

**Grace Lutheran Church Annual Meeting**  
**January 12<sup>th</sup>, 2020**  
**Agenda**

**Call to order – Dave Nichols**

**Opening Prayer – Pastor Eric**

**Meeting – Dave Nichols, Council President**

**Approval of January, 2019 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 – Report not submitted
- Korpi Endowment Fund
- Men's Club
- Women of the ELCA
- Bible Study
- Audit Committee

**New Business**

- Review and approval of the 2020 budget
- Election of Council Members
- Election of Audit Committee
- Election of Nomination Committee
- Election of Congregation delegates to attend the Synod Assembly (May 3<sup>rd</sup>-5<sup>th</sup>)

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

**2019 Accomplishment Highlights**

- Brighter Narthex
- Entryway Digital Display
- New Social Outreach committee formed
- 35 new members installed 2019
- 2020 Bishop election input
- Processional cross repaired
- Hosted NEMN Synod Council Meeting (first time)
- Upper Room art gallery
- Grace logo created
- New fireplace insert in Library

- 100+ quilts sent out

## **Temple Talks 2019**

Cheryl Boyes - Ely Area Food Shelf  
Julie Hignell - Ely Community Resource  
Lisa Porthan - Northwoods Partners  
Christine Empanger - Lutheran Social Services  
Pastor Amy - NEMN SYNOD Evangelical Mission  
Colleen Hankins Bernu - Together Here  
Cathrine Anderson - NEMN SYNOD Youth Ministry  
Brett Amundson - Program Director at Camp Vermilion  
Bishop Tom Aitken - of NE MN Synod

## **Adjournment**

## **Benediction – Pastor Eric**

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

**January 20, 2019**

Meeting called to order at 10:55 AM Council President, Dave Nichols with 46 members present.

Pastor Eric opened the meeting with prayer.

Dave thanked Church Members, Committee Members, and Council Members for their support and help at Grace Lutheran. All are encouraged to read the Grace 2019 Annual Report handout for up to date information regarding financial and church committee reports. Should there be any questions, please contact someone listed as a member of the committee or a council member.

### **Approval of Minutes:**

A motion to approve the January 14, 2018 annual meeting minutes was made by Sue Flesvig, seconded by Bob Jalonen and approved by all present.

### **New Business:**

### **Review and approval of the 2019 Budget:**

Kirk Lovsness presented a summary handout of the 2018 Actual Income and Expense Statement.

Actual income was:	\$178,006
Actual expenses were:	\$181,498
Deficit	(\$3,492)

\*Note that projected deficit in the 2018 budget was \$12,042 and the 2018 actual deficit includes an unrealized investment loss of \$2,886.

The Finance and Stewardship Committees began work on the 2019 budget in October 2018. The proposed budget is printed in the annual report. The plan is to offset any deficit in 2019 by using the surplus from 2017 and other funds in place. There was an opportunity for questions, and Kirk encouraged anyone wishing more details to approach him after the meeting. There are eight (8) members in the Finance committee and all Grace Congregation Members are welcome to attend their meetings.

Dave Nichols also noted that Grace Council meetings are open and all Grace Congregation Members are welcome to attend.

A motion to approve the 2019 Budget was made by Deb Gregor, seconded by Bruce Koski, and approved by all. Carolyn Owens, a member of the Finance Committee also presented four (4) available options to facilitate contributions to Grace Lutheran.

- A distribution from an Individual Retirement Account may be directly sent to Grace and therefore not subject to personal income tax.
- Estate planning is another option to direct a contribution to Grace. Carolyn would be willing to organize an information session if there is interest.
- Simply Giving is a modern safe way to set up an automatic contribution from a personal bank account.
- If you have investments currently held by Thrivent Financial, you may direct proceeds to Grace Lutheran.

### **Election of Council Members:**

A slate of new council members was presented:

Kristie Marshall	Three (3) year term
Sidney Marshall	One (1) year term as youth representative
Dave Nichols	Three (3) year term (second term)

A motion was made by Heidi Mann and seconded by Bernie Palcher to accept this slate of three (3) candidates. All approved. Election of officers will follow at a special council meeting.

Thank you to Bob LaTourell for six years of service on the Grace Council.

### **Audit Committee:**

Dave asked for a volunteer to serve on the Audit Committee. Thank you to Brian Maki for offering to serve.

### **Election of Nomination Committee:**

Dave asked for four (4) volunteers for the Nomination Committee.

Bob LaTourell, Deb Gregor, Bob Jalonen, and Heidi Mann answered the call.

### **Election of Congregation delegates to attend Synod Assembly:**

Dave asked for two (2) volunteers. Pastor Eric provided details on the conference. The congregation pays for the delegates to attend the meeting which covers information about Synod ministries from local to global missions. There were no volunteers for the May 2019 event to be held in Duluth.

### **Proposed Constitution Changes for Grace Lutheran:**

The following ballot was distributed to Grace Members. Dave explained the details of the changes that needed approval. These changes will then be forwarded to the Synod for their review.

Note: The proposed changes were sent to members via email thirty, (30) days prior to the congregational meeting. Those members without email were sent a copy via US mail.

