**Grace Lutheran Church Annual Meeting**

**January 23rd, 2022**

**Agenda**

**Call to order – BJ Kobierski, Council President**

**Opening Prayer – Pastor Eric**

**Additions to/Approval of Agenda**

**Approval of January, 2021 annual meeting Minutes**

**Annual Reports**

* Pastor’s Report
* Congregation Report
* Buildings and Grounds Committee
* Christian Education Committee
* Finance Committee
* Social Ministry
* Scholarship Committee
* Stewardship Committee
* Worship & Music
* Nomination Committee
* Korpi Endowment Fund
* Men’s Club
* Women of the ELCA
* Audit Committee

**New Business**

* Review and approval of the 2022 budget
* Election of Council Members
* Election of Audit Committee
* Election of Nomination Committee
* Election of Congregation voting members to attend the Synod Assembly (April 29th - May 1st)

Council Meeting following the Annual meeting to vote in new officers.

**Adjournment**

**Benediction – Pastor Eric**

**Last Annual Meeting Minutes - Grace Evangelical Lutheran Church Annual Meeting Minutes**

January 24, 2021

**Call to order – BJ Kobierski, Council President** The annual meeting of Grace Lutheran Church was called to order by Council President BJ Kobierski at 10:45 AM with 49 attending via Zoom. BJ extended a welcome to everyone and pointed out that Grace Lutheran’s first ever Zoom annual meeting is an historic event.

**Opening Prayer – Pastor Eric Thiele**

An opening prayer was given by Pastor Eric Thiele.

**Additions to/Approval of Agenda**

With no additions to the agenda, Alison Arver moved to approve the agenda. Dolores Delaney seconded the motion. It carried.

**Approval of January, 2020 annual meeting minutes**

Dick Flesvig moved and Pat Merfeld seconded the motion to approve the 2020 Grace Lutheran Church Annual Meeting minutes. Motion carried.

**Annual Reports**

The annual reports from Pastor and the various committees were emailed to the congregation so everyone had the opportunity to review them. There were no questions or comments concerning the reports. BJ extended thanks to all committee chairs and members for their work this past year and looks forward to working with them in 2021.

**New Business**

* Review and approval of the 2021 budget

 Dolores Delaney made a motion to accept the 2021 budget. Dennis Westlin seconded the motion. Motion carried.

* Election of Council Members and Audit Committee and Nominating Committee

Nominations include for council (a 3-year term), Peggy Stolley, BJ Kobierski, Dan Krause, and

Sydney Marshall (for the youth, a 1-year term.) For Audit Committee (3-year term) Amy Soderberg, and for Nominating Committee (1-year term) Alison Arver, Gail Nichols, Christine Kolinski and Candace Bischoff. Candace would serve as the out-going council representative.

There were no further nominations. Bob Jalonen made the motion, Dolores Delaney seconded the motion to accept the nominating, auditing and council candidates as presented. Motion carried.

There were no volunteers to attend the Synod Assembly on Zoom April 30-May 1st. We need 2 delegates. We will continue to work on this until we find volunteers.

* Presentation and vote on constitutional amendment.

The Proposed Constitutional Amendment was presented by BJ Kobierski and reads

“C10.08. This congregation may hold meetings by remote communication, including electronically and by telephone conference, as long as there is an opportunity for simultaneous aural communication. To the extent permitted by state law, notice of all meetings may be provided electronically.”

This amendment is already in the ELCA constitution but Grace Lutheran had not anticipated a need to adopt it. It has now become necessary in order to meet as we are today via Zoom.

 In order for us to meet as we have today, the council voted on a continuing Resolution to conduct today’s meeting electronically via Zoom. There were no questions. Marvel Prahl made the motion with Dave Nichols seconding to accept the proposed constitutional amendment. Motion carried. There being no opposition, the amendment will be added to the constitution and approved.

**Adjournment**

* The meeting was declared adjourned by Council President BJ Kobierski.

**Benediction**

* Pastor Eric expressed thanks to all for all they do and encouraged members to reach

out to him or any council members with any questions or concerns.

Pastor Eric gave the Benediction.

