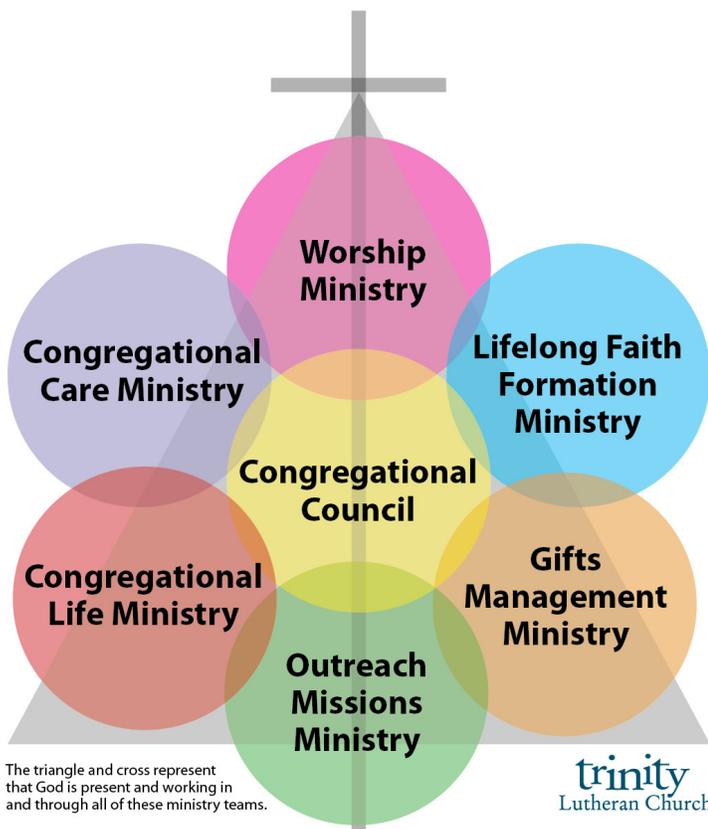
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REPORT OF THE CONGREGATIONAL COUNCIL PRESIDENT

I have heard of your faith in the Lord Jesus and your love toward all the saints, and for this reason I do not cease to give thanks for you as I remember you in my prayers.
– Ephesians 1:15-16

More than anything in this report I want to say thanks. First, thank you to our faithful Trinity community for your steadfastness, commitment and support of Trinity and its mission and ministry during the past three years. We have journeyed through highs and lows, but we have done it together with a vision of the future. That future is now unfolding. Pastor Chris Bellefeuille began her call to Trinity in December 2016 and we will soon call a new associate pastor. Pastor Deb Ost has been a stalwart throughout the transition period. We are blessed with staff who bring great talent and skill to their work, and a strong commitment to their faith and the mission and ministry of Trinity.

We also are blessed to have a growing pool of strong and involved lay leaders. Both our lead pastor and associate pastor call committees have done tremendous work to understand Trinity's needs and identify a candidate to meet them. We are grateful for their service, and for the Transition Team that tilled the soil so well for their work. One of the recommendations of Trinity's Transition Team was to develop ministry teams in each of the areas of Trinity's ministry and operation to ensure greater lay involvement and leadership. Our pastors, staff and council have been actively working at developing those ministry teams, presented in greater detail in this annual report. Special thanks to Council Member Mary Claire Potter, who has kept these teams front and center with council and staff and documented their progress. Being on a ministry team offers the opportunity to be creative and consultative and to help shape our future mission and ministry. The success of our ministry teams will



depend on involvement of even more members of the community, so we encourage you to consider where you might serve. Whether you are on a team, task force, board, in a service group or confirmation group, lead Sunday or Wednesday Faith Formation, or work individually on projects, thank you. Your work has made our shared ministry possible.

In just a few years Trinity will celebrate its 150th anniversary as a congregation. It will be a time to honor the lives and legacies of the founding members and all those who have followed, as well as a time to tend to the present and prepare for the future. We will never know how many lives have been touched because of Trinity's ministries over the past century and a half, but we know that the future holds new promise.

One way to strengthen Trinity going forward is to reduce the debt we have acquired over the years. We will be exploring options to accomplish debt reduction in the coming months. The debt is significant, but not insurmountable. One facet of debt reduction is to refinance our mortgage at a lower rate; council and staff are exploring those options. Another is to conduct an appeal, which we also will explore. If you have additional ideas about how to achieve debt reduction while continuing to provide vibrant worship and programming, please share them with a council member.

A word about the 2018 budget. Council and staff worked hard to prepare a balanced budget for 2018. To do so, though, meant creating a budget that delays staff increases and underfunds staff education and training, covers a bare minimum of facilities expenses, does not increase our benevolence to the local and global mission work of the Saint Paul Area Synod and Evangelical Lutheran Church in America, limits program growth, underfunds needed technology improvements, and so forth. More detail about the 2017 and 2018 budgets appears in the Treasurer's Report and will be discussed at the annual meeting.

And how do we move forward into the future? What is God's message to us about how we reach beyond our walls to welcome new people to the Gospel? While many love our traditional hymns and liturgy or our contemporary worship and want to see those continue, how might God's Word be shared with those who have no interest in formal religion or church participation? Can Trinity expand its vision to minister to the growing number of our society who wouldn't even consider walking into a church building? We welcome your thoughts and prayers about what lies ahead for Trinity's mission and ministry.

Finally, I want to give my deep thanks to those with whom I have worked so closely over the past three years. Our council members, our pastors, and our staff are extraordinary. They have looked forward with hope and optimism. They have kept our work always focused on solving problems and how to address the challenges we faced, without rancor, blame or divisiveness. And I am deeply grateful for the words of encouragement and thanks extended by our members.

Trinity is blessed. Thanks be to God!

Gail M. Olson, President, Congregational Council
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LEAD PASTOR

Sisters and Brothers in Christ,

What a year it has been, our first in ministry together. I give thanks to God for bringing us together to discover the hope-filled future God holds for Trinity Lutheran Church in faith formation, worship, service and witness.

This year's report may contain more detail than usual but I want you to have a window into what start up for a new pastor looks like.

My year began with an abundance of introductions, meeting many new people and groups; including connecting with Trinity's remarkable and dedicated staff.

STAFF

Structuring our lives together as a staff, we have created space for conversation, prayer, bible study and team building.

We began by establishing one-on-one meetings (weekly, bi-weekly, or monthly) between each staff member and their supervisor. We include all staff in our weekly meeting, where we begin with Christ Care Prayers (lifting up to God our distracting worries and joys.) This fall we added the practice of Dwelling in the Word (check out Luke 10:1-12). Each week we also answer an imaginative question in order to get to know one another better. The staff meetings have become one of the highlights of my week as we work (and laugh) on behalf of this great congregation.

The Congregational Council approved three "Gratitude Days" for all staff (except Pastors Chris and Karri who were new) for their hard work over the last couple of years. These were a one-time gift of thanks. Each staff found an engaging way to enjoy their time off.

The staff attended a council/staff retreat on a Saturday last winter. And this fall we hosted Pastor Karen Stevensen, Licensed Marriage and Family Therapist (LMFT) for a training on healthy communication and boundaries. We hope to add more staff enrichment and team building in the new year.

COTTAGE MEETINGS

Late last winter we held 11 Cottage Meetings to hear how you think about the words Trinity, Lutheran and Church. These were held at church, in homes, and at Boutwells Landing. While these interesting conversations were not what some had hoped...a time focused on hearing from me...they were helpful for me to hear the inclinations of the congregation around our identity as a congregation.

Key words that emerged were: God, place, community, holy, faith, tradition, worship, Lutheran, grace and "all." It is clear that Trinity has a strong sense of mission, that people think of Trinity as a forming and affirming home, and that worship is central to our lives together.

The cottage meetings were a wonderful opportunity for me to get to know people in smaller settings and hear from you personally. Several one-on-one conversations were generated from this effort as well.

Thank you to all our hosts: Carol Carver, Chuck Claus, Lucinda White, Sharon Germain, Paul Holmes, Mel Sullivan, John and Dellzie Hodler, Mary Claire Olson Potter, Pete Clements and Sara Wagner, Matt and Deb Simcik, and Gail Olson.

In addition to the cottage meetings, several of you encouraged me to connect with formerly active people that have not been engaged in the life of the congregation over the past year or so. I had a dozen or more coffee meetings for healing. Many are still in discernment about where they will make their future church home. Some have engaged elsewhere. Others are here in worship and participating in ministries regularly.

It is painful when those we love—with whom we have labored and worshipped—find that they must move on. We grieve these departures. And we release them with grace, love and good will; knowing that God has a future for them as well as for Trinity. And we celebrate those who have returned to us, as well as the many new faces with us now.

MINISTRY AREAS/TABLE TALKS/TEAMS

At the staff/council retreat last January, we revisited the ministry areas identified by the great work of the Transition Team. Following that we hosted table talks for each of the ministry areas: Worship, Lifelong Faith Formation, Congregational Life and Congregational Care, Outreach Missions, Gifts Management, and Congregational Council.

Each table talk included a council liaison, pastors and appropriate staff. The intention of the table talks was to birth a ministry team for each area, facilitating increased engagement by lay leaders and participants—moving us from being so heavily staff driven.

Outreach Missions was already a functioning team and has continued to meet regularly to support and facilitate our mission work locally and globally.

It became clear that Congregational Care and Congregational Life are overlapping yet separate ministry areas. Ministry teams are not yet developed for these two areas as we determine deployment of existing staff and which staff will oversee what aspects of our life together. Please see the Congregational Life and Care Ministries report for updates on the great ministry developments there.

Worship Ministry Team will begin meeting monthly after the first of the year with expanded engagement from the teams that support our worship life.

Children, Youth and Family determined some key goals and stake holders. However, with the pastoral transition in Lifelong Faith Formation, development of this team will take place after the new pastor is called.

Gifts Management: while several groups were identified to work on various projects, the whole large group has not reconvened. However, work is continuing in the area of



developing a compelling vision or mission to carry us into the future. More on that later in my report.

WORSHIP

We continue to bring a great deal of energy and focus to our worship life together. We are aware that the attendance at 10:30 a.m. worship has been down in response to the many transitions over the past couple of years. Our talented worship and music directors, Carol Carver and Phil Kadidlo are a formidable team, supporting one another, the pastors, musicians, worship assistants and all the hands needed to create vibrant worship.

In both services, we have made the Word of God our focus; as a people formed and called by the Word. We do this in readings, prayers, liturgical elements and music. Proclamation of the Word in preaching is held to high standards of scholarship, theological grounding and engagement. We celebrate communion weekly to keep the gift of the Lord's Meal at the center of our celebration, providing an opportunity to welcome and include all who enter our communal space. Baptisms are designed to celebrate not only the new brother or sister in Christ, but to engage all children in baptismal reminders. We also give thanks for our own baptisms as we support the newly baptized and their families and sponsors.

Over the summer, we offered three services on the outdoor green space to engage our near neighbors, explore use of this valuable resource and imagine new possibilities. We are also in the early stages of offering a contemplative service one Sunday per month as an alternate worship experience.

Because the primary thing we do here as the people of God is worship God, this will continue to be a place where resources, energy and time are focused. We invite feedback at any time. And encourage all worshippers to be participants as lectors, worship assistants, communion servers, ushers, greeters, musicians, worship arts, altar guild and more.