**Constitution of Grace Evangelical Lutheran Church**  
**301 East Conan Street, Ely, MN 55731 (Revised January 2014)**

Proposed changes (ELCA Synod Model Constitution Guidelines 2016) to the Constitution of Grace Lutheran:

Changes Proposed are **bolded** and underlined:

Chapter 11. OFFICERS	<b>APPROVE</b>	<b>REJECT</b>
Currently reads: 1. The officers of this congregation shall be a president, vice-president, secretary.	<input type="checkbox"/>	<input type="checkbox"/>
Change reads: 1. The officers of this congregation shall be a president, vice-president, secretary, <b>and treasurer</b>		
Add-in:	<b>APPROVE</b>	<b>REJECT</b>
1. <b><u>If the Congregation Council elects its officers, the president, vice president, and secretary shall be selected from the elected membership of the Congregation Council. [If the treasurer is not selected from the elected membership of the Congregation Council, the treasurer shall have voice but not vote at the meetings of the Congregation Council.]</u></b>	<input type="checkbox"/>	<input type="checkbox"/>
Chapter 12. CONGREGATION COUNCIL	<b>APPROVE</b>	<b>REJECT</b>
Currently reads: C12.02. The <u>voting</u> members of the Congregation Council except the pastor(s) shall be elected at a legally called annual meeting of the congregation. Their term of office shall be for 3 years (with the exception of the youth member who serves a one-year term) with the term of office beginning the month following the annual meeting at which they are elected. Newly elected Congregation Council members shall be installed at worship on a Sunday prior to the date they assume office. <b><u>The Congregation Council shall appoint a treasurer who will be a non-voting ex-officio member of the Congregation Council.</u></b>	<input type="checkbox"/>	<input type="checkbox"/>
Change reads: C12.02. The <u>voting</u> members of the Congregation Council except the pastor(s) shall be elected at a legally called annual meeting of the congregation. Their term of office shall be for 3 years (with the exception of the youth member who serves a one-year term) with the term of office beginning the month following the annual meeting at which they are elected. Newly elected Congregation Council members shall be installed at worship on a Sunday prior to the date they assume office.  (The change is the elimination of the bolded and underlined sentence in the original C12.02)		
Chapter 13. CONGREGATION COMMITTEES	<b>APPROVE</b>	<b>REJECT</b>
Currently reads: C13.03. A <b><i>Nominating Committee</i></b> of six voting members of this congregation, two of whom, if possible, shall be outgoing members of the Congregation Council, shall be elected at the annual		

meeting for a term of one year. Members of the Nominating Committee are not eligible for consecutive re-election.		
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Change reads:

C13.03. A **Nominating Committee** of four (4) or more voting members of this congregation, two of whom, if possible, shall be outgoing members of the Congregation Council, shall be elected at the annual meeting for a term of one year. Members of the Nominating Committee are not eligible for consecutive re-election.

There were Forty six (46) ballots completed and returned. All changes to the constitution were unanimously approved.

Meeting was adjourned by Dave Nichols at 11:25 AM.

Closing benediction by Pastor Eric.

Respectfully submitted,

Jeanette Palcher, Council Secretary

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### Pastor Eric's Annual Report

Dear children of God at Grace Lutheran,

There is much to be proud of in 2019 as a congregation serving this beautiful part of God's kingdom. We, as Grace Lutheran, did quite a bit. Some new and some renewed ministries in our church and our community. Simply, thank you. Through the work and guidance of the Holy Spirit in us and in the people we encounter, our congregation continues to "love as God loves." There is much to be proud of as we look to 2020 and beyond.

It is a joy to serve as pastor at Grace as there are so many tremendous leaders in this congregation and so many wonderful ministries of which we are a part. I give thanks for all of our staff, for our council, for the committees, for the ministries of our church inside and outside of the walls of our building, for those called upon at a moment's notice to step in and lead, and for all of you, the people of Grace. You, the people of God, help to make Grace Lutheran what it is: a joy and Christ-filled community of saints called to live and serve God and God's people at the edge of the Boundary Waters.

As I reflect upon all that was and that we did in 2019 and all that we have to look forward to in 2020, I wanted to highlight a few things in 2019 and a few things in 2020 for your attention.

In 2019, we continued to learn more about each other. I have been here a little over a year now and I am grateful for all that you have taught me in this time and all that you will continue to teach me. We have tried a few new things in 2019. For example, the Outreach Committee was formed with particular attention to welcoming new members to our congregation. Council, with the help of a local graphic designer, created a logo for Grace. We made several updates to our building. We welcomed countless guests who, through sermons, temple talks, and Q&As, taught us more about the ministries of our community, of our synod, and of the ELCA. Committees in our congregation have learned what works and what needs updating and are being encouraged to make the changes needed to continue the ministry we do. Our outreach into the community includes more than adults, but also our youth who are inviting their friends to things like confirmation, Sunday School, and the various activities we do here at church. This is just a small sample of the ministry we have done this past year.

For 2020, I have some hopes and dreams for us to consider.

- I hope to get our Youth Committee going so that we might have ministry opportunities for those youth in our congregation who have completed confirmation.
- I hope to re-imagine how our Bible studies are done. For that, I would like some input. When would work best during the week? Sundays? Topics?
- I hope to strengthen the many ministries that we do well here at Grace and to lift up those ministries that might need some new energy. I hope to hear some feedback from all of you about these ministries. So, as you have suggestions and ideas, please come to me, to our council, and to the various committees tasked with overseeing those ministries with those ideas.
- I hope to continue to listen and learn from you about what our congregation and community need.