Respectfully Submitted, Jane Ott, Council Secretary

**Pastor Eric’s Annual Report**

Dear siblings in Christ at Grace Lutheran,

The year of 2021 saw as many, if not more, ups and downs as we experienced in 2020. 2021 was certainly a challenging year for us in some respects as we continue to navigate the pandemic. At the same time, 2021 was a joyful year for us as many of the ministries with which we are familiar made a return in various forms. Make no mistake about it, our ministry has changed, is changing, and will continue to change as we continue to adapt to this new way of being church and doing ministry together. We, as a congregation, continue to be resilient in the ways in which we respond together in order to be able to do the things we are called to do in Ely, in Minnesota, and throughout the world. We continue to show our love for each other and the world around us in ways familiar to us and ways we are still learning. So, as we review 2021 and look forward to 2022, I want to thank each and every one of you for continuing to love one another and to do the ministry we are called to do. This is not easy and I certainly understand that reality. Thank you for all that you do.

 Our council continues to do some amazing work and ministry on behalf of this congregation and on behalf of the community of Ely. Throughout 2021, we continued to meet both via Zoom and in person, sometimes both at the same time for our regular council meetings and special meetings in order to do the work of keeping our congregation moving forward and keeping our congregation safe. From reviewing safety measures to making plans for the present and future to simply being a steady and reliable group of individuals, our council continues to amaze me. Please join me in thanking our council members. They are tremendous.

 The worship life of our congregation continues to see some changes in 2021 and into 2022. In 2021, we spent January through the middle of May continuing with our Facebook Live only worship service with Barb playing, Sarah singing, and Megan running the livestream. As more and more people received vaccines, plans were made to return to in-person worship for those who felt comfortable doing so. In the middle of May, we returned to in-person worship for the first time since March 2020. As we have made that return, we continued to keep our livestream option available and will continue to do so well into the future. We were able to continue doing communion in-person, but with some modifications for safety. We were able to continue singing together hymns together. We were able to host Bishop Amy Odgren and have her join us for worship. We had an outdoor worship with Cornerstone worship band leading us in music at Whiteside Park. We had so many amazing worship experiences in 2021. As we look forward to 2022, plans are being made to upgrade our livestream capabilities as you can see by the table just outside the sanctuary, to adjust our communion practices in a safe manner to our familiar ways of coming up to the front of the sanctuary to receive communion, and much more. Our worship and music committee and musicians are wonderful as they help keep me on track, look toward the future with tremendous ideas for worship. I am quite proud of our committee and our congregation for rolling with the changes made to worship so that we may continue to be in person and safe. Thank you to those who have stepped up to help make our livestream possible, especially to Sarah Mason who has taken on the task of livestream upgrades and to Gabe Mann who has been a reliable livestream tech for the congregation. Please consider volunteering as a livestream tech person in 2022.

 Our committees, Sunday School, confirmation, council, and fellowship also had quite the experience in 2021. After many groups spent much of 2020 and parts of 2021 operating via Zoom, there was a steady return to in-person meetings and gatherings in 2021. Quilters, committees, youth, and coffee fellowship were among the many groups that made returns in various forms to in person gatherings. Thank you to everyone involved who made the commitment to return in person and, at the same time, sought to keep one another safe even as the pandemic changed before our eyes and from week to week.

 Financially, as you can see in the treasurer report for 2021, we have been and continue to be in healthy shape financially as a congregation. Many thanks to everyone in the congregation for continuing to fulfill pledges and making offerings in the many ways you do. Special thanks to Kirk, our finance committee, and our council for continuing to steward the resources of Grace Lutheran in responsible ways and acting as needs arise.

 As we look to 2022, there will certainly be many things that will happen that are outside of our control and we will adjust appropriately when those things happen, whatever they be. Regardless of whatever may come our way as a congregation in 2022 and beyond, we will continue to be a people of hope, a people of love, and a people of grace. You, the people of Grace Lutheran, have demonstrated and continue to demonstrate this truth that God loves us and we are called to love as God loves. That is not always easy, yet you continue to do that which is not easy. Know that our God walks with us into this new year and God goes ahead of us to prepare us for the future that will come our way. Hold tight to Christ and the promise of love and the promise of God’s presence with us along our journey together. Thank you Grace Lutheran.