ENGAGEMENT WITH THE WIDER CHURCH

As pastors, we are called not only as pastors of a particular congregation, we are also considered pastors of the Evangelical Lutheran Church in America. Therefore, we engage in a variety of ways with our colleagues across the church:

- Weekly text study. A gathering to study the preaching scriptures for the coming Sunday.
- Monthly conference gathering. Trinity is part of the East Central conference of the Saint Paul Area Synod. The rostered leaders (pastors and deacons) gather monthly for worship, meal fellowship, learning and partnering.
- Conference and Synod Assemblies. These are annual gatherings for the governance of the church. Lay members are also included in these gatherings. The number of lay people attending is based on the size of the congregation.
- Bishop's Theological Conference. This is an annual gathering for rostered leaders in the synod to go offsite (Madden's in Brainerd this past year) for learning, fellowship, worship and renewal. It is a wonderful opportunity to not only build friendships but to learn from other pastors and deacons about their best practices.
- Peer groups. I participate in two peer groups, one general and one specific to this call. Both are critical for support, self-evaluation, truth telling and prayer.
- St. Croix Valley Ministerium. This is an ecumenical monthly gathering similar to the conference gatherings but includes churches from around Stillwater and the Valley. This provides rich opportunities for learning and partnerships.
- Large Church Pastors Conference. This is an annual gathering for pastors whose congregations worship attendance is more than 400 people on a Sunday.

Pastors in isolation struggle to remain healthy. Partnerships such as these are critical to the wellbeing of the pastor and the congregation.

Additionally, Trinity is increasing our awareness of and engagement with the larger church. We are a church of the ELCA and as such, have the opportunity to both bless and be blessed by that participation. Additionally, our constitution upholds this partnership.

One way in which we engaged more deeply this year was to participate in God's Work. Our Hands. This five-year old initiative is a denomination-wide day of service, celebrated on the second Sunday in September. We had over 80 members of all ages serving in nine different service projects including: creation care (buckthorn mitigation and river clean up), nursing home visits with music and games, card and blanket making, assembling Lutheran World Relief quilting kits, serving brunch at Hope House, and washing windows via Chore House (through Community Thread). We gathered for worship at 9 a.m. and were blessed into service. After a morning of activity, we gathered back at church for treats and storytelling. It was a successful morning and we look forward to participating again next year. Thanks to

-continued on next page-

our captains: Pastor Deb, Zanny Johnson, Sue Peterson, Heidi White, Bob Kriesel, Dan and Norma Wilson, Mark and Karen Gieseke, and Angie Hong. Also thanks to the planning team, which included Pastor Karri, Eric Olson and Wendy Klemz. Phil Kadidlo and Tim Quarberg offered musical support. Linda Flood oversaw our treats!

MISSION

Please see the Outreach Missions report. I do feel it is necessary to mention two things.

First, as a result of the mission table talk, we have made a commitment to the Accompaniment Model for mission work. This is a model valued by our synod and our church. The five values of accompaniment are: mutuality, inclusivity, vulnerability, empowerment and sustainability. This is a shift in the wider mission culture over the past number of years away from a “delivery of goods and services” model that shaped much mission work for a long time. Accompaniment is based on discovering where “my story” and “your story” find their connecting points within the larger God story.

Accompaniment was upheld at the Outreach Missions Table Talk as our top priority. In October, Deacon Kirsten Kessel from First Lutheran Church of Crystal, came for our first accompaniment training. We had more than a dozen mission leaders in attendance. We will offer this and deeper training in the future.

Second, a meeting was held in late May to which all who had an interest in our historic Mexico Mission were invited. We had evaluative conversations around tables and gathered all that feedback. Then a team of folks was named and commissioned to prayerfully evaluate the future of Mexico Mission. After careful and prayerful discernment, the decision was made to recommend to the Outreach Mission Board and to Council that 2018 would be the final year of Mexico Mission. And that we would hold a celebration of Mexico Mission in the same year.

A full explanation of the process was articulated in a letter drafted from the team and mailed to every household in the congregation. (You can get a copy of that letter by contacting the church office.)

Thanks to the courageous work of the team: Kelsey Crusinberry, Arlyce Melheim, Jill Kneeskern, Gwynn Pepin, Krista Gossai, Zach Husten, Claire Patterson, and Mark Weber. Pastor Karri Anderson served in an advisory capacity.

RECONCILING IN CHRIST

Reconciling Works advocates and organizes for the acceptance and full participation of people of all sexual orientations, gender identities, and gender expressions within the Lutheran communion and its ecumenical and global partners. They work with and train churches in being fulling inclusive congregations, not just in intent but in word and proclamation.

Laura Fredericks and Jenny Rediske came forward to offer their leadership in taking Trinity through the “Becoming an Inclusive Church” process. This year-long process involves identifying and training a core team to walk the congregation through a process of deep discernment, prayer, bible study and conversation. The goal is that at the end of the process, we will hold a congregational vote on a new welcoming statement that specifically names and includes populations who are too often publicly excluded from Christian community.

The most common question congregations ask is this: We are already welcoming. Why do we need to make it so specific? It’s a great question. Trinity is a very welcoming and inclusive congregation. Unfortunately, the lived experience of individuals and families in the LGBTQ communities is that exclusion is often passive, shaming and hidden. And just as often, exclusion is explicitly stated. So individuals and families seeking a safe place to worship will seek churches that have done the work and made the public statement of inclusion.

Our team was trained in October and will begin their work over the winter. You are all invited to be part of the conversation. If you have questions, please speak with Laura, Jenny or me. And more information is available at www.reconcilingworks.org/bic/ This is an open process and we will keep the congregation updated as we go. There will be invitations to participate in various steps along the way. And everyone will be welcome.

PASTOR OF FAITH FORMATION

We give thanks for the great leadership of Pastor Karri Anderson who served as our interim associate pastor from December 2016 until early October 2017. She is now serving as interim pastor of Cross of Glory Lutheran Church in Moundsvew.

The call committee for the new Pastor of Faith Formation has been doing their prayerful discernment and as of this writing are down to two final candidates. They will bring a name to a congregational vote in November or early December. That new pastor will start after the first of the year.

We are looking forward to having a settled pastor in that critical role and rounding out our staff team moving ahead.

STEWARDSHIP AND BUDGETING

Thank you for your continued faithfulness and generosity in supporting Trinity Lutheran Church.

Stewardship is a central part of congregational life. We have been created in the image of God. Our God has a generous heart. So we are created to naturally have generous hearts. As disciples of Jesus, that generosity finds its expression in sharing our resources for our collective ministry in the Gospel.

We convened a refreshed and renewed stewardship team this summer, under the leadership of Claudia Swendseid. (We give thanks for the previous leadership of Chris Johson!) The team includes: Amy Karlstad, Tami Jensrud, Tim Gillis, Zach Lee and Katie Beaudet. Bob Eiselt, Parish Administrator and I also participate.

This team works to educate, inspire and engage all members and visitors in living into their God-given generosity. They work hard to set goals for giving that are both faith-filled and informed.

Our budgeting process is a complex one. In the life of the church, a budget is actually a mission document: demonstrating our ministry commitments through our financial allocations. A church budget is more like a family budget than a business budget, because we don't have customers. We have members of our faith family who each do their part to make the congregation work.

It has been a challenging number of years for Trinity, with large budget adjustments that impacted staffing and other ministry expenditures. We are still settling into a budget that fits our realities. It is an uneven process. And we struggle to balance faith and fiscal soundness. There is more about this in another part of the annual report.

We ask your continued prayers as we make our way to a brighter and more confident financial ground. And thanks to the hard work of your council, Bob Eiselt—Parish Administrator, Ellen Neseth—Accounting Coordinator, and Eric Trosdahl—Financial Secretary for working to make our budget a living document that will support us into the future.

CASTING A VISION

I know that many of you are eager to “get going” and start “doing something.” You have been patient through two years of interim and allowing me a year to observe and learn. You will be glad to know that we are exploring two processes designed to help us shape a compelling vision for our shared future.

The first process is a series of one-on-one conversations designed to listen for people's worries and hopes for Trinity (and the church in general) and the community. These will be intentional conversations with listeners trained to follow a particular style of asking and listening. We will also be very intentional about including as many people as possible from within and outside of Trinity: all ages, family structures, length of time here, level of engagement and so on. The goal is to train 50 people to conduct at least five conversations. Imagine, hearing from 250 of you! Watch for your chance to sign up for a conversation.

The second process is called “The Year of Renewal” and is offered through the synod. It would connect well with the one-on-one conversations and guide us through next steps. As of this writing, we have not yet met with the facilitator to determine our level of engagement in the process. One of the

very compelling components of the process is that we would be part of a learning cohort with other congregations.

CONTINUING EDUCATION

By now, most of you know that I am striving to complete a Doctor of Ministry degree in Biblical Preaching. My thesis is due for defense in early April with graduation in May. I will be taking my two weeks of continuing education time in January to ensconce myself at my sister's cabin to write. Thanks for your support in listening to sermons and filling out surveys!

In addition to three weeks at the seminary this past June for my final year of DMin courses, I also attended Midwinter Convocation and Stepping up to Supervision. (With Bob Eiselt, Parish Administrator.)

I am also actively mentoring a seminary student in her third year. And regularly substitute as a preaching lab instructor at the seminary.

The greatest challenge of an annual report is working hard not to miss something. If there is something you are wondering about that I have not mentioned, please let me know.

As we come to the end of our first year together, I want to thank the Transition Team for their remarkable work in discovering the heart and passion of this great congregation. Thank you to the call committee, Arba-Della Beck, Jill Longnecker, Matt Simcik, Rick Slachta, Lucinda White, Paul Holmes, John Hodler, Laura Fredericks and Sharon Germain. You did remarkable work shepherding the candidates through a challenging process. I give thanks for our conversations and laughter. And of course, for your ultimate decision!

Thank you to the remarkable Trinity Staff for opening your hearts to a new pastor and so willingly making me a part of the team. Thanks to great pastoral colleagues in Pastor Deb Ost and Pastor Karri Anderson. Thank you to my husband Ted who was so willing to move and is my constant support and friend and thanks to our kids for “just knowing.” Leaving a home of 25 years was a much bigger deal than I anticipated. And even so, we feel we are home and look forward to our years of ministry together in this beautiful river valley.

Thanks be to God for the joy and privilege of being the Body of Christ for the sake of the world.

Soli Deo Gloria! Glory to God Alone!

Chris Bellefeuille, Lead Pastor
cbellefeuille@trinitylc.org

CONGREGATIONAL LIFE & CONGREGATIONAL CARE MINISTRIES

For the past three years, Trinity's Care Team staff has consisted of Care Pastor Deb Ost, Faith Community Nurse Sue Peterson, and Congregational Care Coordinator Zanny Johnson. We came together as a newly-formed team in 2014 with no blueprint for developing a three-pronged care ministry team. As our team entered our third year together, November 2016, we felt like we'd finally hit a good stride—almost.

In 2016 Trinity's Transition Team recommended the development of congregational ministry teams for the purpose of increasing lay involvement and leadership. In May 2017 we held a Table Talk for all those interested in a Congregational Life & Care Ministry Team. Fifteen lay persons attended as well as eight staff and pastors. During that gathering, it was determined that Congregational Life and Congregational Care would best be served by two separate ministry teams.

Congregational Life priorities identified at the Table Talk were: Food Hospitality, Circles to renew association with Women of the ELCA, and Small Groups/Points of Connection. Interim Pastor Karri Anderson was assigned as the pastoral leader. (These are not further noted in this report.)

Congregational Care priorities identified: Volunteer Visitation Program and Senior Needs Support. Care Pastor Deb Ost assumed leadership of this ministry team. Senior needs support was subsequently narrowed to the needs for rides to worship. Currently, we have three individuals needing occasional rides, and our staff care team is connecting those needs with willing volunteer drivers. We are hoping to grow this ministry with additional volunteers, ready to provide rides, not only to Sunday worship, but to other Trinity events such as the Lutefisk dinner, Bible Study or Celebrating Seniors events.

Following our Table Talk, there has been much energy and activity around building a Volunteer Visitation Program. Currently, we have a solid and committed team of lay and staff leaders who are preparing to deploy a group of trained individuals to visit our homebound members. We are also creating a prayer book for our volunteer visitors, comprised of heartfelt prayers written by Trinity members.

In the midst of these care ministry team initiatives, many other aspects of care ministry have long been enriching the lives of our faith community and providing significant opportunities to engage and serve.