In 2020, we are going to try some new things and try adding some new twists on familiar ministries. We will do well with some of these new ideas and we will fail, but we will keep trying, we will keep learning, and we will keep praying and listening for God to guide us as we do these ministries together.

Finally, an encouragement. Continue to pray for me. I covet your prayers. Pray for each other. Covet these prayers. I will continue to pray for you. Continue to listen to each other. I look forward to all that God has in store for us in 2020 through the work and guidance of the Holy Spirit.

In Christ,  
Pastor Eric

### Grace Lutheran Church 2019 Congregation Membership Statistics

#### Sunday Worship

Average attendance for 2019: **87**

<u>Members</u>	<u>Baptized Members</u>	<u>Confirmed</u>
<b>Membership on December 31, 2018</b>	<b>484</b>	<b>362</b>
 <b><u>Members Received By:</u></b>		
Baptisms	1	----
Affirmation of Faith	---	2
Transfer from ELCA congregations	6	6
Transfer from other Lutheran congregations	0	0
Transfer from non-Lutheran congregations	0	0
Other & Statistical Adjustment	17	17
<b>Total Members Received:</b>	<b>24</b>	<b>25</b>
 <b><u>Members Removed By:</u></b>		
Death	5	5
Transfer to other ELCA congregations	4	4
Transfer to other Lutheran congregations		

Transfer to non-Lutheran congregation  
Other & Statistical Adjustment

**Total Members Removed: 9 9**

**Membership on December 31, 2019 499 378**

### **Pastoral Acts (2019)**

**Baptism:**

Infants and Children 1

Adults 0

**Total: 1**

**Funerals:**

Members 4

Non-Members

**Total: 4**

**Weddings: 1**

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### **2019 Annual Report of the Building & Grounds Committee of Grace Lutheran Church**

The Building & Grounds Committee meets each month on the first Monday at 5 PM. Members include: Jim Bischoff, Dick Flesvig, Dick Hall, Bruce Koski, Tom Kobierski, Walt Leino, Dan Litchfield, Bernie Palcher, and Curt VanDean. Church custodian Dave Klaesges also attends our meetings.

#### **Committee Responsibilities include:**

Maintain the Church building and the parsonage.

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

Maintain equipment in the Church and parsonage, including HVAC.

Develop the annual budget for the Building & Grounds responsibilities.

Provide supervision for the custodian, including a performance annual review.

Analyze and recommend major improvements for the Church, Parsonage & grounds.

#### **Accomplishments:**

Narthex Painting removed with underlying window trimmed and storm added.

Electric fireplace (with heater) installed in living room.

Message tv installed in entry, with event calendar program.

Metal birch tree art installed in entry.

AIM office cleaned and painted.

New split duct heat pump installed for offices after old one failed.

Installed new large capacity electric panel in basement with capacity for Fellowship hall.

Cleaned and waxed the Fellowship Hall floor, with help from the Men's Club.

Installed 3M plastic on the Parsonage windows.

#### **Significant Maintenance items:**

Elevator sump pump failure- replaced.

Problems with Church air-conditioner. Leak repaired.

Metal cover needs to be removed during the summer.

Organ issues. Ceiling fans should be off when played. Humidifier by pipes failed and was replaced.

Elevator issues: Emergency light repaired

State inspection: three corrections identified.

Telephone not working—new one installed by Midco.

Machine room—non-elevator related equipment removed

Elevator pit- need to be cleaned and dried. Pending

Future projects contemplated:

Parsonage window replacement

Fellowship hall remodel

Parsonage kitchen remodel

New energy efficient front entrance

Church dishwasher replacement.

Bathroom facility on office level floor. ADA requirement.

Repair window sills on windows above east flat roof.

The Building & Grounds Committee is thankful for the participation of Church members in our activities and always welcomes new members.

Respectfully submitted for the Building & Grounds Committee by Walt Leino

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## **CHRISTIAN EDUCATION COMMITTEE**

### **Annual Report 2019**

Members of the Christian Education Committee:

Alison LaTourell, Kristi Marshall, Virginia Pointer, Rachel Brophy, Mary Larson, and Pastor Eric

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

There are 2 Sunday School groups: Pre-K thru 3rd grade and 4th thru 6th grade. The Spark curriculum is being used for both groups....this curriculum follows the readings that are used in the services. Sunday school is held every Sunday from fall through spring. The pastor provides a children's sermon during the service and then the youth are dismissed for Sunday school.

#### **Christian Day Camp**

Voyageurs Lutheran Ministry cancelled sending councilors out to churches to conduct day camps this year because they did not have enough councilors available, so Christian Day Camp at Grace Lutheran was cancelled this year. Voyageurs Lutheran Ministry offered to have youth interested to attend camp for 1 day at Voyageurs Lutheran Camp in Cook.

#### **Confirmation:**

On October 27, 2019 Confirmation Sunday, Pastor Eric confirmed two 9<sup>th</sup> graders. These confirmants had been meeting on Wednesdays for two years prior. and 8<sup>th</sup> graders have continued to attend confirmation class on Wednesdays and 7<sup>th</sup> graders began in September. 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.