In Christ,

Pastor Eric Thiele

**Grace Lutheran Church**

**2021 Congregation Membership Statistics**

**Sunday Worship**

Average attendance for 2021:

**In-Person: 32**

**Online: 313**

 Baptized Members Confirmed Members

**Membership on December 31, 2020 493 375**

**Members Received By:**

 Baptisms 1 ----

 Affirmation of Faith 1 1

 Transfer from ELCA congregations 2 2

 Transfer from other Lutheran congregations 0 0

 Transfer from non-Lutheran congregations 0 0

 Other & Statistical Adjustment

 **Total Members Received: 4 3**

 **Members Removed By:**

 Death 4 4

 Transfer to other ELCA congregations 3 3

 Transfer to other Lutheran congregations 4 4

 Transfer to non-Lutheran congregation

 Other & Statistical Adjustment

  **Total Members Removed: 11** **11**

 **Membership on December 31, 2021 486 367**

**Pastoral Acts (2021)**

**Baptism: Funerals:**

Infants and Children 1 Members 4

 Adults 0 Non-Members 1

 **Total: 1 Total: 5**

 **Weddings:** 0

 **2021 Annual Report of the Grace Lutheran Church Building & Grounds Committee**

The Building and Grounds Committee resumed monthly meetings in June of this year, having been on Covid hiatus from April of 2020. We meet at the Church at 5 PM on the first Monday of each month. While the Committee did not meet until June, maintenance was carried out routinely mostly by our custodian with regular contact with B & G members.

The Committee members this year are Jim Bischof, Dick Flesvig, Bruce Koski, Tom Kobierski, Walt Leino, and Dan Litchfield. Church Custodian Dave Klaesges attended

until his resignation in November. Our new Custodian Todd Crego began with us in December

**B & G Committee responsibilities include:**

Maintain the Church Building and the Parsonage.

Maintain the property grounds, including lawn care and emphasis on snow removal.

Maintain Church and Parsonage equipment, including HVAC.

Seek and interview custodian candidates when a vacancy occurs.

Provide supervision for the custodian, which includes an annual performance review.

Assist in developing the Building & Grounds annual budget.

Analyze and recommend improvements or repairs for the Church, Parsonage and grounds.

**Accomplishments:**

* Organized the re-wiring of the office heat pump units. Wiring thought to be damaged during back entry resurfacing.
* Back entry door mechanism changed to allow key entry from outside as well as preserving emergency exit

 function. This change made the office floor ADA accessible.

* Front entry sidewalk had dangerous cracks and faults, felt to be water damage from improper roof drainage. When concrete contractors were unable to replace the walkway this year, members of Building & grounds removed the damaged area and placed strong patches to the affected areas. The water drainage areas were partially addressed with plans to complete the work, with new downspouts, in the spring.
* A wi-fi temperature monitor was installed to comply with our insurance company recommendations.

**Pending and future projects:**

* Our next significant project is to install an ADA restroom in the Living room alcove. Work on this project will begin with our plumbers availability with assistance from B & G members.
* Replacement of the front entry walk and elevator boulevard are in the plans.
* The Church window frames, especially on the East side need repair or replacement.

Respectfully submitted for B & G by Walt Leino

**CHIRSTIAN EDUCATION COMMITTEE**

**Annual Report 2021**

Members of the Christian Education Committee**:** Rachel Brophy, Kristi Marshall, Alison LaTourell

The Christian Ed. Committee has been meeting monthly on the first Wednesday of each month.

**PRE K TO 6TH GRADE SUNDAY SCHOOL:**

There was no Sunday School from the Fall of 2020 through the Spring of 2021 because of the COVID pandemic. The Christian Education Committee started Sunday School again on November 7, 2021. It was decided to use the same curriculum as was used when we last had Sunday School in 2020 which was the SPARK curreculum. This curricum follows the readings that are used during each Sunday service. Leaflets were ordered for Sunday School. Since starting in November there has been very low attendance, 0-2 kids total each Sunday. Therefore, only 1 Sunday School teacher has been needed each Sunday.