Our Prayer Group and Chain faithfully offers an abundance of prayers each week—all week—for our community, nation, world and those specifically connected to Trinity's faith community. Our Funeral Hospitality team provides important support to our grieving families with hands-on luncheon service. We welcome our new volunteer Funeral Hospitality Coordinator, Jean Groppoli who has assumed the reins from Gerrie Granquist and Donna Dielentheis who, for "umpteen" years, faithfully coordinated funeral luncheons. We are extremely grateful for their service and expertise.

Our Caring Friends ministry continues to be a tremendous gift to Trinity. Folks 75 years and older are assigned a volunteer who connects with them through phone calls, greeting cards, and other "soft touch" contacts. These volunteers are often the first to know of a need for additional support from our Care Team or pastors. Our Congregational Care Coordinator enthusiastically coordinates and supports this program and has recruited a number of new caring friends this year.



Yoga Devotion is now an established ministry at Trinity, coordinated by our Faith Community Nurse (FCN). Depending upon the registration numbers, we offer chair and/or traditional yoga. This past year, Trinity also hosted a six hour mental illness workshop, offered through NAMI (National Alliance of Mental Illness) and facilitated by Trinity member Jeneal Olsen. Staff was also trained this year to be a “Dementia Friendly” church. Trinity is fortunate to have access to the expertise and connections of the St. Croix Valley FCN network. Even more importantly, our Faith Community Nurse provides regular check-ins and visits to those who are ill, homebound or otherwise needing support in body, mind and soul.

We have an updated design for “Newcomer” welcome and orientation with a family-friendly luncheon, fellowship with other prospective members and staff, a primer of Lutheran theology and opportunities to engage at Trinity. It is coordinated by our Congregational Care Coordinator and has proven to be a huge success!

Moving into the future—certainly changes are in store. The development of Trinity’s congregational life ministry will impact the duties of our Congregational Care Coordinator. Likewise, the progression of our Volunteer Visitation program will influence the responsibilities of our Faith Community Nurse and Care Pastor.

An important goal for 2018 is to increase support to our recently bereaved. We intend to make a variety of contacts from volunteers, staff and pastors. We’ve established the standard of noting deaths during worship announcements and prayers, and e-mailing funeral notices to our faith community. Staff are also now sending personally signed, group sympathy cards.

All in all, we are confident that Trinity’s faith community is committed to caring for and tending to each other in body, mind and spirit. We love, because God first loved us.

Pastor Deb Ost, Pastor of Care Ministries
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LIFELONG FAITH FORMATION



Lifelong Faith Formation is currently an area of transition at Trinity, as well as an opportunity for tremendous growth. Most of the last year it was guided by our interim associate pastor, Pastor Karri Anderson, and now awaits new leadership as we work to call a Pastor of Faith Formation. Trinity is a community of learners and many vibrant ministries have continued with strong lay leaders, as well as new opportunities introduced under Pastor Karri's capable guidance.

Hearts of the Home Moms changed their name to Christian Moms Fellowship in fall of 2017 and are meeting every other week on Wednesday mornings. In their fall 2016 session they had 27 participants and offered two study choices: *Out of the Spin Cycle* by Jen Hatmaker and Ted Talk & Discuss. In spring 2017 session they had 21 participants and offered two study choices: *For the Love* by Jen Hatmaker and Ted Talk & Discuss. And in the current fall 2017 session they have 23 participants in two study choices: *Present over Perfect* by Shauna Niequist and *Of Mess and Moxie* by Jen Hatmaker.

We offered a Called to Reform movie series weekly throughout July that looked at issues we are called to work toward reforming in our culture.

In October 2016 Trinity's Sunday morning adult learners began a seven month journey that followed *The Story of the Bible* from pre-literate Hebrews through a wide variety of translations, scholarship, politics, culture and drama to produce the current versions of scripture that bring the stories of a loving God and complicated humans to us today. Each class session featured a video lecture by Professor Luke Timothy Johnson, who educated and enlightened the class. Following each lecture, volunteer facilitators from the congregation guided lively discussions of the weekly topic. The success of this class led to preparations for a 2017-18 class on the topic of *The Roots of the Reformation* in observance of the 500th anniversary of the Lutheran Reformation.

Thanks to the library crew who continues to work hard adding new and relevant materials to the book shelves and displaying and eliminating outdated materials.

This spring a table talk was held and there were several ideas generated. The top goals and focus areas identified at the meeting were:

1. Prioritize stewardship education
2. Engage high school students (bridging through all stages of youth) to create "stickiness"
3. Survey on learning, including inventory of current offerings

In response to this, Dave Ramsey's nine-week Financial Peace University was offered. The program was scheduled to start on September 12, but was cancelled due to lack of interest. Plans are to offer the program again after the first of the year. We are also exploring offering a seminar on long-term financial planning, something geared more toward Trinity's older, established demographic.

Because we understand faithful stewardship to be a lifelong practice among Christians, our Children, Youth & Family (CYF) staff have embedded stewardship learning experiences throughout their programming for children and youth. The goal is to teach about stewardship across the life span and explore what it means to be a steward of God's gifts.

Conversation continues regarding ways that we can help create a "sticky faith" and engage our high school students more fully within the life of the congregation.

A small team met that developed a survey that includes an inventory of the small groups that currently exist here at Trinity and will measure people's experience with those small groups. The survey will be administered to the congregation after the new Lifelong Faith Formation pastor is on staff so that he or she can have input into the survey.

There is much to look forward to as we move ahead in our shared, lifelong faith formation.

Pastor Karri Anderson, Interim Associate Pastor



LIFELONG FAITH FORMATION—CHILDREN, YOUTH & FAMILY

During the 2016-2017 ministry year, the Children, Youth and Family (CYF) Staff worked to be both innovative and collaborative in providing opportunities for faith formation at Trinity. All of our ministries came alongside families to help fulfill the baptismal promises of our congregation's children: learning to trust God, proclaim Christ through word and deed, care for others and the world God made, and work for justice and peace.

On Sunday mornings, kids in Pre-K through 2nd grade gathered to learn about God's promises through song, stories and crafts! Through a weekly offering, they raised money for Valley Outreach and learned about what it means to be generous stewards of God's love.

On Wednesday evenings, kids in grades 3-6 learned how to navigate the Bible and connect to God through prayer, writing their own psalms and collecting an offering for Trinity's partner community in Tanzania, and Children's Bibles for the families served during Mexico Mission. Two special events, one for dads and sons and another for moms and daughters, were the highlight for many of these kids this year.

7th and 8th Grade Confirmation had a great year learning about the life of Jesus, the beginning of the church, and the history and tradition of the Lutheran Church. Every week was filled with music, large and small group gatherings and a time of prayer and blessing. During their annual meal packing event with Meals from the Heart, they helped pack over 23,000 meals which were distributed to local food shelves in the Midwest!

9th Grade Confirmation got a taste of Lutheran theology and what it means to live out our Lutheran values. They also had the opportunity to learn about world religions and explore the concept of vocation utilizing StrengthsQuest and discernment around their values, gifts, and talents. Highlights included a 24-hour retreat to Luther Park Bible Camp in Chetek, WI, a simulation about the refugee experience facilitated by staff from the Minnesota Council of Churches, and the year-end meals where every 9th grader was able to share their faith project with their family and friends.

Our 10th-12th grade high school students had the opportunity to attend the River, our weekly high school gathering, throughout the year. This time was filled with devotions, games, and sharing about the highs and lows in their lives. Additionally, many students opted to join the 2017 Mexico Mission team, where ten roofs were completed for ten families in the Yucatán Peninsula. This year, a youth missions team was commissioned to evaluate our current mission opportunities for high school youth in particular and to consider what could be possible moving forward. As a result of this team's work, it was decided that Mexico Mission 2018 will be the final trip for Trinity and that a new mission opportunity will be offered for the summer of 2018.

This year, in addition to Sunday and Wednesday Faith Formation, a variety of events were created for families to engage in faith together. The Live Nativity graced the church lawn on Christmas Eve, parents were invited into our learning spaces, and for the first time, a Wednesday night worship service, attended by more than 300 people, engaged families of all ages. Additional ministries to support families included our Impact Parenting Sessions, educating parents and caregivers about social media, child development, and tips about parenting for different ages, and Keeping the Promise, a ministry aimed at connecting young families to Trinity after baptism. And after a two-year hiatus, VBS returned to Trinity in June.

In closing, our CYF team is very thankful for the numerous volunteers who kept our ministries running this year. From small group leaders and pizza servers to nursery workers and VBS coordinators, the dedication and faithfulness of these individuals was irreplaceable!

Sunday & Wednesday Faith Formation



PreK-2nd Grade: **65 kids**

3rd/4th Grade: **40 kids**

5th/6th Grade: **61 kids**

7th/8th Grade

Confirmation: **75 youth**



9th Grade Confirmation/
Youth Confirmed: **42 youth**

10th-12th Grade (River +
Mexico Mission): **50 youth**



Volunteers (all CYF Ministries):
80 volunteers

Sacraments



Baptisms: **28 kids**

First Communion: **17 kids**



Summer Fun

VBS 2017: **54 kids**

WAPO Youth Camp: **45 kids**

Melissa Gubricky, Birth to 3 Years
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Julie Jolivette, 4 Years to 6th Grade
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Monty Lysne, 7th & 8th Grade
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Kelsey Crusinberry, 9th-12th Grade
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WORSHIP

In an age of constant, almost daily change, the focus upon the 500th anniversary of the Great Reformation of the Church in October 2017 could not be more relevant to the evolving mission and purposes for Trinity Lutheran in these times.

As a community we worship according to faith traditions far older and more established than the Lutheran church or our congregation. Yet over this half-century of Lutheranism our worship expressions have change with the times, as have the habits of worshippers.

Over the past three years, Trinity has experienced the normal transitional challenges that accompany the interim between pastoral leadership, including a drop in weekly attendance. But we have also embraced this time as an opportunity to make small changes and enhancements to some elements of worship at Trinity, including our liturgies, worship times and locations, and new worship traditions. (See more details below.)

The December arrival of our new Lead Pastor Chris Bellefeuille and Interim Associate Pastor Karri Anderson reinvigorated our weekly worship planning from the get-go. Along with the continued insight and caring work of our dear Pastor Deb Ost, this new team endeavored to nurture enthusiasm and hope for the future of worship at Trinity.

What follows are many of the highlights of 2016-17 we believe made an impact upon our congregation. We hope you are also energized by remembering all that we do and will continue to do together in mission, as we go forward with God.

Soli Deo Gloria! Glory to God Alone!

Fall 2016

- First TrinityFEST, with guest artist Roosevelt Credit, is a huge success with over 600 worshipers overflowing a 60 x 30 foot tent on the outdoor green space. Included Saturday evening concert, Sunday morning ministry fair, food trucks and children's activities.
- In October 2016 Trinity hosted a Community Vigil for Peace on our outdoor green space, led by musician Peter Mayer and local clergy, in response to violence in the Twin Cities and throughout the country.
- We bid farewell to interim pastors, Paul Svingen and Stefanie Fauth, whose care and preaching kept us strong through challenging times.

Winter 2016-17

- Pastor Chris' first Sunday morning at Trinity coincides with a new Children's Advent event, led by our Children's Choir & Children's Learning classes.
- Second annual Live Nativity on Christmas Eve with new earlier 11 a.m. service time for families proves very popular.

Spring 2017

- Service of Celebration of Congregational Renewal and Installation of Pastor Chris stirs joy and reflection upon Trinity's future. Many churchwide clergy in attendance.
- Wednesday Noon Lenten services are moved to the chapel and narthex, creating a stronger sense of community for a greater weekly average of worshippers.
- Children's Musical is presented on Palm Sunday.
- Wednesday night family worship service offered during regular programming time is a huge success.