#### **Middle School Gathering at Cragun's:**

1 youth from Grace Lutheran attended the Middle School Gathering this year.



The **Christmas Youth Service** was on Dec. 15, 2019. Karin Schmidt volunteered to organize and lead it this year. A Christmas skit/production was purchased to follow that the youth performed. Some of the other youth, 7<sup>th</sup>-10<sup>th</sup> graders also performed a Christmas song together on their band instruments.

**Christmas Craft Workshop:**

Mary Larson again organized the Christmas Craft Workshop which was held on Dec. 15. It was very well attended this year.

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**Grace Lutheran Finance Committee  
Report to the Congregation  
January 1, 2020**

\*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 the annual budget.

\*Members of the Finance Committee meet monthly, and review the financial statements (Balance Sheet, Fund Activity Report, and the 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 its investments managed by Thrivent, according to Grace Lutheran's investment policies. The investment results are reviewed at each month's meeting. Our May meeting was dedicated to updating our investment policies and goals. Our Thrivent representative is called on as needed through the year for service on these investments.

\*The Audit Committee presented its report for the year 2018 to the Finance Committee and reported no major areas of concern. Items pointed out by the auditors were addressed.

\*Authorized bank signers were reviewed and updated in 2019.

\*The Finance Committee began working on the 2020 budget at our regular meeting in October and again at their November meeting. It was presented to the council and approved at their regular December 2019 meeting. 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. Joselyn Murphy resigned in 2019 after many years of dedicated service. Sue Smith joined the committee in 2019. If interested in joining the Committee please contact any of the members. We meet each on the third Thursday of each month at 3:00 pm prior to the regular Council meeting. Members are all welcome to attend. Thank you.

Grace Lutheran Finance Committee  
Kirk Lovsness, Chair Sue Smith  
Dave Nichols, Sue Flesvig  
Caroline Owens, Allison Arver  
Bob LaTourell, Pastor Eric Thiele

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## **SOCIAL MINISTRIES ANNUAL REPORT - 2019**

**MISSION STATEMENT:** To Love one another and to make Christ known. **Committee Members:** Including members that assist in sending cards and special projects.

Candace Bischoff[Chair, Secretary , Council Liaison] 612-723-5627 Marge Haugen, Arlene Today, Pat Merfeld, Mamcy McReady, Sally Carlson, Valarie Lovsness, Amy Soderberg - with Dolores Delaney and Sue Kainz

**Monthly meetings** are held the first Wednesday of each month at 9:00 AM at Grace Lutheran Church.

Our year went very well. Participation in all our projects was met with enthusiasm and completed with great success.

### **COMMITTEE ACTIVITIES:**

- 1. Sunshine:** Send Birthday, Holiday, Get Well and Thank You cards to members.
- 2. 80 and over Member List:** Updating and maintaining this list
- 3. Prayer Chain.** Maintain regular confidential contact with members wishing to participate.
- 4. Graceful Dining:** [BJ Kobierski] a Social event in the summer; a larger group gathering at a home or park for a potluck meal with a theme. In the winter months smaller groups of 6-8 members meet in individual homes.
- 5. Global Barnyard Project:** Memorial Day through Labor Day. This was the 3rd year promoting this project. We were able to purchase 3- Family Farms and 1- Fish Farm.
- 6. Service in the Park:** The 3rd Sunday in July. This year we were blessed to have the band Cornerstone playing for the service. This was very successful and hoping to repeat it next year.
- 7. Multi Church BBQ:** Held at Semer's Park and again was very successful. Grace Lutheran, First Presbyterian, Methodist, St. Mary's Episcopal were the participants. The pastors preformed an Ecumenical Service then there was a great BBQ with pot-luck picnic.
- 8. Northwoods Partners Holiday Boutique:** As a community service project. Members volunteered to work slots at the Boutique in the lobby of the Grand Ely Lodge the week after Thanksgiving.

**9. Holiday Baskets:** 35 baskets were assembled and delivered to members that are 80 years or older.

**10. Membership Outreach.** This year we installed a great number of new members. This portion of our committee has now been eliminated from our committee and a new committee created to further research and attracting new members; The Outreach Committee.

Submitted by Candace Bischoff - Chair - Social Ministries Committee

We are dedicated to furthering the work of our lord and having fun doing it.

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## **Scholarship Committee 2019 Annual Report**

**BJ Kobierski- Chair**

**Pat Merfeld**

**Caroline Owens**

The Scholarship committee provided information and application forms to interested seniors in March. No applications were received. When awarded, the senior scholarship is currently \$500. The scholarship fund is funded by interest from the Baseman Scholarship Fund and donations. Currently there is \$1,425 in the fund. Additional donations are always welcome.

Partial Campership funding is available to youth who wish to attend Voyageurs Lutheran Ministry 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 three youth took advantage of this opportunity.

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## **STEWARDSHIP COMMITTEE ANNUAL REPORT January 1, 2019 – December 31, 2019**

The Stewardship Committee 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, Carol Peterson, Sue Smith and John and Sue Thurston.

During 2019 we said good-bye to long time members Char and Bob Robinett and to Joe Owens who became chair of the new Outreach Committee.

**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 2019**

**June: Annual Spring Cleanup:** We assisted the Buildings and Grounds Committee in the annual spring cleanup of the church and grounds.