**Christian Day Camp-**

There was no Christian Day Camp again during the summer of 2021.

**Confirmation:**

On October 31, 2021 Pastor Eric confirmed one 9th grader. This confirmant had been attending confirmation on Wednesdays for two years prior. There are currently 12 children in confirmation. Pastor Eric and his wife Megan are leading these classes. There is a sign-up sheet for people to provide dinner for the confirmation students and leaders.

**Christmas Youth Service**:

There was NO **Christmas Youth Service** this year as there was such a low number of children attending church.

**Christmas Craft Wokshop**:

Mary Larson again organized the Christmas Craft Workshop which was held on Dec. 12, 2021. It was fairly well attended after being cancelled in 2020.

**Grace Lutheran Finance Committee**

**Report to the Congregation**

**January 1, 2022**

\*The Finance Committee oversees the financial management of Grace Lutheran

 Church. Specific responsibilities include maintaining good financial procedures,

 accurately reporting financial results on a monthly and yearly basis, protecting

 financial assets, and developing an annual budget.

\*Members of the Finance Committee meet monthly, and review the financial

 statements (Balance Sheet, Fund Activity Report, and Operating Fund Income

 Statement), comparing actual results with budget. The monthly financial statements

 are presented to the Council and are available to all members of the congregation.

 The annual financial statements are presented to the congregation at its annual

 meeting.

\*The Finance Committee reviewed the treasurer’s duties, accounting managers duties, policies & procedures and investment policy during the year 2021. Investment performance of our Thrivent accounts are reviewed quarterly. We call on our Thrivent representative as needed for service on these accounts. We invest within our investment guidelines.

\*The Audit Committee presented its report for the year 2020 in April with no items

 needing attention.

\*Authorized bank signors were reviewed in 2021.

\*The Finance Committee began working on the 2022 budget at our regular meeting in October and again in November. It was presented to the council and approved at their regular meeting in December. We work closely with the Stewardship Committee in preparing for the upcoming year’s anticipated offerings.

\*Please consider volunteering to count offerings. A counter and one usher are needed each Sunday for good financial control. Training is gladly offered, please contact any member of the committee if you can help.

\*New members are always welcome. If you are interested, please contact any of the members. We meet on the third Thursday of each month at 3:00 p.m. Meetings are hybrid in person with a zoom option. Congregation members are all welcome to attend. Thank you.

**Grace Lutheran Finance Committee:**

Kirk Lovsness, Chair Sue Smith BJ Kobierski

Dave Nichols Sue Flesvig

Caroline Owens Allison Arver

Bob LaTourell Pastor Eric Thiele

**SOCIAL MINISTRIES ANNUAL REPORT – 2021**

**MISSION STATEMENT:** To love one another and to make Christ known.

**Committee members:** Candace Bischoff [Chair, Secretary] 612-723-5627 Arlene Today, Pat Merfeld, Amy Soderberg , Vicki Krause and Sue Kainz.

2021 was another Covid year so our committee did the best with minimal contact.

February we made Valentines for the Care Center. We made enough for all the residents, not just Grace members. We had the staff distribute them.

Our members crocheted kitchen scrubbies and we mailed them along with a Valentine’s card to our over 80 members.

Easter cards were mailed out to all our over 80 members

Service in the park was a big hit this year. There were many adjustments made to make the day function easier and a good time was had by all.

 For our Christmas gift to our over 80 members we decided to make holiday masks and along with a Christmas card these were delivered to our over 80 members.

It has been a challenging year and hopefully we will be able to continue our work with our members meet more often in this up coming year

Submitted by Candace Bischoff

**Scholarship Committee 2021 Annual Report**

**BJ Kobierski- Chair**

**Pat Merfeld**

**Caroline Owens**

The Scholarship committee provided information and application forms to interested seniors in March. One application was received. The award of $500 went to Brock LaTourell. Brock received a matching amount from Concordia College in Moorhead. The scholarship fund is funded by interest from the Baseman Scholarship Fund and donations. Currently there is $2,450.80 in the fund. Additional donations are always welcome.