Summer 2017

- Summer Worship—New 10 a.m. starting time for drive-in service in Houlton, WI gives leaders and volunteers an extra hour for preparation and for the longer drive over the new bridge to Wisconsin, which opened in time for our last month of summer worship. This change also allows the 9 a.m. traditional (indoor) service to continue at its usual time year round, for the sake of consistency.
- Worship on outdoor green space—
 - We planned three 10 a.m. "Second Sundays on the Green" services that supplant the drive-in services for those weeks. The first one in June is washed out by a strong lighting and hail storm that (in true Martin Luther fashion) drives the 9 a.m. worshipers into the basement to finish worship in safety.
 - Planning for the second annual September TrinityFEST kickoff event includes a new "Hymns & Hops" on Saturday evening. (Pastor Chris invites a group of seminary professors who have a bluegrass band named "The Fleshpots of Egypt" to lead the hymn singing.)
- Narrative Lectionary—Summer sermon series on the Book of Revelation and Jesus' parables from Matthew are received well by the congregation.

Worship Ministry—Our choirs, instrumentalists, directors, assisting ministers, lay readers, ushers, greeters, communion

servers, AV technicians, altar care team, bread bakers, fine arts team and coffee hosts provide the hundreds of person-hours needed to make worship at Trinity excellent and inviting to all.

Concerts—A variety of concerts continue to draw people from the local community and beyond, conveying a message of welcome to all.

Strategic Planning—The newly assembled Worship Ministry Team holds bimonthly meetings, with sub-teams formed to explore and encourage:

- Improving the lighting in the worship center
- Printing explanations regarding our worship traditions in bulletins
- Developing outdoor green space usage
- Producing intergenerational musicals as a means to unite generations in ministry

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Phil Kadidlo, Director of Worship
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OUTREACH MISSIONS

Trinity has a rich tradition of missions and community partnerships. In addition, many members are involved in countless opportunities locally and around the globe that align with gifts and interests. In these turbulent times all hearts and hands are needed.

2017 was a busy and productive year for the Outreach Missions Team and for members of Trinity as we continue to discover new ways to serve those in need. We held a missions table talk in April that was well attended as part of listening to each other and discovering where member's interests and passions lie. This resulted in charting our strategic direction for the rest of 2017 and into 2018.

Action Interest Teams were incorporated into our three standing committees. The committees now are:

- **Local:** Liaison, Heidi Kriesel-White
- **Tanzania:** Liaison, Michele Hermansen
- **Youth and Family Missions:** (includes Mexico Missions trip) Liaison, Arlyce Melheim
- **Social Justice:** Liaison, Pastor Chris
- **Special Projects** (includes the golf tournament which is the largest fundraiser for missions and is currently co-chaired by Marlene Harty and Vic Thalacker, hygiene kits for Pine Ridge, Cimarron back pack distribution, etc.)



Highlights of our 2017 activities included:

- Introduction of Anuak refugee needs. Trinity organized clothing and household goods shopping for refugees new to Minnesota in January 2017. Later, Pastor Gilo came to Trinity to preach. We continue to meet with Pastor Gilo to support the Anuak refugees.
- Participated in three education events: Pastor Karen from the Pine Ridge Indian Reservation, national poverty speaker Dr. Donna Beegle at Century College, and an update from Dr. Mark Jacobson about the Arusha Lutheran Medical Center.
- Sponsored the 9th annual golf tournament raising over \$20,000 for missions.
- Established a special task force of Trinity members including youth to determine the future of Mexico Missions trips. The 2018 trip will be the 30th anniversary and last Mexico trip. A new summer mission experience will be offered in 2018. Arlyce Melheim and Kelsey Crusinberry co-chaired the task force and presented the task force's recommendation in July after many hours of research, discussion, and prayers. They are now the Youth and Family Missions Team.
- Continue to support Valley Outreach, Last Sunday Supper, and Open Hands—Bethlehem Midway.
- Facilitated Trinity's first participation in the ELCA wide day of service in September—God's Work. Our Hands.
- Participated in accompaniment training utilizing ELCA model of walking along side those in need so that our work is inclusive, participatory and sustainable.

Members of the 2017 Outreach Missions team include:

Marlene Harty, Michele Hermansen, John Hodler, Heidi Kriesel-White, Vic Thalacker, Sandy Wendt, Wendy Klemz, Glenda Bjorum, Renae Oswald-Anderson, and Arba Della-Beck, Council Liaison

Trinity staff members include: Bob Eiselt, and Pastors Karri Anderson and Chris Bellefeuille

Being open to hearing and learning about different community needs, working alongside those in need and partnering with others allows us to share our many resources (time, talent, and money). We in turn are blessed beyond measure.

To God Be the Glory!

Renae Oswald-Anderson, Chairperson
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GIFTS MANAGEMENT

As you've undoubtedly noticed, Trinity's 4th Street (west) entrance and parking area have undergone a significant "facelift" this year.

Following the recommendations and prioritization by Trinity's Facilities Maintenance Team and approved by the Congregational Council the 4th Street entrance area is undergoing a welcome renovation. The much-needed improvements will be paid for using \$60,000 of re-purposed Opening Doors Appeal funds re-designated by donors for building renovation, coupled with insurance proceeds explained later in this article.

The renovation includes re-surfacing the small parking lot at 4th and Myrtle Streets, new entrance doors, closers and hardware, new walk-off flooring mats inside the entrance, and new carpet in the area outside the elevator and bathrooms, the stairs and landing area to the lower level, the 4th Street ramp and the narthex area at the back of the worship center.

The improvements are intended to provide a welcoming appearance to our building; and address safety and security concerns in our parking area, door entrance and flooring in and around the 4th Street entrance. This is Trinity's main entrance and is used multiple times every day by both pedestrians and for deliveries of everything from flowers to choir risers and equipment. Over time, this heavy use took its toll and the doors no longer locked correctly. The design of the doors also limited visibility in and out of the doors. New doors and hardware alleviate these issues. The stained-glass windows in the doors have been salvaged, safely stored and will be re-purposed inside Trinity, at a later date. (One possibility is a back-lit, framed wall hanging converting the stained glass into a piece of artwork.)

In May of this year, an apparent act of malicious mischief in the upstairs men's bathroom caused a flood in the building, resulting in a significant amount of water damage to carpeting and walls. The incident was reported to police and our insurance carrier, and was covered by insurance. The insurance proceeds will cover replacement of a significant portion of carpeting in both our upper and lower levels and main stairway and ramp areas. As required by our mortgage with Thrivent, Thrivent is listed as a loss payee on the proceeds. Thrivent has signed off on the use of these funds and new carpeting will be installed in November and December in the affected areas.

You may have noticed that we have made some changes to our exterior door locks. Earlier this year, in partnership with our resident pre-school partner, Lake Area Discovery Center (LADC), we installed electronic, key fob-controlled locks on our two main entrances on 3rd and 4th Streets. LADC funded over 50% of the cost of this system. This is in response to growing concerns around safety and security of our building and especially our young children. The 3rd Street, east side, Door # 5, is now a controlled-access

entrance Monday-Friday from 7:00 a.m. until 6:00 p.m., LADC operating hours. Parents of LADC children were issued key fobs which give them access to the building on 3rd Street during those hours. All other visitors to Trinity should enter on 4th Street. Trinity staff also now have key fobs in order to enter the building after hours, when needed.

The Helping Hands Team under the leadership of Lowell Saterbak, and the Tuesday Guys team under the leadership of Ron Hagen, continue 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.

Thanks to these teams, a host of Trinity's indoor and outdoor projects were completed in 2017. Some of what they accomplished includes: repaired over 50 pew ends in our worship center; cleaned out and re-organized multiple storage spaces within Trinity; set-up and tear-downs of drive-in space, TrinityFEST, live nativity and other outdoor worship; completed a variety of plumbing and minor electrical repairs; moved lots of furniture; and painted several spaces (chapel and youth room). Additional thanks to Kathy Hagen for her painting skills. All told, over 600 person-hours donated to Trinity! With Ron & Kathy Hagen "wintering" in Arizona, Dan Wilson and Tim Edman lead the Tuesday activities during the winter months.

A huge thank you to the Helping Hands, Tuesday Guys and Facilities Maintenance (update on next page) teams for their generous donation of time, equipment and expertise to Trinity and its ministries. We simply could not do it without you!

A special thank you to Claudia Swenseid and the members of our Stewardship Team. As we continued to address financial issues this year, we are ever thankful for the work of the Stewardship Team, attending to our needed focus on gratitude and generosity in appreciation for the financial gifts which richly bless this congregation.

We were blessed with two exciting new additions to our staff in fiscal year 2017, welcoming: our new Lead Pastor, Pastor Chris Bellefeuille; and a very capable and effective Interim Associate Pastor, Pastor Karri Anderson. It has been exciting to begin anew and participate with new leadership, re-engaging in Trinity's many and varied lifegiving ministries alongside the multitude of lay leaders involved here at Trinity!

We also bid a warm farewell to valued interim ministry partners: Pastor Paul Svingen (Interim Lead Pastor) and Stefanie Fauth (Interim Pastoral Associate). We thank them for their interim leadership and contributions to the ministries here at Trinity and wish them well.

UPDATE ON FACILITIES

Thank you to the Trinity Facilities Maintenance Team for their efforts to keep our facilities maintained and in good working order. Members are: Dave Swager, Brian Larson, Tom Hosek (Lead Custodian), Bob Eiselt (Parish Administrator), and Mark Gieseke.

Projects Completed in Fiscal Year (FY) 2017

In FY 2017, the facilities team supervised the completion of several projects. Funding came from: funds re-dedicated from the “Opening Doors” appeal to facility maintenance, designated contributions to building improvements, vandalism insurance claim proceeds and a contribution from Lake Area Discovery Center (LADC) for security and capital improvements. Projects completed and/or in process:

- Replaced 4th Street entrance doors, hardware, and installed in-floor mats.
- Expanded and resurfaced the small 4th Street parking lot.
- Repaired holes in the main 4th Street parking lot.
- Repaired water damage in the youth room.
- Installed new waterproof liners in ramp planters to prevent leaks (donated by Roof Tech).
- Installed magnetic door locks and re-keyed selected exterior doors for improved security.
- Carpet replacement in several areas of the church (4th Street entrance ramp, upper commons, stairway, narthex, youth room and lower level corridors) is under way and will be completed before Christmas.

Projects Planned for 2018

These projects are the next priorities that are recommended by the facilities team. Which and how many projects are completed will depend upon available funds.

Item Description	Recommended Action	Estimated Cost
Lighting in worship center is inadequate and controls are failing. Other lights are not efficient.	Replace lights with energy efficient LEDs and new control system in worship center. Contractor’s quote predicts a three year payback from reduced energy costs.	\$45,000 to \$60,000
Historic east side of the church needs masonry repairs.	Tuck pointing, brick replacement, crack repair and sealing, and rebuild stairs. Contractor’s quote could do the repairs in phases.	\$10,000 to \$30,000
Furnace #11 - Living Room/Library/classrooms; no AC	Replace with high efficiency gas unit.	\$4,850 to \$7,500
3rd St. ramp door bind due to frost heaving. Floor mat is old.	Reconstruct NE door threshold. Replace doors and hardware. Install new mats.	\$10,000 to \$20,000
South emergency exit door is rusted and requires frequent adjustment from frost heaving.	Replace door and replace step.	\$10,000 to \$15,000
Membership Database – Shelby is out of date and the system needs to be upgraded or replaced.	Upgrade or replace the software.	\$3,000 to \$5,000



The facilities team would like to thank the volunteers who regularly take on many of these maintenance projects. Their service greatly reduces the cost of maintaining our facilities and allows us to make far more progress than would otherwise happen. The team is also grateful for the contributions of LADC to projects that benefit both the church and the preschool.

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GIFTS MANAGEMENT—STEWARDSHIP

Trinity's Stewardship Team (ST) defines stewardship as recognizing all we have is a gift from God, all we have belongs to God, and all we have is to be used to serve and enjoy God.