**Staff Recognition:** We organized a Staff Recognition Sunday event to recognize and thank our staff for their dedicated work and ministry at Grace. Pastor Eric, Brian Naykki, Jackie Hartleben, Barb Litchfield, Sarah Mason, Karin Schmidt and Dave Klaeges were recognized at the service and at a reception following.

**August: Potluck** - The committee met at the Flesvig's for our annual potluck meeting to kick off the new program year.

**Time and Talent Fair** – We held the bi-annual time and talent fair with great participation from Grace's organizations and committees and congregation. The fair is always a festive event designed to inform the congregation about Grace's ministries and to sign up new committee members.

**October/November – Annual Stewardship Campaign:** We organized and conducted the annual fall stewardship campaign that began on October 6<sup>th</sup> with Stewardship Sunday and ended on November 3<sup>rd</sup> with the dedication and blessing of pledges. Our theme this year was our mission statement, "To Love as God Loves". We contacted 140 members and friends during the campaign on Stewardship Sunday and through direct mail. The campaign generated 85 pledges totaling \$143,857 for Grace's 2019 financial needs. Special thanks to BJ Kobierski for her hard work on organizing the campaign again this year.

**Memorial Brick Fundraising:** During the year we raised \$948 for the fellowship hall renovation project through the sale of 8 memorial bricks. This will continue as a sustaining fundraising project.

The Stewardship Committee thanks the congregation and committees for their participation and support during a very successful 2019. 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**

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## **WORSHIP AND MUSIC COMMITTEE ANNUAL REPORT JANUARY 1, 2019 THROUGH DECEMBER 31, 2019**

The Worship and Music Committee of Grace Lutheran Church has planned and conducted the regular worship services of the Church during the past year, as well as maintained the equipment and supplies necessary for these services, as indicated in the bylaws.

In addition to these duties, we have participated in and accomplished the following specific events and projects:

1. Continued refining Amazing Grace responsibilities and procedures – to include baking of Communion Bread
2. Lenten Mid-Week Services – Personal Faith stories
3. Held 3 Healing Services
4. Observed Memorial Day, July 4<sup>th</sup>, and Veterans Day
5. Participated in Community Patriotic Choir Concert
6. Service in Whiteside Park with Cornerstone
7. Multi – Church service and picnic at Semer's Park
8. Participated in Time and Talent Fair
9. Ordered new Baptismal Pitcher – to match the front
10. Had new Communion purificators made
11. Participated in Rally Day activities
12. Hosted hymn sing as food shelf fundraiser
13. Hosted Bishop Tom at worship in November
14. Participated in Community Christmas Choir

This committee meets the first Wednesday of the month (August through June) at 3:30pm. Current members are Pastor Eric, Barb Litchfield, Dolores Delaney, Deb Gregor, Dianne Thunhorst, Sarah Mason, Kirin Schmidt, and Jeannette Palcher as the Council liaison. New thoughts and ideas are always welcome – come share yours with us!!!

**Respectfully Submitted,  
Barbara Litchfield, Chair  
Worship and Music Committee**

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## **Korpi Annual Report**

The Korpi Fund management team comprised of Curt Van Deen (acting Chair), Jay Mackie (Vice Chair), and Delores Delaney along with Tom Kobierski (past Korpi Chair); made a decision during the fiscal year 2018 to move away from In-Faith Financial to a more secure fund management approach offered by Edward Jones Financial, located here in Ely. For further notes on our reasoning to make such a move, please refer to the annual meeting notes presented at the Annual meeting last year by Tom Kobierski.

We opened our account with Jeff Sundell at Edward Jones Financial depositing \$540,589.44 transferred from the Ely Credit Union and In-Faith Community Foundation on 1/14/19.

Our base Korpi Fund benefit is the initial gift of \$315,000 plus a recent contribution of 223,033.71, for a total of **\$538,033.71**. This is our baseline contribution and we as custodians of this fund cannot make any commitment's that would compromise this value.

In January FY 2019, we (the Korpi Fund management team) authorized Mr. Sundell to invest:

\*\$175k into BMO Harris Bank Natl Assn., order #484217206, maturing on 2/3/20 at a rate of 2.55%.

\*\$65k into BMO Harris Bank Natl Assn., order # 484218221, maturing 2/3/20 at a rate of 2.55%.

\*\$110k into Wells Fargo Bk of Sioux Falls, order #484219651, maturing 3/20/20 at a rate of 2.5%.

\*\$175k into Citizens Bank of Providence RI., order #484216955, maturing 8/06/20 at a rate of 1.75%.

These investments total \$525,000 of the year-end balance of \$540,589.44 that was held by the Ely Credit Union. The balance or remaining funds were put into a money market allowing the Korpi Custodians to access ready "cash". These funds and any accumulating interest from the above detailed investments are being held in a money market that allows any authorized dispersal to be made using a dedicated Korpi checking account. The checking account number is 1879622XXX and is held by the current Korpi chair.

As of the November 29th Edward Jones account statement, the account balance is \$545,970.21

We have \$21,075.32 being held in our Asset Money Market account earning 1.12%. The available balance for use by Grace Lutheran Church and approved by the Korpi Fund Managers is **\$7,936.50** as of 11/29/2019.