 Partial Campership funding is available to youth who wish to attend Voyageurs Lutheran Ministry Camp. This year an exception was made for attendance at another summer camp. The Scholarship committee provides information and application forms. Any interested youth who apply are eligible for payment from Grace Lutheran Church for half of the early registration fee. This year one youth from Grace attended Voyageurs Lutheran Ministry Camp and two youths attended Trout Lake Bible Camp.

**STEWARDSHIP COMMITTEE**

**ANNUAL REPORT**

**January 1, 2021 – December 31, 2021**

The Stewardship Committee “normally” meets on the first Tuesday of the month, generally August through April, with an annual potluck meeting for members and spouses. We are a very active committee that is involved with service and fundraising activities throughout the year. Our main focus is the annual stewardship campaign during early October to

early November.

**Our Members:** Dick and Sue Flesvig, Co-Chairs; Dolores Delaney, Secretary; Alison Arver, Lori Casey, Donna Filson, Jude Jalonen, BJ and Tom Kobierski, Gene and Jane Ott, and Sue Smith.

**Our Mission:** “To love as God loves, and to help God’s people grow in their relationship with Jesus through the use of the time, talents and finances God has entrusted to us”.

**Our Goal:** To nurture the community of Grace, to live out a role of discipleship and to be stewards of God’s love.

**Stewardship Sub-Committees: Grace Serves, Name Tags and the “Green Team”.**

 **Our Activities During 2020**

Due to the COVID 19 pandemic this year, our face to face meetings were limited. We held two Zoom meetings in February and March and three face-to-face meetings at our annual pot-luck in August and two at church in September to plan our annual stewardship campaign. Due to the pandemic, most of our regular programs were postponed. This included our annual Organization Recognition Sunday and the annual Spring Clean-up with Buildings and Grounds. We were able to conduct our commemorative brick fund raiser. We netted $1,940 this year with twelve bricks added. These bricks will be installed in the spring.

**October/November – Annual Stewardship Campaign:** We organized and conducted the annual fall stewardship campaign that began on October 10 th with Stewardship Sunday and ended on November 7 th with the dedication and blessing of pledges. Our theme again this year was our mission statement, “To Love as God Loves”. We contacted 125 members and friends during the campaign on Stewardship Sunday through direct mail. The campaign generated 74 pledges totaling $135,000 for Grace’s 2022 financial needs. Special thanks to BJ Kobierski for her work on organizing the campaign again this year.

The Stewardship Committee thanks the congregation and committees for their participation and support during a very difficult 2021. It is our prayerful hope that we will be able to resume our normal stewardship activities and ministry in 2022. If you are interested in working with us in this fun and busy committee, please contact any member for more information. We welcome you to join us!

**The Stewardship Committee**

**2021 ANNUAL REPORT**

**WORSHIP AND MUSIC COMMITTEE**

In addition to fulfilling our designated duties of planning and carrying out regular services of the church and maintaining physical equipment, the Worship and Music Committee organized and participated in the following events and projects.

* + - 1. Resumed in-person worship midway through the year, while continuing live streaming on Facebook

**2.**Participated in “Spark” Project

**3.**“Ashes to Go” for Ash Wednesday

**4.**Drive through palm distribution for Palm Sunday, including communion cups,

 palms, small cross of nails, white face masks and information sheet for Holy Week

**5.**Held two healing services, in May and September

**6.**Held worship in the park, with Cornerstone leading the music

**7.**Blessing of the Animals in October

**8.**Researching the repair/replacement of communion chalices

**9.**Discussed and purchased a few of the ELCA’s new supplement “All Creation

 Sings” hymnals and will begin adding these materials when appropriate

Current members of this committee are Dolores Delaney, Deb Gregor, Sarah Mason, Dianne Thunhorst, Karin Schmidt, Peggy Stolley (Council Liaison), Pastor Eric and Barb Litchfield.  We meet the first Wednesday of the month at 4:00 and would love to have some new faces join our group.  Please consider coming to a meeting or simply sharing your ideas with any of us.