Team Purpose

Our team helps Trinity members grow in their relationship with Jesus through personal stewardship; foster a community of gratitude and generosity; inspire members to make Trinity a giving priority; help members understand funding the budget is essential to carrying out Trinity's mission to love and serve God; showcase God's love and grace at Trinity; and promote financial stewardship as a spiritual discipline.

The Team plans and implements a year-round stewardship program, including the annual giving campaign, which raises pledged contribution income—the core of Trinity's annual income.

Team Make-Up

In 2017 the ST included eight congregation members: Katie Beaudet, Tim Gillis, Tami Jensrud, Chris Johnson (team lead until May), Amy Karlstad, Kat Lee (served through May), Zach Lee, and Claudia Swendseid (became team lead in May). Two staff, Pastor Chris Bellefeuille and Bob Eiselt (Parish Administrator) also participated on the team and served as coaches.

Accomplishments

1. Updated the ST covenant.
2. Discussed two books on contemporary Christian stewardship, *Giving to God* and *Not Your Parent's Offering Plate*, to better understand stewardship and best practices.
3. Liaised with Trinity's Finance Team.
4. Worked with the Lifelong Faith Formation team to offer Dave Ramsey's Financial Peace University on faith-based financial management. The program wasn't conducted due to insufficient registration. It may be offered in the future.
5. Organized a meeting with Becky Palmgren, ELCA Foundation gift planner, to discuss enhancing Trinity's approach to seeking legacy gifts. Follow-up is planned.
6. Contributed stewardship articles to *Trinity Today* (Trinity's monthly newsletter) since the July issue.
7. Promoted "give-by-text" at church services in late-August/early-September. Promoting text-giving will continue, along with other new giving options such as mobile.
8. Promoted communications to members about the importance of staying current with their financial pledges, particularly given Trinity's fiscal year ends August 31.

As We Look Ahead

1. Showcased stewardship at TrinityFEST in September 2017.
2. Planned and implemented the annual giving campaign. (Note: this article was written before the campaign concluded, so results are not available.) Key features include:
 - a. Theme and Bible Verse: Faithful Living, Faithful Giving; For where your treasure is; there your heart will be also, Matthew 6:21.
 - b. Timeframe: October 15 – November 12, 2017
 - c. Goals: i) Financial – raise pledged contributions of \$1.13 million; ii) Engagement – increase number of new pledging families by 25; iii) Efficiency – increase number of automated givers by 20 families.
 - d. Stewardship information: Mailed personalized stewardship and pledge information packets to Trinity members inviting them to pledge to Trinity by November 12.
 - e. Stewardship moments: Trinity members presented stewardship stories during worship services during the campaign. Stewardship moments will continue throughout the year and have been shared electronically through our e-mail lists.
 - f. Fair share giving: Members were encouraged to consider "fair share" giving, estimated at 3% of Trinity members' income. (Based on Stillwater median income, number of Trinity household that give, and 2017/2018 budget.)
 - g. Modeling stewardship: ST and council members and senior staff made early pledges totalling 10% of the financial goal to kick-start the campaign.

- h. Pastor's engagement: Wrote October's *Trinity Today* column on financial stewardship; preached two sermons during the campaign on stewardship. Guest pastor, Gary Langness (former lead pastor at Augustana Lutheran and Trinity member) preached on stewardship on October 22.
- i. Information booth: ST members staffed a stewardship information booth after services during the campaign.
- j. Ancillary materials: Postcard questions, posters, prayers, bible studies, and other communications were used to engage members more fully in the meaning of stewardship during the campaign.
- k. Progress reports: Reported on progress against the three campaign goals to the congregation.
- l. Thank you and celebration: Sent thank you notes to all those who made a financial pledge; hosted a "thank you" celebration featuring cupcakes at the campaign's conclusion.

Conclusion

Stewardship Team members are grateful for the opportunity to lift up faithful stewardship, including faithful giving, as a way of life for all of us who love God and follow Jesus. When we live as God created us, we are generous people. So, our treasure, and our hearts are safely and joyfully with God.

Claudia Swendseid, Stewardship Team Chair
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Faithful Living.
Faithful Giving.

For where your treasure is, there your heart will be also.
- Matthew 6:21, Jesus speaking in the Sermon on the Mount

ANNUAL MEETING AGENDA

147th ANNUAL MEETING OF TRINITY LUTHERAN CHURCH

Stillwater, Minnesota

November 19, 2017, 12:00 p.m.

Meeting Agenda

1. Meeting Called to Order – President Gail Olson
2. Opening Prayer
3. Sharing of the Peace
4. Approval of Agenda
5. Introduction of Parliamentarian
6. Approval of Procedures
7. Appointment of Tellers
8. Approval of Minutes of November 2016 Annual Meeting
9. Approval of Minutes of October 16, 2016 Special Congregation Meeting
10. Approval of Minutes of October 30, 2016 Special Congregation Meeting
11. Introduction & Recognition of Congregational Council Members
12. Report of the Nominating Committee
13. Election of Council Nominating Committee
14. Election of 2 Congregational Council Positions
15. Approval of proposed changes to by-laws of Constitution
16. Recommended motion – nomination of Synod Delegates – May 2018
17. Reports from the Congregational Council, Staff and Ministry Teams
18. Report of the Church Treasurer for FY 2017
19. Presentation of Proposed Budget for FY 2018
20. Approval of Proposed Budget for FY 2018
21. Other Business
22. Adjournment – Closing Prayer

MINUTES

MINUTES OF THE 146TH ANNUAL MEETING OF TRINITY LUTHERAN CHURCH

Sunday, November 20th, 2016

Location: Garden Room - Attendance: 79

12:00-1:20 p.m.

1. Meeting Called to Order – President Gail Olson at 12:01 PM
2. Opening Prayer was given by Pastor Deb Ost
3. Approval of Agenda
 - a. M/S/P to approve the agenda as presented.
4. Introduction of Parliamentarian
 - a. M/S/P to appoint Dan Wilson as Parliamentarian
5. Dan Wilson the following procedures for approval.
 - Only members qualified to vote under the Trinity Lutheran Church constitution may speak and vote. Under the constitution, voting members are confirmed members that “shall have communed and made a contribution of record during the current or preceding year.”
 - As required by our constitution, the latest edition of Robert’s Rules of Order shall govern parliamentary procedure of all meetings of the congregation.
 - In the spirit of our purpose here, all comments are to be kind, positive and seek to advance the mission of Trinity Lutheran Church.
6. Appointment of Tellers
 - a. Paul Holmes
 - b. Tami Jensrud
 - c. Mark & Karen Gieseke
 - d. Marilyn Johnson
 - e. Jeneal Olsen
7. Approval of Minutes – November 2015 Annual Meeting
 - a. M/S/P to approval the Annual Minutes from 2015
8. Introduction of Congregational Council Members
 - a. Gail Olson introduced:
 - Tom Olsen – Treasurer
 - Eric Olsen – Secretary
 - Doug Johnson – Vice President
 - Mary Claire Olson Potter – Member at Large
 - Mel Sullivan – Member at Large
9. Report of the Nominating Committee
10. Election of Council Nominating Committee
 - a. Gail presented the following candidates for next year’s
 - i. Eric Jackson
 - ii. Dana Miller
 - iii. Eric Olsen
 - b. M/S/P to appoint the above the candidates to the ballot
 - c. M/S/P to approve the candidates above.
11. Election of one (1) Congregational Council position
 - a. Gail presented the Arba-Della Beck as the presented candidate for council.
 - b. A request from the floor for additional candidates was asked three times with no additional candidates presented.
 - c. M/S/P was made to appoint Arba-Della Beck as a unanimous appointment from the floor.

12. Approval of mandatory changes to constitution
 - a. In order to keep Trinity’s constitution valid, it needs to be updated to the mandatory changes from the ELCA.
 - b. Questions from the floor:
 - Question: When will these changes take effect? Answer: Upon passing the mandatory constitution the changes will take effect immediately.
 - Question: When did we change from a required financial “Audit” to a “Review”. Answer: 12-15 years ago, the reason for the change was because the “Audit” is expensive compared to Review. The congregation still has an option to complete an Audit and did so last year. This audit was provided in the annual report.
 - c. M/S/P to approve the model constitutional changes.
13. Recommended motion – nomination of synod delegates - May 2017
 - a. M/S/P the Congregational Council is authorized to elect representatives to the 2017 Saint Paul Area Synod Assembly.
14. Reports from the Congregational Council, Staff and Ministry Teams
 - a. Council has approved the hiring of an Interim Associate Pastor, details will soon follow.
 - b. A special thank you for Interim Lead Pastor Paul Svingen and all of his hard work, kindness, willingness to tackle hard issues, and spiritual leadership.
 - c. Gail Olson, Steve Hopkins, Jeneal Olsen, and Tom Olsen had a great trip to our sister congregation in Matasi, Tanzania. The connection between our two communities is very important.
 - d. Gail expressed Thank Yous to the following:
 - i. Trinity staff Bob Eiselt, Eric Trosdahl, Ellen Neseth and council treasurer Tom Olsen for preparation detailed financial information for the meeting today.
 - ii. Marilee Tangen for hours of time on the annual report.
 - iii. Linda Flood, Doreen Johnson, Christine Lande on the kitchen crew today.
 - iv. Phil Kadidlo for Audio / Visual set up
 - v. Dan Wilson for being Parliamentarian
 - e. Presentation from Chris Johnson the chair of the stewardship team.
 - i. Last year the time worked very hard and became very close to deal with financial changes.
 - ii. Chris explained 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.
 - f. Presentation from the Outreach Missions Board by Renae Oswald-Anderson
 - i. Chartered by the council and formed in spring 2015
 - ii. The Board established three action teams:
 1. Local Action
 2. Mexico Action
 3. Tanzania Action
 - iii. Renae presented highlights from this year
 - iv. Renae is excited for the future and for member input.
15. Report of the Church Treasurer Tom Olsen for FY 2016
 - a. Tom thanked Bob, Ellen and Eric
 - b. Original budget presented at 2015 annual meeting included Contribution Income at \$1.6 million. Council given authority to revise budget if stewardship pledges received by December 2015 would not support that level.
 - c. Stewardship pledges received would only support revenue of \$1.3 million so Council took action to reduce projected expenditures and revised budget accordingly.
 - d. Reductions to projected expenditures had an annualized impact of \$265,000 but changes were made in January, too late to realize full year savings. Revised budget assumed a total deficit for the year of \$131,000. Council approved sale of 3rd Street property to offset deficit.
 - e. Fiscal year result – actual deficit of \$123K slightly less than planned deficit in revised budget, after additional mid-year staff and expense budget reductions.

- f. A summary of Expense Reductions in the past 2 years was presented.
 - g. A summary of Income and Expense trends was presented.
 - h. Questions from the floor regarding the 2016 financials:
 - i. Question: Do we have insurance coverage for the pending law suit and what is the timeline of the lawsuit. Answer: We don't know yet.
 - ii. Question: How far into the future are we projecting into the future with the national trends of younger generations not turning to organized religion. Answer: We have not looked at this in great detail yet.
 - iii. Question: How many hours to salaried employees work? Answer: We do not track hours of salaried staff. We would like the HR Team and Pastor Chris.
 - iv. Question: How many pastors are we counting on? Answer: We are planning of 2.5 pastors.
 - i. A summary of current debt was shown
16. Presentation of Proposed Budget for FY 2017
- a. Personnel budget reflects full-year effect of 2015 & 2016 staff reductions. \$266,000 decrease from original 2016 budget; net decrease v. 2016 actual of \$106,000. It does include a 2% staff compensation increase for FY 2017.
 - b. Full rent of Croix Center of \$76,660, more than covers building expenses & mortgage; building is cash flow positive.
 - c. Contribution Income is budgeted at \$1,300,000, \$10,000 under revised budget amount for FY'16; less than a 1% increase over FY'16 actual contribution income of \$1,289,086.
17. Approval of Proposed Budget for FY 2017
- a. M/S/P to approve the Proposed Budget for FY 2017 as presented.
18. Other Business
- a. No other business
19. Motion to adjourn was made and seconded. The motion passed. The meeting was closed with prayer.