It should be noted that \$ 13,138.82 of the money market fund should be maintained to balance the original Korpi Fund Endowment baseline of \$538,033.71. It was decided that these monies would be left in the money market checking account for extreme emergencies as the use of these funds would bring the Korpi Fund under the baseline value. This decision may be revisited at any time moving forward reducing or eliminating this balance.

I confirmed with Mr. Sundell that the interest earned on our investments is and will continue to be deposited into our money market account.

I also confirmed with Mr. Sundell that a check book will be issued and that the checkbook will be kept in safe keeping with the current chair of the Korpi Fund. It should also be noted that any member of the Korpi Foundation is allowed to write checks on behalf of the Korpi Foundation.

During a prior meeting in 2018, we authorized a check to be written to Grace Lutheran for expenses incurred for upgrading the main circuit panel. A check was issued from Edward Jones from our account for \$2,560.00. This check was issued on 7/16/19 and delivered to the accounting dept. on 8/17/19. (delayed due to vacation schedules)

I talked with Mr. Sundell on 8/16/19 and authorized him to re-invest our 1st \$175k CD which matured on 8/6/19. The new interest rate will 1.75% and mature in 12 months.

Respectfully submitted,  
Curt Van Deen  
Korpi Chair

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## MEN'S CLUB ANNUAL FINANCIAL REPORT 2019

BALANCE FORWARD: Dec. 31, 2018		\$1,146.31
<u>INCOME</u>		
	\$57.00	
December 2018 meal Fees		
	\$455.16	
Meal Fees Jan-Dec 2019		
	\$760.00	
Valentine Party Ticket Sales		
	\$250.00	
Thrivent		
		<u>\$1,522.16</u>
<u>TOTAL INCOME</u>		
<u>EXPENSES</u>		
	\$0.30	
Correction		
	\$847.29	
Valentine Party		
	\$43.38	
Mother's Day		
	\$27.50	
Meal reimbursement		
	\$100.00	
Gift-Brian Naykki		
	\$60.00	
Coffee donation		
	\$400.00	
2 Camper Scholarships Camp Vermilion		
		\$1,472.47
<u>TOTAL EXPENSES</u>		
		\$1,190.00
BALANCE ON HAND: December 31,2019		

### **Men's Club 2020**

Men's Club offers and provides services to Grace Lutheran Church, and congregational members. We meet for Christian fellowship the second Thursday each month from September through May and take turns providing a meal. Often a speaker or a member presents a program followed by a business meeting to plan club work. President, John Imsland; Vice President, Larry Mischke; Treasurer, Robert Jalonen; Secretary, Jim Haugen.

We were involved in several activities this year:

We provided a Valentine's Day banquet and invited all Grace widows/widowers.

We provided and served a Mother's Day cake.

We helped with the woman's rummage sale.

We worked at Camp Vermilion cleaning and repairing both spring and fall.

We helped set up for services at Whiteside Park.

We stripped, cleaned, and waxed the basement floors.

We set up and removed decorations for Christmas.

We donated \$400 for campership and \$300 for Fellowship Hall.

New Members are really welcome. We are an active and happy group.

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### **Women of Grace Lutheran Church Annual Report ~2019**

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 in our mission.

\* Faith and Charity Circles [Mission Community] meet monthly. Our meetings include Bible Study's from various written sources and DVD's. Sw socialize with members unable to attend services and help with any and all needs of the women of our congregation.

\* The Executive Board meets monthly. This is a group of women that work toward carry out our mission responsibilities.

\* Quilters [Mission Action]. Ladies meet twice a month from September through May. All are welcome to join in: Cut, pin, stitch or tie



\*Kit Assembly [Mission Action] Kits for Lutheran world Relief are assembled every year: School Kits, Personal Care Kit, Baby Care Kits, Sewing Kits.

To carry out our mission during 2019, the women of Grace completed the following activities:

1. In May we participated in the City Wide Rummage Sale. The Proceeds from this fund raiser pays for the shipping of quilts and kits that are assembled every year for Lutheran World Relief.
2. Mission Action: With donations from our congregation- the following kits were completed for Lutheran World Relief: 11- Personal Kits, 6- Sewing Kits, 35- School Kits, 21- Baby Care Kits, 10# Soap, 19- Hats for the Seafarer's, 102- Quilts.
3. Baked and served Cupcakes for Father's Day
4. Ladies Casual Gathering in April and September to socialize with women of Grace and to let them know of all the things we do.
5. Silent Auction with Bake Sale. A fund raiser that includes the entire congregation to donate items for the auction and baked items for the bake sale.
6. Noisy Change Distribution.  
Donations given from Noisy Change offerings 2019  
\$100 Ely Food Shelf  
\$100 ECR  
\$100 LSS Family Services - Virginia  
\$100 Northwoods Partners  
\$80 Camp Vermillion  
\$100 Young Life  
\$100 LSS for Changing Lives - Duluth Donations given by the Women of Grace  
\$100 ELCA World Hunger Appeal  
\$100 Global Health Ministries  
\$100 MAF [Imbrock's]  
\$100 Northwoods Partners  
\$100 Twin Ports Ministry to Seafarers \$100 LSS Center for Changing Lives - Duluth

The Women of Grace would like to THANK OUR GENEROUS CONGREGATION for your contributions of time, talents and money for quilts and kits. Thank you also to the Men's Club and other congregation members that helped with the Rummage Sale and all of our other projects throughout the year.