Respectfully submitted,

Barbara Litchfield, Committee Chair

**2021 Nominating Committee Report**

December 8, 2021

The following persons have accepted nominations.

**COUNCIL:** Alison Arver

 Tina Foster

**YOUTH CO-COUNCIL:** Ava Skustad

 Carmen Nelson

**AUDIT COMMITTEE:** JoAnn Bird

**2022 NOMINATING COMMITTEE:** Dave Nichols (exiting council member)

 Kristi Marshall (exiting council member)

 Arlene Today

 Karla Visser

Submitted by 2021 Nominating Committee

Alison Arver

Christine Kolinski

Candace Bischoff

Gail Nichols

**January 15, 2022**

**Korpi Grace Lutheran Endowment Fund Report – 2021**

To: Grace Lutheran Church Council

From: Korpi Fund Board

 There were three approved funding requests paid in 2021. An expenditure was approved in December, 2020 in the amount of $1,339.96 for work completed on December 19 by Voltz Technologies to improve the Wi-Fi connectivity within the Church. The check was written to Grace Lutheran and was dated January 5, 2021. In April, 2021 a request was made and approved to pay for repairs to the elevator. The check was written to Grace Lutheran on April 22 in the amount of $4,214.88. The final request was received in August to assist in paying for repairs to the back door of the church. This was approved and payment to Grace Lutheran was made by check dated September 1, 2021 in the amount of $430.15. Total approved expenditures for 2021 was $5,984.99.

 On December 31, 2021 the Korpi Fund account was $551,236.58. The amount presently able to be disbursed is $13,202.34 ($551,236.58 minus $538,033.24 = $13,203.34). There are presently no active requests for funding. Due to the absence of any CD’s with positive interest rates since early 2020, the Korpi Fund monies are presently parked in an Edward Jones money market account. On the brighter side it does appear that there will be opportunities in 2022 to invest in FDIC guaranteed Certificates of Deposit and revive the income stream to the Korpi Fund.

 Due to the massive restrictions in place at the end of Q1, 2020 there has been no scheduled Board meetings in 2021.

Respectfully submitted, Jay R. Mackie, Chair

**Men’s Club 2021**

Men’s Club has not been able to meet this past year as most of the church work and activities were cancelled. Men’s Club did go to Camp Vermilion in May to clean and repair the cabin we sponsor. We did decorate the church for Christmas and put decorations in attic after Advent. We look forward to being active and participating in church activities. Jim Haugen, secretary.

**Women of Grace Lutheran Church. Annual Report ~ 2021**

The Mission Statement of the Women of Grace is: **“To Mobilize Women to Act on their Faith in Jesus Christ.”** We strive toward this goal through all our activities of fellowship, Bible Studies and meetings. We Welcome all women of Grace and the community to join our mission.

Board Members: Candace Bischoff, Pat Merfeld, Dianne Thunhorst [Marge Haugen and Sally Carlson now retired from the board]

The quilters and kit makers still assembled for this year:

20-Personal kits, 10-Baby kits, 15–School kits, 105–Quilts

We thank the Peterson’s for delivering these to the Summer Gathering

\* Charity Circle met this summer in the Park for Bible Studies

\* Faith Circle is again meeting this fall as a group

Candace and Dianne attended a very shortened Synod Summer Assembly

Gathering on September 11 at Zion Lutheran Church, Grand Rapids.

Candace attended another very shortened Laurentian Conference Gathering on October 3rd at Gethsemane Lutheran in Virginia. Candace was installed as the Laurentian Conference Secretary.