Respectfully submitted,

Eric Olsen, Congregational Council Secretary

MINUTES

SPECIAL CONGREGATIONAL MEETING REGARDING THE SALE OF 107 3rd ST MINUTES

Sunday, October 16, 2016

Location: Main Sanctuary - Attendance: 50

12:00-12:20 p.m.

1. Call to order

- a. The meeting was called to order by Council president Gail Olson

2. Introduction of Parliamentarian

- a. Gail Olson introduced John Hodler as Parliamentarian

3. Proof of Notice:

- a. The following notice was read on at weekly services on 9/18/16, 9/25/16, 10/2/16 and 10/9/16:

NOTICE is given that a special congregational meeting of Trinity Lutheran Church of Stillwater, Minnesota has been called by the Congregational Council to be held on Sunday, October 16, 2016 immediately following the second worship service.

The special meeting will be held in the sanctuary.

The object and purpose of the special meeting is to consider and seek congregational approval of the sale of certain real property commonly known as 107 3rd Street North, Stillwater, Minnesota. The subject real property abuts 3rd Street North and lies adjacent to and north of Myrtle Street and adjacent to and south of the City Parking Ramp.

No other business may be transacted at the special meeting.

Pursuant to governing state law, this Notice needs to be given at the public worship for four successive Sabbaths immediately before the date of the special meeting.

4. Background

- a. Gail Olson explained the sale of the 107 3rd Street was decided because there was no longer a missional need for the land and the proceeds were needed to cover the extra costs of mid-year adjustments from the fiscal year 2016 budget.

5. Financial Summary

- a. Tom Olsen the council treasurer presented more detailed financial.

6. Real Estate Summary

- a. Eric Olsen council secretary presented additional information regarding the property for sale and the details of the sale.

7. Questions from the floor

- a. There were no questions from the floor.

8. Vote

- a. The following motion was made from the floor:

Trinity is authorized to sell the properties known as 107 3rd Street North, Stillwater, Minnesota, consistent with the purchase agreement presented to the congregation at its meeting on October 16, 2016

- b. The motion was seconded, and was passed via an unanimous vote.

9. Closing prayer

10. Adjournment

MINUTES

CONGREGATIONAL MEETING TO CALL NEW LEAD PASTOR MINUTES

Sunday, October 30, 2016

Location: Main Sanctuary - Attendance: 216

12:00-12:45 p.m.

1. Call to order
 - a. The meeting was called to order by Council vice president Doug Johnson
2. Introduction of Parliamentarian
 - a. Doug Johnson introduced Tom Haugurd as Parliamentarian
3. Introduction of Call Committee
 - a. Arba-Della Beck - Chair, Laura Fredericks - recording secretary, Sharon Germain, John Hodler, Paul Holmes, Jill Longnecker, Rick Slachta, Matt Simcik and Lucinda Zehr White (ex officio participant)
4. Report from Call Committee
 - a. Arba Della Beck – introduced the call committee seating in the front of the congregation.
 - b. Explained it was 6 month process that met at least weekly
 - c. Committee wanted to unanimous decision and they had one
 - d. Arba introduced Pastor Christine M. Bellefeuille (Pastor Chris)
 - e. John Hodler presented on the selection process on the lead pastor skills
 - f. Sharon Germain Spoke regarding her references regarding the pastor.
5. Questions:
 - a. Question 1: What time is the meet and greet
 - i. Answer: 6:30 PM on Nov. 6th
 - b. Question 2: Will the transition team or call committee continue to provided services after this meetings
 - i. Answer: Transition Team was already decommissioned and he call committee will be decommissioned.
 - c. Question 3: Is Pastor Chris's aware of the lawsuit
 - i. Answer: Yes.
6. Vote
 - a. Per the constitution the call of pastor requires a new paper ballot.
 - b. The motion was made from the floor to vote to call Pastor Christine M. Bellefeuille, the motion was seconded, and voting was completed via paper ballot.
 - c. Final Voting Results: 208 yes, 8 no.
7. Adjournment

FISCAL YEAR STATISTICS

2017 Trinity Congregational Council

Gail Olson _____ Council President
 Doug Johnson _____ Vice President
 Melanie (Mel) Sullivan _____ Secretary
 Tom Olsen _____ Treasurer
 Arba-Della Beck _____ Council Member
 Mary Claire Olson Potter _____ Council Member

Fiscal Year 2017 Statistics

Total number of baptized members on
 September 1, 2016 _____ 3,675
 Number of members received through baptism _____ 28
 Number of members received through
 confirmation _____ 18
 Number of members received through
 transfer/affirmation of faith _____ 37
 Number of members removed through death _____ 22
 Number of members removed through
 transfer, request, etc. _____ 246
**Total adjusted number of baptized members
 on August 31, 2017** _____ 3,490
 Non-member funeral services conducted by
 Trinity pastors _____ 1
 Weddings conducted by Trinity pastors _____ 8

Worship Attendance

2016 Christmas Eve:
 11 a.m. _____ 299
 3 p.m. _____ 425
 4 p.m. _____ 480
 5 p.m. _____ 215
 9 p.m. _____ 314
TOTAL _____ **1,733**

2016 Christmas Day:
 10 a.m. _____ 135

2017 Easter:

Ash Wednesday _____ 344
 Total of all Lenten Services _____ 153
 Maundy Thursday _____ 191
 Good Friday _____ 217
 5 p.m. – Easter Eve _____ 121
 7 a.m. _____ 77
 9 a.m. _____ 490
 10 a.m. _____ 559
 11 a.m. _____ 241
TOTAL _____ **2,393**

10 a.m. Services (one service only)

TrinityFEST _____ 566
 Advent Event (Childrens Christmas Program) _____ 728
 Palm Sunday _____ 572
 Christmas Day _____ 102
 New Years Day _____ 218

Trinity Staff as of August 31, 2017

Pastor Karri Anderson _____ Interim Associate Pastor
 Pastor Chris Bellefeuille _____ Lead Pastor
 Carol Carver _____ Director of Worship, Adult Choir Director
 Kelsey Crusinberry _____ Youth Specialist
 Bob Eiselt _____ Parish Administrator
 Sonia Esch _____ Lead Children's Choir Director
 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 Mikesh _____ Custodian
 Ellen Neseth _____ Accounting Coordinator
 Travis Nordahl _____ Audio Visual Technician
 Pastor Deb Ost _____ Pastor of Care Ministries
 Charlene Parayno _____ Child Care Provider
 Sue Peterson _____ Faith Community Nurse
 Almond Skraba _____ Child Care Provider
 Jane Strauman _____ Children's Choirs
 Marilee Tangen _____ Publications Manager
 Eric Trosdahl _____ Financial Secretary
 Jeannie Wendorf _____ Office Manager

Average Worship Attendance:

9 a.m. _____ 236
 10:30 a.m. _____ 183
 9 a.m. Worship Center (Summer) _____ 130
 10 a.m. Drive-In (Summer) _____ 240
 10 a.m. Outdoor Green Space (Second Sunday Summer) _____ 88

PASTORAL ACTS

BAPTIZED

Nora Poppy Sebo
Everett Victor Bemmels
Boden William Oster
Margaret Marie Martin
Corbett Lucille Walling
Paisley Jo Ehlenz
Charlotte Constance Kraemer
Andi Eileen Armstrong
Carrow Marie Densmore
Keeley Elise Richert
Lily Lynn Richert
Willow Michelle Richert
Vanessa Lynn Weis
Calvin James Tack
Aaron Blake Ross

Everly Joyce Kocon
Emaline Hoyer Flier
Benjamin Lewis Wendel
Shumian Amelia Teillard-Cui
Maéva Binfeng Winona Teillard-Cui
Sienna Ann McGuigan
Lieni Grace Moen
Grace Lynn Bolan
Crew Charles Bolan
Quincey Elaine Bolan
Suzanna Diane Wasmundt
Isaac Lee Meyers
Jameson Lee Meyers

TOTAL = 28

MARRIED

Natalie Molinaro & Jacob Koelln
Elisabeth Crane & Nathan Brandt
Cassandra Bothwell & Joseph Detviler
Virginia Wells & Maurice Germscheid
Brittany Black & Daniel Adams
Megan Grendahl & Darek Albertson
Amanda Merton & Ryan Jackson
Madeline Wild Crea & Jesse Evans

TOTAL = 8

CONFIRMED May 2017

Kirsten Mary Anderson
Sydney Elizabeth Anderson
Elizabeth Mae Blair
Samuel Arthur Chapman
Makenna Lynn Christiansen
Lily Susan Cichon
Morgan Helene Dooley
Calvin Joseph Dougherty
Nathan Robert Erickson
Rachel Anne Fogelberg
Brandon Wayne Ford
Celia Diane Gear
John Daniel-Sten Gray
Destiny Nicole Halleland
Logan Martin Halverson
Grace Ann Hildrum
Elsa Linnea Huckels
Zachary Kent Johnson
Abigail Grace Kneeskern
Emily Kim Laabs
Sean Michael Lenz
Tyler Michael Liljegen
Tyler Joseph Maroney

Marley Marie McGuire
Alyxandria Rebecca Moosai
Abigail Christine Mueller
Britta Elizabeth Nelson
Olivia Grace Olson
Joshua Joseph Paulson
Sydney Jo Peterson
Grace Lee Roeske
Nathaniel Robert Simcik
Nicholas Gabriel Simcik
Eric William Stack
Ella Josette Stratmann
Carly Grace Suro
Elli Marie Swanson
Kylie Grace Weyer
Avery Kathleen Wright
Jenna Christine Yingling
Carly Rose Young
Joseph Brock Young

TOTAL = 42

NEW MEMBERS = 18 (BOLD)

FUNERALS

Borghild Elaine Risendal
Wilma Ida Minnie Welch Edhlund
Sharon Ann Haynes
David L Borg
Lloyd Leonard Goble
Margaret Luella Grund
Michael John Wagner
Eric Michael Nelson
Sally Reberk
Mary Ellen Cain
Kenneth Lyke Erickson
Leonard Leslie Genung
Ernest William Dielentheis
Pamela Sue Hamre
Jasmine Marie Hamp
Carol Joanne Smith
Dorothy Jane Marty
Beverly Louise Heuer
John Logan McCallister
Verlie Lou Staberg
Jeanne Belva Kedrowski
Duane Benjamin Meyer
Leonard Olaf Nestrud

TOTAL = 23

MEMBERS = 22 (BOLD)





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, 2017 and 2016, 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 modified 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, except for the issue noted in the Known Departure From Modified Cash Basis of Accounting 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.

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.

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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.

Foley Kalasnik & Company Ltd.