Submitted by Candace Bischoff

## WOMEN OF GRACE ANNUAL REPORT 2019

<b>BALANCE FORWARD</b>	<b>DEC. 31<sup>st</sup>, 2018</b>	<b>\$827.92</b>
<b>INCOME</b>		

Fellowship Circles	\$140.00
Noisy Change Offering	\$853.73
Rummage Sale	\$914.76
Rummage sale cash back	\$100.00
Quilt sales	\$235.00
Silent Auction/Bake Sale	\$522.00
Thrivent (Quilting)	\$500.00
WELCA Spring Convention deposit	\$90.00
Donations	\$70.00

**TOTAL INCOME**

**\$3,425.49**

**EXPENSES**

Quilting & Kit Supplies	\$780.33
Misc. Supplies (Stamps/Checks)	\$11.00
Rummage sale cash	\$100.00

**WELCA**

Spring Convention Members	\$588.10
Quilt & Kit Shipping	\$347.45
Synod Offerings	\$133.20

**GIFTS**

Ely Area Food Shelf	\$200.00
Camp Vermilion	\$80.00
ELCA World Hunger Appeal	\$100.00
Twin Ports Ministry To Seafarers	\$100.00
LSS Family Resource Center – Virginia	\$100.00
Northwoods Partners	\$200.00

Young Life		\$100.00
Ely Community Resources		\$100.00
Grace Christmas Workshop		\$100.00
Duluth LSS Youth & Family Resources		\$200.00
Global Health		\$100.00
Northeastern Lights		\$8.00
<b>TOTAL EXPENSES</b>		<b>\$3348.08</b>
<b>BALANCE ON HAND</b>	<b>DECEMBER 21<sup>st</sup>, 2019</b>	<b>\$905.33</b>

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### BIBLE STUDY – 2019 ANNUAL REPORT

Our group met Wednesdays from 3:0-4:30 in the Living Room/Library. In the past year, our format was mixed. We used the readings from the narrative lectionary and Christ in Our Home, daily devotional. We studied the four readings from the lectionary that liturgical churches use every Sunday, spending 10-15 minutes on each discussing our interpretations. We also read and discussed the selection for that particular Wednesday from **JESUS CALLING** BY Sarah Young. It is a daily devotional where the author writes as if Jesus is talking with us.

In October and November we read and discussed **Love Wins** by Rob Bell. It was a fascinating and revealing book. We are looking for new leadership in our Bible Study Group. If you are interested or have questions, contact Pastor Eric.

In Christ,  
Bob Jalonen

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### Grace Lutheran Church Proposed 2020 Operating Budget

<b>INCOME:</b>	
Sunday Offerings	160,278
Benevolence Offerings	12,317
Benevolence World Hunger/Disaster Relief/Food Bank	1,020
Thrivent Choice Dollars	6,923
Other Revenue	3,868

Return on Investments

5,340

Total Income

189,746

EXPENSES:

Pastor's Salary	42,700
Mileage Reimbursement	3,200
Phone Allowance	1,200
Health, Pension, Housing Equity	23,245
Pastor's Social Security	3,267
Continuing Education - Pastor	1,000
Books & Periodicals - Pastor	400

*Total Pastoral Expenditures* 75,012

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* 37,404

Postage	450
Office Supplies	1,440
Web Page	440
Computer Software	2,500
Computer Hardware	400
Copy Machine	1,800
Advertising/Marketing/Promotion	(Dave) 1,500
Computer Maintenance	500

*Total Church Office Expenditures* 9,030

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Youth Ministry	250
Confirmation Ministry	500
Baptism Newsletters	50
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	
	<i>Total Worship &amp; Music Expenditures</i>	5,700
Outreach Committee	300	
	<i>Total Outreach Expenditures</i>	300
Holiday Baskets	200	
Outreach	400	
Lutheran Magazine	580	
Devotion Books	570	
Service in Park & Side Street BBQ	200	
	<i>Total Social Outreach Expenditures</i>	1,950
Fuel - Church	9,626	
Phone - Church	3,000	
Utilities - Church	6,540	
Insurance	5,565	
Elevator Maintenance	1,500	
Air Conditioning Maintenance	400	
General Maintenance	6,800	
Supplies	1,250	
Boiler Maintenance	400	
	<i>Total Church Building &amp; Grounds</i>	35,081
Fuel - Parsonage	1,700	
Repair & Maintenance - Parsonage	540	
Utilities - Parsonage	1,900	
	<i>Total Parsonage</i>	4,140
Synod Assembly	1,500	
Conferences/Seminars	1,000	
	<i>Total Meetings &amp; Training</i>	2,500
NE MN Synod	18,000	
Voyageur Lutheran Ministry	1,800	
Benevolence - Grace Cares	1,200	
Benevolence - ELCA Programs/Food Shelf	1,020	

	<i>Total Benevolence</i>	22,020
	<i>Total Stewardship</i>	200
Miscellaneous - Other		4,000
	<i>Total Miscellaneous</i>	4,000

<b>Total Expenses</b>	<b>200,627</b>
<b>Difference</b>	<b>-10,881</b>

Sources of income to make up deficit

Rantala Fund - Choir Director	\$1,200
Sunday School Transfer	\$710
Prior years surplus remaining	\$8,971
	<b>\$10,881</b>

2017 Surplus	\$23,080	
2018 deficit	(\$3,491.25)	
2019 Surplus ytd	(\$2,974.61)	10/31/2019
Remaining Surplus	\$16,614	

**October, 2019 Grace Lutheran Church, Ely, MN Audit Report**  
**Prepared by: Grace Lutheran's Internal Audit Committee (Brian Maki and Ross Petersen)**

For Time Period: 2018 Fiscal/Calendar Year

Scope of Audit:

- Offering procedure and accuracy
- Restricted/special funds
- Expenses and Disbursements
- Insurance
- Records and record keeping

1. Offering procedure and accuracy

Offering procedures appear to have been followed, with the exception being that on four Sunday's, only one person signed the form. We are assuming that two people did the counting, but only one person signed the form.