With no Noisy Offering being brought in this year the only donation that was made was to the Ely Area Food Shelf in March for $100 We hope to reinstate many of our fund raisers again in 2022

Respectfully submitted by Candace Bischoff

**Grace Lutheran Church**

**Proposed 2022 Operating Budget**

**INCOME:**

 **Sunday Offerings 160,050**

 **Benevolence Offerings 11,215**

 **Benevolence World Hunger/Disaster Relief/Food Bank 1,020**

 **Thrivent Choice Dollars 6,923**

 **Rantala Fund 2,000**

 **Other Revenue 3,868**

 **Return on Investments 5,067**

 **Total Income 188,276**

**EXPENSES:**

 **Pastor's Salary 43,900**

 **2022 Student Loan Reduction 1,200**

 **Mileage Reimbursement 3,200**

 **Phone Allowance 1,200**

 **Health, Pension, Housing Equity 23,836**

 **Pastor's Social Security 3,358**

 **Continuing Education - Pastor 1,000**

 **Books & Periodicals - Pastor 400**

 **Total Pastoral Expenditures 79,894**

 **Office Manager's Salary 14,400**

 **Accounting Manager's Salary 3,432**

 **Custodian Salary 7,920**

 **Compensation - Organists 5,200**

 **Compensation - Choir Director 1,200**

 **Nursery Professional Salary 1,200**

 **Payroll Tax Expense 2,552**

 **Workers Compensation Expense 1,500**

 **Total Payroll Expenditures 37,504**

 **Postage 450**

 **Office Supplies 1,440**

 **Web Page 440**

 **Computer Software 2,500**

 **Computer Hardware 400**

 **Copy Machine 1,800**

 **Advertising/Marketing/Promotion 1,500**

 **Computer Maintenance 500**

 **Total Church Office Expenditures 9,030**

 **Youth Ministry 250**

 **Confirmation Ministry 500**

 **Sunday School 710**

 **Vacation Bible School 1,500**

 **Safe Church 180**

 **Adult Ministry 100**

 **Total Christian Education Expenditures 3,290**

 **Senior Choir 800**

 **Tuning 1,500**

 **Worship Supplies 1,500**

 **Pulpit Supply 1,200**

 **Flowers 700**

 **Total Worship & Music Expenditures 5,700**

 **Membership Outreach 400**

 **Total Membership Outreach Expenditures 1,950**

 **Stewardship 200**

 **Total Stewardship Expenditures 200**

 **Social Ministry 400**

 **Lutheran Magazine 580**

 **Devotion Books 570**

 **Ecumenical Worship 200**

 **Total Social Ministry Expenditures 1,750**

 **Fuel - Church 9,500**

 **Phone - Church 2,640**

 **Utilities - Church 6,500**

 **Insurance 6,700**

 **Elevator Maintenance 800**

 **Air Conditioning Maintenance 375**

 **General Maintenance 6,800**

 **Supplies 1,250**

 **Total Church Building & Grounds 34,565**

 **Fuel - Parsonage 1,400**

 **Repair & Maintenance - Parsonage 500**

 **Utilities - Parsonage 1,900**

 **Total Parsonage 3,800**

 **Synod Assembly 1,500**

 **Conferences/Seminars 1,000**

 **Total Meetings & Training 2,500**

 **NE MN Synod 18,000**

 **Voyageur Lutheran Ministry 1,800**

 **Benevolence - Grace Cares 1,200**

 **Benevolence - ELCA Programs/Food Shelf 1,020**

 **Total Benevolence 22,020**

 **Miscellaneous - Other 3,000**

 **Total Miscellaneous 3,000**

 **Total Expenses 203,640**

 **Difference -22,186**

**Sources of income to make up deficit**

**Rantala Fiund - Choir Director $2,000**

**Sunday School Transfer $710**

**Prior years surplus remaining $18,276**

**2017 Surplus 23,080**

**2018 deficit -3,491**

**2019 deficit -5321**

**2020 surplus 25,404**

**2021 surplus 3,405 31-Dec-21**

**Remaining Surplus available 43,077**

**April, 2021**

**Grace Lutheran Church, Ely, MN**

**Final Audit Report**

Prepared by: Grace Lutheran’s Audit Committee (Brian Maki, Amy Soderberg, and Kathy Westlin)

For Time Period: 2020 Fiscal/Calendar Year

Scope of Audit:

 Financial Policy and Procedures

 Restricted/Special Funds

 Expenses and Disbursements

The numbered items refer to the GLC’s supplement Guide to a Financial Audit.