Lake Elmo, MN
October 31, 2017

CPA REPORT

TRINITY LUTHERAN CHURCH
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis
August 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 208,090	\$ 159,291
Investments	1,063,912	990,530
Prepaid expenses	7,283	1,000
Master plan design fees	336,085	336,085
Construction work in process	8,018	-
Property and equipment, net of accumulated depreciation	4,459,431	4,869,526
 Total assets	 \$ 6,082,819	 \$ 6,356,432
LIABILITIES AND NET ASSETS		
Payroll liabilities	\$ 7,233	\$ 2,308
Program deposits	5,752	7,876
Drive-in escrow	8,600	8,600
Security deposits	1,288	1,288
Funds held for others	56,422	77,037
Mwatasi water project	10,175	2,479
Long-term debt	3,771,613	3,930,651
 Total liabilities	 3,861,083	 4,030,239
 Net assets:		
Unrestricted	1,000,832	1,224,299
Temporarily restricted	156,992	105,109
Permanently restricted	1,063,912	996,785
 Total net assets	 2,221,736	 2,326,193
 Total liabilities and net assets	 \$ 6,082,819	 \$ 6,356,432

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

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CPA REPORT

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:				
Contributions	\$ 1,286,265	\$ 247,753	\$ 3,391	\$ 1,537,409
Rental income - church property	42,573	-	-	42,573
Rental income - post office building	24,000	-	-	24,000
Rental income - Croix Center	52,684	-	-	52,684
Fees and other payments for program activities	82,606	-	-	82,606
Interest income	-	37,734	-	37,734
Miscellaneous income	698	-	-	698
Unrealized gain on investment	-	-	63,736	63,736
Loss on disposal	(12,611)	-	-	(12,611)
Net assets released from restrictions upon expiration of proposed restrictions	233,604	(233,604)	-	-
Total revenue and support	1,709,819	51,883	67,127	1,828,829
EXPENSES:				
Staff salaries and benefits	950,209	-	-	950,209
General operating expense	255,036	-	-	255,036
Building maintenance expense	38,322	-	-	38,322
Interest expenses and other borrowing costs	144,614	-	-	144,614
Missions and benevolence	212,950	-	-	212,950
Children, youth & family ministries	29,980	-	-	29,980
Communications	9,471	-	-	9,471
Lifelong faith formation	3,948	-	-	3,948
On purpose ministries	-	-	-	-
Worship and music	20,188	-	-	20,188
Mutual care/small groups	19,406	-	-	19,406
Depreciation expense	249,162	-	-	249,162
Total expenses	1,933,286	-	-	1,933,286
CHANGE IN NET ASSETS	(223,467)	51,883	67,127	(104,457)
NET ASSETS, BEGINNING OF YEAR	1,224,299	105,109	996,785	2,326,193
NET ASSETS, END OF YEAR	\$ 1,000,832	\$ 156,992	\$ 1,063,912	\$ 2,221,736

See accountants' review report and notes to financial statements.

CPA REPORT

2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:				
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	-	-	86,119
Interest income	-	37,949	-	37,949
Miscellaneous income	1,944	-	-	1,944
Unrealized loss 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)	-	-
Total revenue and support	1,960,189	(154,825)	26,954	1,832,318
EXPENSES:				
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 faith formation	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
Total expenses	2,024,023	-	-	2,024,023
CHANGE IN NET ASSETS	(63,834)	(154,825)	26,954	(191,705)
NET ASSETS, BEGINNING OF YEAR	1,288,133	259,934	969,831	2,517,898
NET ASSETS, END OF YEAR	\$ 1,224,299	\$ 105,109	\$ 996,785	\$ 2,326,193

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, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (104,457)	\$ (191,705)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	249,162	248,678
Unrealized (gain) loss on investments	(63,736)	(26,954)
Loss on disposed asset	12,611	1,308
Changes in operating assets and liabilities:		
Prepaid expenses	(6,283)	26,000
Payroll liabilities	4,925	(3,716)
Program deposits	(2,124)	200
Funds held for others	(20,615)	4,677
Mwatasi water project	7,696	(2,875)
Refundable advances	-	(1,056)
Net cash flows from operating activities	77,179	54,557
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of endowment fund, net	(9,646)	-
Construction work in process	(8,018)	-
Proceeds from sale of assets	163,827	-
Purchases of property and equipment	(15,505)	(193,039)
Net cash flows from investing activities	130,658	(193,039)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on debt	225,000	8,471
Payments of debt	(384,038)	(14,282)
Net cash flows from financing activities	(159,038)	(5,811)
Net change in cash	48,799	(144,293)
CASH		
Balance at beginning of year	159,291	303,584
Balance at end of year	\$ 208,090	\$ 159,291
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 144,614	\$ 149,969

See accountants' review report and notes to financial statements.

CPA REPORT
TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended August 31, 2017 and 2016

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 two banking institutions. 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, 2017 and 2016

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, 2017. 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 October 31, 2017, 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:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Endowment Fund				
Pooled Trust - ELCA	\$ 1,037,874	\$ 1,063,912	\$ 1,028,228	\$ 990,530

CPA REPORT

TRINITY LUTHERAN CHURCH
Notes to Financial Statements (continued)
For the Years Ended August 31, 2017 and 2016

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2017	2016	Depreciation Lives
Land	\$ 630,000	\$ 806,438	-
Drive-in	484,784	484,784	-
Church Building	4,205,095	4,205,095	40 years
Croix Center	330,000	330,000	10 years
Remodeling	1,633,328	1,627,807	5-25 years
Furniture, fixtures and equipment	1,131,170	1,122,953	2-25 years
Computers	79,442	78,843	5 years
Music equipment	522,243	521,074	5-25 years
Vehicles	26,672	26,672	5 years
	9,042,734	9,203,666	
Less accumulated depreciation	(4,583,303)	(4,334,140)	
Total	\$ 4,459,431	\$ 4,869,526	

NOTE E - LONG-TERM DEBT

Long-term debt consists of the following:

	2017	2016
Mortgage bearing interest at 3% at August 31, 2017 and 2016, payable in monthly principal and interest installments of \$14,934. Matures May 1, 2034. Secured by Church building and land.	\$ 2,357,082	\$ 2,463,835
Line of credit in the amount of \$1,000,000, bearing interest at 4.75%, payable in monthly interest only payments and a lump-sum payment upon maturity. Matures July 3, 2018. Secured by Church building and land.	843,394	872,221
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.	564,450	586,370
Note payable bearing interest at 4.95%, payable in monthly installments of \$160 (principal and interest). Matures June 20, 2021. Unsecured.	6,687	8,225
	\$ 3,771,613	\$ 3,930,651

CPA REPORT

TRINITY LUTHERAN CHURCH
Notes to Financial Statements (continued)
For the Years Ended August 31, 2017 and 2016

NOTE E - LONG-TERM DEBT (continued)

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

2018	\$	1,519,469
2019		115,053
2020		118,587
2021		121,906
2022		124,006
Thereafter		1,772,592
		\$ 3,771,613

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 \$37,734 and \$37,949 in the years ended August 31, 2017 and 2016, 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, 2017, retirement contributions for 11 eligible employees were funded at a cost of \$31,149. During the year ended August 31, 2016, retirement contributions for 12 eligible employees were funded at a cost of \$27,691.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are for the following purposes:

	2017	2016
Opening Doors	\$ 36,548	\$ 40,257
Memorials to be Designated	6,993	5,482
Worship Center	604	-
Organ Fund	591	1,296
Church Sign	11,900	11,900
Scholarship Fund	5,791	4,725
Fund Raising	6,997	7,523
Indoor Gardens	-	287
Capital Funds	87,568	33,639
	\$ 156,992	\$ 105,109

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 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, 2017 and 2016.

CPA REPORT

TRINITY LUTHERAN CHURCH Notes to Financial Statements (continued) For the Years Ended August 31, 2017 and 2016

NOTE I – LEASES (continued)

Lil' Tulip's – The Church owns and leases to 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 \$26,294 and \$27,684 for the years ended August 31, 2017 and 2016, respectively.

Reclaiming Beautiful – The Church owns and leases to Restoring Beautiful, LLC. The lease was renewed for 3 years and will expire January 31, 2020. The lease calls for monthly payments of \$2,000 for the 1st year, and increases to \$2,075 for the 2nd year and \$2,150 for the 3rd year. Rent collected under this lease was \$24,000 for the years ended August 31, 2017 and 2016.

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

2018	\$ 77,284
2019	78,184
2020	51,723
2021	24,000
2022	8,000
Total	<u>\$ 239,191</u>

NOTE J - LEASE COMMITMENTS

The Church leases copiers. Rental expenses under these leases totaled \$25,045 and \$22,012 for the years ended August 31, 2017 and 2016, respectively. The copier lease expires June 30, 2020.

The Church also leases a postage machine. Rental expense under this lease totaled \$434 and \$427 for the years ended August 31, 2017 and 2016, respectively. The postage machine lease expires September 1, 2020.

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

2018	\$ 29,658
2019	29,687
2020	24,797
2021	29
Total	<u>\$ 84,171</u>

NOTE K - PROGRAM SERVICES AND SUPPORTING ACTIVITIES

Program services and supporting activities are summarized below:

	<u>2017</u>	<u>2016</u>
Program services	\$ 1,546,629	\$ 1,619,218
Management and general	<u>386,657</u>	<u>404,805</u>
Total expenses	<u>\$ 1,933,286</u>	<u>\$ 2,024,023</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:

TRINITY LUTHERAN CHURCH
Notes to Financial Statements (continued)
For the Years Ended August 31, 2017 and 2016

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, 2017.

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, 2017 and 2016 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, 2017</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
ELCA Fund A	\$ 1,063,912	\$ -	\$ 1,063,912
Long-term debt	3,771,613	3,771,613	-
Total	\$ 4,835,525	\$ 3,771,613	\$ 1,063,912
<u>August 31, 2016</u>			
ELCA Fund A	\$ 990,530	\$ -	\$ 990,530
Long-term debt	3,930,651	3,930,651	-
Total	\$ 4,921,181	\$ 3,930,651	\$ 990,530

CPA REPORT

TRINITY LUTHERAN CHURCH
Notes to Financial Statements (continued)
For the Years Ended August 31, 2017 and 2016

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, 2015	Donor-Restricted Endowment Funds	\$ 969,831
	Contributions	-
	Unrealized Gain	<u>26,954</u>
August 31, 2016	Endowment Net Assets	\$ <u>996,785</u>
September 1, 2016	Donor-Restricted Endowment Funds	\$ 996,785
	Contributions	3,391
	Unrealized Gain	<u>63,736</u>
August 31, 2017	Endowment Net Assets	\$ <u>1,063,912</u>

CPA REPORT

TRINITY LUTHERAN CHURCH
Notes to Financial Statements (continued)
For the Years Ended August 31, 2017 and 2016

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 5.50% interest rate at August 31, 2017. There was no balance outstanding for the year ended August 31, 2017. The line of credit is renewable July 3, 2018.

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 2016 and 2017.

Trinity ended its fiscal year on August 31, 2017.