On every Sunday checked, the bank deposit either met or exceeded the amount on the Sunday offering form. It's easy to see how that could happen with funds that come in later or are mailed in, but that is a potential problem. The person making the deposit could keep whatever exceeds the deposit and it would be untraceable.

2. Restricted/special

for fund activity

		<u>Balance 12-31-2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Ending Balance</u>
3.02	Special reserve	23,932.99	0	0		<b>23932.99</b>
<b>3.03</b>	Youth Group	2,860.16	0	<b>654.61</b>		<b>2205.54</b>
<b>3.04</b>	Rantala Fund	34,622.85	<b>-1712.58</b>	<b>299.99</b>		<b>32610.28</b>
3.05	Kangas Endowment	13,094.40	<b>-621.14</b>	<b>360.00</b>		<b>12113.26</b>
3.06	Troy Baseman Schol	1,353.64	<b>31.13</b>	0		<b>1384.77</b>
3.10	Special Projects Funds		0	0		
<b>3.11</b>	Children's Bell Choir	<b>75.00</b>	0	0		<b>75.00</b>
<b>3.12</b>	Choir Music	<b>467.24</b>		<b>129.98</b>		<b>337.26</b>
<b>3.13</b>	Sunday/Bible School	<b>1,305.89</b>		<b>162.67</b>		<b>980.76</b>
<b>3.14</b>		0	<b>1100.00</b>	<b>500.00</b>		<b>600.00</b>
3.15		994.84				994.84
3.17		428.23	750.00	92.91	/	1085.22
3.18	Children's Christmas gift	333.87	/			333.87
3.19	Other Special Projects	1,742.75	385100			2127.75
<u>3.20</u>	<u>Byilging Fyng</u>					
3.23	Capital Fund	17,343.79	6974.51	3998.00	(6603.27)	13985.90
3.24	Pastor Office/Improve	418.44	0	840.71	422.27	0
3.25		0			6181.00	6181.00
3.26	Lighting Project	1,491.21	377.50	0		1868.71
3.81	Memorial Fund	9,676.58	1570.00	1471.18		9775.40

2017 Audit looked at whether proper authorizations were given and clarified who had authority to determine disbursements. This year there were a few cases where the auditor didn't find authorizations for some special fund expenditures. These might all have been given authorizations in previous years or have standing authorizations but are being noted here.

Rantala: August \$210.00 November \$89.99  
 Kangas March \$360.00  
 Grace Cares July \$60.00 November  
 \$32.91 Capital Fund August \$198.00  
 Pastor's Office There were expenditures in Jan \$601.47, Feb \$115.21, Mar \$124.03 I'm pretty sure these all had prior year approval.

### 3. Expenses and Disbursements

Several different vendors, billings and invoices were checked and were found to have been properly handled and paid. The Midco Phone file was missing billing statements for the months of January, February and April. The files in general were not in an organized system and files were missing items in some cases and had unrelated material in them in other cases.

4. Insurance coverages for the church were checked with the insurance company we use and appear to be in place and adequate. We relied on the treasure to a large degree when it came to the adequacy of the workers comp insurance.

## Findings:

1. Auditors number one concern was the church filing system.

There doesn't appear to be an organized filing system. Things are misfiled and most relevant church financial information is on the personal computers of the church treasurer and bookkeeper.

Auditors, council members, etc. have no way of quickly finding and reviewing church files when questions arise, during audits, or spot reviews without going thru the treasurer or bookkeeper. They control access to the majority of church financial data.

Corrective action: Office files should be organized in a more logical fashion. Ideally there would be a key identifying where all office files are located.

Additionally, hard copy of all monthly minutes and financials should be filed in the church office where they can easily be found and reviewed.

2. There is an additional concern about whether Grace should have a policy on when it has a professional audit done. When a pastor leaves or we change treasurers, do we then need to get a professional audit done? Lay auditors probably would probably not catch someone, with any financial expertise, who misappropriated church funds. Also, without a policy, it would probably be insulting to staff if we were ever to have a professional audit. This might keep us from getting an audit even when it was felt to be needed.

3. Authorization of restricted funds isn't always clear or easy to audit. We're not sure how to make that more welldefined.

4. When funds come in after the offering is counted, counters and others have been just adding these funds to the deposit. There is a potential opening for misappropriation for when funds come in after the offering is counted and when the deposit is made.

Corrective action: Any funds that come in after the offering has been counted and signed, should go in the lock box in an envelope that identifies what the funds are from. Ideally both counters, or some other church members should observe the funds going into the box.