**Item 1) Auditors send a letter, signed by an authorized signer, to each financial institution, requesting the balance in each account as of yearend, and a list of all authorized signers on each account. Check that the balances reported by the institutions agree with the yearend financial statement.**

2020 signature card from Boundary Waters Bank has all the appropriate signatures.  One minor detail concerning the card is the explanation title of several people (i.e. David Nichols is listed as the President, Robert LaTourell is listed as Vice President.). This should be corrected.  The 2021 signature card was not completed at this time.  The working copy has most signers; however, same problem with titles as listed previously.  The checking account balance agreed with statement received.

**Item 2) Review all bank reconciliations, ensuring that the beginning balance of each month is the same as the ending balance of the previous month, and that the book balance on the Balance Sheet matches the book balance on the reconciliation.**

There were three months which did not balance because of a problem with one account which was resolved in January of 2021. This may affect the 2021 audit.

**Item 3) Verify the amount reported as donations to the Synod in the financial statements agrees with the NEMN ELCA Synod yearend report.**

The booklet (white slips) for remitting funds (monthly contributions) are only periodically filled out and some of them are missing pertinent information such as dates, amounts, and check numbers. In some cases, the check number recorded appears to be incorrect. There are actual check stubs for Mar-Jun and Aug-Dec. One check stub has no information other than the check number. It appears four check stubs have 2 different check numbers listed. A check stub for an unrelated expense was included in this folder ($400 check for Seminarian Debt Relief Fund Offering – with a note reflecting a diff acct number).

The Treasurer’s Reports for Jan-Dec 2020 show $1,500/mo expense paid out to NEMN ELCA Synod. The total paid in 2020 was $18,000.

The additional $400 check to the Synod was for a debt relief offering.  This was discussed and approved at the council meeting on May 21, 2020. Typically, a donation is sent when our delegates attend the convention, since there was not a convention in 2020 a donation was mailed instead.

**Item 4 Verify that donor statements are sent out annually, and any discrepancies reported by donors have been resolved.**

Discrepancies with donors statements have been taken care of by the treasurer as they occurred and have all been resolved.

**Item 7** **Examine a sample of checks written during the year to ensure they are signed by an authorized person. Ensure the check stock is located in a secure place and can be accessed by only a limited number of people. Look to see that there are no checks signed in advance.**

All checks sampled were signed by the treasurer or council president as authorized signers.

**Item 8** **Verify expenses are properly recorded by tracing a sampling of expenses to their original invoice**.

All expenses that were sampled had invoices attached and recorded properly.

**Item 9 With a sample, verify that payments are properly authorized and supported by a purchase order, if applicable.**

All payments that were sampled were done properly.

**Item 11) Compare the Employer’s Quarterly Federal Tax Returns (Form 941) with the payroll tax expense reported in the financial statements.**

Correct Item 11: Change “…payroll tax expense reported in the financial statements” to read “…Grace Lutheran Church Transaction Journal Report or Form 941 Summary”.

GLC Form 941 summary on page 49 shows the total 941 withholding amount at $5,127.20 for the year 2020.   This is slightly higher than the actual 941 Forms sent to the IRS, $5,110.68.   It may be due to the timing of when the quarters were reported.

Actual Form 941 quarterly totals for 2020:

Jan, Feb, Mar $1,397.60

Apr, May, Jun $1,147.44

Jul, Aug, Sep $1,147.44

Oct, Nov, Dec $1,418.20

Total $5,110.68

**Item 12) Review insurance coverage with the Building and Grounds Committee. Verify that premiums are properly reflected in the financial statements.**

The insurance policy is through Grinell and is in force.  Monthly premiums are automatically deducted from the checking account.  This bears out examining the monthly statements.  According to the chairman of Building and Grounds, the policy has been recently reviewed by the committee and seems to be appropriate for Grace Lutheran Church.

**Item 13 Review a debit card transaction for proper authorization, and verify the transaction was properly recorded.**

Debit card transactions sampled were verified and properly recorded.

**Item 14) Other as determined by the Audit Committee.**

The Red Finance Committee Organizational Manual should be updated if it is to remain available.