A “Balance Sheet Summary” on page 46 compares assets, liabilities and equity for the fiscal years ending 8/31/2016 and 8/31/2017. 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 2017. 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 “2018 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, 17	Aug 31, 16
<u>ASSETS</u>		
Current Assets		
Cash Accounts		
Checking, Money Market & Savings Accounts - General	169,042	112,780
Savings Account - Current Year Endowment	2,500	6,255
Opening Doors Appeal Fund	36,549	40,257
Investment Account-Trinity Endowment (ELCA Fund)	1,063,912	990,530
Accounts Receivable/Prepaid Expenses	7,283	1,000
Total Current Assets	<u>1,279,286</u>	<u>1,150,822</u>
Fixed Assets		
Land	1,130,529	1,306,968
Buildings	4,557,754	4,557,754
Work in Progress	8,018	0
Furniture & Fixtures	3,327,777	3,312,272
Passenger Van	26,672	26,672
Accumulated Depreciation	<u>-4,583,303</u>	<u>-4,334,140</u>
Total Fixed Assets	<u>4,467,448</u>	<u>4,869,526</u>
Other Assets		
Master Plan Design Fees	336,085	336,085
<u>TOTAL ASSETS</u>	<u>6,082,819</u>	<u>6,356,433</u>
 <u>LIABILITIES</u>		
Current Liabilities		
General Funds Held For Future Disbursement		
Designated Gift Funds	184,543	99,628
Memorial Funds (Not Yet Designated)	6,993	5,482
Temporary Funds		
Misc donations for mission trips & outreach	66,597	79,515
Payables (including payroll liabilities)	22,873	20,072
Operations Cash Flow Line of Credit	843,394	872,221
Endowment Earnings Available: Current Yr & Next Yr	0	6,255
Total Current Liabilities	<u>1,124,400</u>	<u>1,083,173</u>
Long Term Liabilities		
Mortgage - Thrivent Financial	2,357,082	2,463,835
Mortgage - 216 Myrtle - First State Bank & Trust	564,450	586,370
Bank Loan - Phone System	6,687	8,225
Total Long Term Liabilities	<u>2,928,219</u>	<u>3,058,430</u>
<u>EQUITY</u>		
Investments - Endowment Fund	1,063,912	990,530
Net Assets	1,224,297	1,288,132
Current Year Change in Net Assets	-258,009	-63,834
Total Equity	<u>2,030,200</u>	<u>2,214,830</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>6,082,819</u>	<u>6,356,433</u>

FISCAL YEAR-END SUMMARY OF INCOME & EXPENSES

	FY '17 Actual	% of Budget	FY 2017 Budget
	Sep '16 - Aug '17		FY '17 Budget
Operating Summary:			
OPERATING INCOME:			
Contributions - General	\$ 1,251,720	96%	\$ 1,300,000
Contributions - Restricted	2,695	21%	13,000
Mission Revenue	180,116	98%	184,700
Released from Endowment	37,734	99%	38,000
Croix Center Rent	52,684	100%	52,660
Rental Income	42,573	97%	44,000
USPS Facility Rent	24,000	100%	24,000
Fees and Payments	82,606	93%	89,000
Misc. Income	698		-
TOTAL OPERATING INCOME	\$ 1,674,825	96%	\$ 1,745,360
OPERATING EXPENSES:			
All Personnel Expenses	\$ 950,209	102%	\$ 929,500
Finance, Facilities, Operations	293,358	120%	244,980
Loan Interest	144,614	100%	145,000
Communications	9,471	97%	9,800
Benevolence	32,834	97%	34,000
Missions	180,116	100%	179,700
Children / Youth / Family	29,980	84%	35,790
Lifelong Faith Formation	3,948	55%	7,200
On Purpose	-		
Groups and Teams	19,406	115%	16,850
Worship and Music	20,188	112%	18,000
TOTAL OPERATING EXPENSES	\$ 1,684,124	104%	\$ 1,620,820
Operating Surplus (Deficit)	(\$9,299)		\$ 124,540
Capital Summary:			
CAPITAL FUNDS:			
Capital Appeal Funds Recognized	3,708		-
Capital Funds - Other	9,351		-
TOTAL CAPITAL FUNDS	\$ 13,060		\$ -
CAPITAL EXPENSES:			
Loan Principal	128,672	103%	\$ 124,540
Redesignated Opening Doors	3,708		-
Capital Expenditures	19,815		-
TOTAL CAPITAL EXPENSES	\$ 152,196	122%	\$ 124,540
Capital Surplus (Deficit)	(\$139,136)	112%	\$ (124,540)
Operating Surplus (Deficit)	(\$9,299)		\$ 124,540
Less: Capital Surplus (Deficit)	(139,136)	112%	(124,540)
Total Surplus (Deficit)	(\$148,435)	#DIV/0!	\$ -
3rd Street Property Sale - Net Proceeds	\$ 163,827		
	\$ 15,392		
Adjustment to tie to CPA Report: Page 34			
OPERATING INCOME (from above)	\$ 1,674,825		
CAPITAL FUNDS (from above)	13,060		
TOTAL INCOME	1,687,885		
less: Loss on Disposal of Fixed Assets	(12,611)		
add: Deferred Bequest Income	34,545		
Adjusted Income	1,709,819		
Total Operating Expenses (from above)	1,684,124		
add: Depreciation Expense Annual allocation	249,162		
TOTAL EXPENSES	1,933,286		
CHANGE IN NET ASSETS	\$ (223,467)		

TREASURER'S REPORT

Fiscal 2017 was another challenging year for Trinity. In 2016, the church had a deficit of \$123,000. When we started 2017 we were optimistic that we could get back to a balanced budget but lower revenues and unanticipated expenses resulted in another year of deficit spending. In 2017, we offset the budget deficit by selling the unused church property on 3rd street for \$194,000 before selling expenses and about \$164,000 after expenses.

In fiscal 2018 we are budgeting for a much smaller deficit of \$10,000 and are hopeful that a combination of higher revenues and/or lower expenses will produce a surplus.

Highlights for 2017

The total deficit for 2017 (before the sale of the 3rd street property) was \$148,000. The approved budget for 2017 assumed that the budget would be balanced. About half of the miss is related to reduced income and the remainder due to higher expenses. Some of the key drivers are highlighted below:

Income—(\$71,000 less than budgeted)

- General Contributions (primarily pledged giving) were \$51,000 below budget. The Council noted that during the interim period contributions appeared to have held steady at approximately \$1,300,000 and we anticipated that with the introduction of a new lead pastor that contributions would continue to hold or perhaps increase. In fact, contribution declined about \$37,000 from the prior year.
- All other income declined by \$22,000. Restricted contributions declined by \$10,000 and fees and payments declined by \$6,000. Both of these items are difficult to predict and relate to funerals, weddings, concerts, etc.

Expense—(\$63,000 more than budgeted)

- Personnel expenses exceeded budget by \$21,000 due to higher than expected costs for the Interim Faith Formation pastor. The budget was based on the costs associated with a less experienced pastor.
- Finance, Facilities and Operations were higher than the budgeted amount by \$48,000. Principle reasons for the excess spending were: legal fees associated with the sexual abuse claim and the property sale, introduction of Trinity Fest in Sept. 2016, and several unexpected building repair and maintenance items.

Sale of Property—Net income of \$164,000

- The 2017 budget did not assume any gain on the sale of property. The sale of the 3rd street property closed in early 2017 with a selling price of \$194,000. The original outside appraised value was estimated at \$130,000 so the council was pleased with the higher selling price.
- Including the extra-ordinary sale of the property the church recorded a surplus of \$13,000 in 2017.

2018 Budget

Key assumptions for the fiscal 2018 budget are as follows:

- General Contributions will recover and return to the \$1,300,000 level.
- Personnel costs will be reduced by approximately \$45,000 compared to the prior year.
- Realization of a savings of approximately \$10,000 due to the closure of the church office and building on Fridays.

Tom Olsen, Treasurer
blue6500@comcast.net

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 endearing 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, 2017, the market value of Trinity's Endowment Fund stood at \$1,063,912. Earnings from the fund of \$37,734 were distributed back to Trinity in FY 2017. The earnings were used to fund ministry activities and programs in the areas of: General Ministry (legal fees, parking lot striping, and securing stained glass for storage), Mutual Care (Parish Nurse), Worship & Music (Auxiliary Musicians and projector replacement) 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.

FISCAL YEAR 2018 PROPOSED MINISTRY BUDGET

OPERATING SUMMARY:

OPERATING INCOME:

Contributions - General	1,300,000
Contributions - Restricted	39,545
Mission Revenue	159,000
Released from Endowment	38,000
Croix Center Rent	53,700
Rental Income	44,000
USPS Facility Rent	24,000
Fees and Payments	107,755
Misc. Income	-
TOTAL OPERATING INCOME	<u>\$ 1,766,000</u>

Proposed FY 2018 Budget Amounts

OPERATING EXPENSES:

All Personnel Expenses	906,000
Admin (Finance, Facilities, Operations)	269,500
Loan Interest	145,000
Communications	10,000
Benevolence	35,000
Missions	159,000
Children / Youth / Family	65,775
Lifelong Faith Formation	6,675
Groups and Teams	21,435
Worship and Music	18,760
TOTAL OPERATING EXPENSES	<u>\$ 1,637,145</u>
Operating Surplus or (Deficit)	<u>\$ 128,855</u>

CAPITAL SUMMARY:

CAPITAL FUNDS:

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

CAPITAL EXPENSES:

Mortgage Principal	\$ 129,000
Facility Improvements	-
Capital Expenditures	10,000
TOTAL CAPITAL EXPENSES	<u>\$ 139,000</u>
Capital Surplus or (Deficit)	<u>\$ (139,000)</u>
Total Surplus or (Deficit)	<u>\$ (10,145)</u>

NOMINATING COMMITTEE REPORT & COUNCIL ELECTION

Report of the Nominating Committee

TRINITY LUTHERAN CHURCH
ANNUAL MEETING
November 19, 2017

Eric Olsen
Dana Miller
Eric Jackson

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 Krista Gossai for a three-year term and Doug Johnson for another three-year term.

In addition, the committee recommends the following names to be elected to the 2018 Nominating Committee:

Gail Olson
Eric Olsen
Dana Miller

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

TRINITY LUTHERAN CHURCH
Stillwater, Minnesota
November 19, 2017

NOMINEE(S) FOR CONGREGATIONAL COUNCIL

BALLOT

VOTE FOR (2)

- Krista Gossai (3-year term)
 Doug Johnson (3-year term)

Nominated from the floor

- _____

SAMPLE

CONGREGATIONAL COUNCIL NOMINEES



Krista Gossai

Trinity has been foundational to my life and its course. I was baptized here, I was confirmed here, I was married here and each of my four daughters have been baptized here as well. In each season of my life thus far, whether I lived near or far, Trinity has been an anchor of my faith. While I have changed and it has changed, I now find myself with the possibility to serve Trinity's people and mission and I am energized about its direction.

My junior and senior high experiences at Trinity were instrumental to my educational choices and interests, but more importantly they instilled in me a lifelong passion for service and community involvement. After college (Go Cobbers!) I moved to Minneapolis and spent four years at the University of Minnesota. During that time I was able to reconnect with the youth department as a confirmation guide and a small group leader for the Mexico Mission trip. These days, my family commitments are paramount but I have been able to serve in various roles at Trinity in recent years including the transition team and presently on the call committee for our next pastor of lifelong faith formation.

I am a dentist at Southill Dental here in Stillwater. It's an honor to be a part of such a long term St. Croix Valley institution where day after day we see so many familiar faces and in various ways we seek to serve the same community as Trinity. Multiple generations of families come to see us for their dental care which is balanced with individuals who are new to the area making for a wonderful array of patients with varying needs. While not originally from Stillwater, my husband, Nathan, is a former Camp Metigoshe counselor and so has found Trinity to be a place with a certain familiarity and also a place of grace and hope. We are grateful that our daughters, Annika (8), Maren (6), Clara (5) and Brita (1) can call Trinity home—a place where they are welcome and loved.

I would be honored to help shape the future of Trinity by serving on council and I have no doubt that Trinity will continue to be a place where all are welcomed and loved.



Doug Johnson

My wife Doreen and I have been members of Trinity since 1990. Our daughter was married at Trinity, and our son was confirmed here. Two of our grandchildren were baptized here.

My involvement at Trinity includes: Serving as vice president of the Congregational Council for the past three years, chairing the Opening Doors Appeal Review Task Force, which issued its report October 1, 2014; chairing the senior pastor call committee, which resulted in calling Pastor Dan; chairing eight other call committees involving the hiring of either associate clergy or lay staff, including Pastors Siri, Kris (Linner), Candy and Stephanie; attending a course on churches in conflict taught by former Interim Pastor Larry Johnson who was specially trained to handle churches in conflict; making presentations to congregational groups on both the trial of Christ and the duties and responsibilities of the Washington County Attorney's office; ushering; serving communion at services; peeling potatoes and washing dishes for the annual lutefisk dinner; de-boning cooked lutefisk immediately before it was served — this was prior to working my way up to peeling potatoes and washing dishes. (Please note that, despite doing the lutefisk assignment for five years, none of my annual health physicals has found any evidence of adverse medical problems as a result of this work.)

Presently, I am serving on the Saint Paul Area Synod Council.

I also served as the Washington County Attorney for 12 years and retired in 2011; prior to that, I was in private law practice in Wadena (1972-1986). I served as Wadena County Attorney (1982-1986) and Assistant Washington County Attorney (1986-1999).



trinity
Lutheran Church

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