



Agenda

Call to Order

Devotions

Adoption of Agenda

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Balance Sheets and Income Statements

Budget Adoption

Adjournment

Lord's Prayer

Grace Lutheran Church Congregational Council

Term expires
February 2017

Cathy Barks
Don Peterson
Eric Weber
Barbara Zimany

Term expires
February 2018

Brad Lint
Jay Wangerin
Lori Fry
Mary Jo McCleary

Term expires
February 2019

David Gronert
Matt Jordahl
John Roehrick
Empty Seat

2016 Executive Committee

Brad Lint
Eric Weber
Cathy Barks
John Roehrick

Congregational Officers

President	Brad Lint
Vice President	Eric Weber
Secretary	Cathy Barks
Treasurer	Tom Selander
Financial Secretary	Paul Kallenbach

Grace Lutheran Church Staff

Pastor

The Rev. Michael Jon Schmidt

2016 Grace Staff Members

(in alphabetical order)

Kathy Bowermaster, Accompanist
Denise Friesth, Church Administrator
Todd Haugen, Custodian
Heather Nelson, Grace Kids' Care Director
Ellen Rothweiler, Developer of Youth and Family Ministry
Rich Snyder, Organist
Emma Stammer, Director of Music Ministries
Michelle Voelker, Director of Communications

Membership Statistics

	<u>Baptized</u> 701	<u>Confirmed</u> 605
Membership end of 2015 as reported in the Congregational Report to the ELCA		
Members removed during 2016		
by death	10	10
by transfer to other congregations or other reasons	6	6
Members received during 2016		
by baptism	7	1
by transfer from other congregations by affirmation of faith	14	12
baptized youth confirmed in 2016		2
Membership end of 2016	706	604

Statistical Report

Worship Services Conducted.....	117
Weddings held at Grace.....	2
Baptisms – Members (Youth).....	7
Baptisms – Non-members.....	0
Member Funerals held at Grace.....	10
Average Sunday worship attendance 2000....	364
Average Sunday worship attendance 2001....	386
Average Sunday worship attendance 2002....	416
Average Sunday worship attendance 2003....	385
Average Sunday worship attendance 2004....	368
Average Sunday worship attendance 2005....	333
Average Sunday worship attendance 2006....	324
Average Sunday worship attendance 2007....	294
Average Sunday worship attendance 2008....	293
Average Sunday worship attendance 2009....	259
Average Sunday worship attendance 2010....	228
Average Sunday worship attendance 2011....	229
Average Sunday worship attendance 2012....	212
Average Sunday worship attendance 2013....	197
Average Sunday worship attendance 2014....	197
Average Sunday worship attendance 2015...	191
Average Sunday worship attendance 2016...	178

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Jan	361	408	404	373	355	341	291	305	250	256	245	215	181	194	185	153
Feb	368	392	359	354	305	307	242	314	281	252	212	216	231	199	197	183
Mar	385	493	377	388	402	299	315	389	280	263	259	230	264	188	205	255
Apr	427	433	507	470	326	399	379	324	342	300	347	289	224	268	270	191
May	370	415	363	385	334	336	306	270	250	236	216	219	190	190	166	185
Jun	376	414	353	340	295	312	299	251	218	187	195	198	156	167	166	150
July	315	360	349	293	296	277	272	242	192	169	199	174	159	164	149	141
Aug	355	385	332	313	297	277	252	260	245	155	196	188	165	170	162	153
Sept	434	457	397	376	333	292	298	263	245	219	206	181	165	196	187	178
Oct	444	404	428	439	398	341	299	321	266	247	225	215	209	213	203	175
Nov	397	422	382	360	326	309	307	302	291	235	237	211	241	206	205	184
Dec	397	412	380	319	319	394	265	269	238	206	210	208	176	198	197	202

In Memorandum

**We remember with love and respect the following loved ones
who from their labors rest.
Listed are their names and the date of death.**

William (Bill) Jensen.....January 5, 2016
Robert (Bob) Jensen.....March 7, 2016
Robert Barks.....April 12, 2016
Vernon Fanning.....June 16, 2016
Gerald E. Dockum.....July 19, 2016
Mark Wonderlin.....August 2, 2016
Willa Mae Johansen.....September 16, 2016
James (Bob) Beeler.....September 30, 2016
Chrystal Lehfeld.....October 4, 2016
Jacquelyn Holmes.....December 3, 2016
Lillian Prickett.....December 23, 2016

Grace Lutheran Church
Annual Congregational Meeting
January 24, 2016
Meeting Minutes

Council President, Kevin Drury, called the meeting to order.

Pastor Schmidt led the assembly in an opening prayer and devotion and then turned the meeting back over to the President.

The meeting agenda was adopted as printed.

Membership changes, baptism and attendance statistics were reviewed.

A moment of silent prayer was said in memory for members of Grace who had passed away in 2015.

Minutes from the 2015 Annual Congregational Meeting were approved as written.

Council President gave his 2015 report. Reported that the council has been very deliberate about any uses of the Malmin funds. The funds have allowed us to do, directly or indirectly, the following:

1. Give a First Fruits gift to the synod of \$70,000
2. Pay off the external mortgage loans of approximately \$170,000 to First American Bank
3. The interest saved by paying off the external mortgage allowed Grace to move forward and hire Ellen Rothweiler and upgrade the church office to accommodate her and the youth ministry
4. Address some significant expected and unexpected maintenance items in the church
5. Provide new carpet and paint in Grace Hall and the hallway outside of Grace Hall.
6. Allow for the installation of a video system in the sanctuary. Memorial gifts provided for the installation of the upgraded sound system in the sanctuary and Grace Hall to make a significant improvement in the worship experience.

Things to look forward to...

1. Planning what Grace should look like in 2020
2. Grace's 90th anniversary celebration in June 2017
3. Director of Senior Ministry
4. Property committee report to determine what we can do to maintain and upgrade the church to provide a positive first impression to visitors and provide functional and attractive facilities to members.

Discussion of the Congregational Council Resolution regarding same sex marriage. It is ultimately the pastor's discretion if he or she wishes to perform any type of marriage.

Staff Reports:

Pastor reported that it has been a good year. We have had several new members join Grace and an increase in baptisms as well. Our cradle roll has grown considerably.

The Director of Laity Ministries, Director of Music Ministry, Director of Grace Kids Care and Developer of Youth and Family Ministry reports were reviewed with no additional questions or comments. A motion was made and seconded to accept the staff reports as written. The motion carried.

Meeting Minutes (Continued)

Election of council members. Kevin thanked the outgoing council members, Karri Brandsfield, Sandy Briggs, Stacie Holst and Kevin Drury. The following members are running for the 2 spots that are open from the 2014 year with a two year term: Lori Fry and Mary Jo McCleary. The following members are running for the 4 open spots for a three year term leaving 1 open spot to be filled: David Gronert, John Roehrick and Matt Jordahl. A motion to cease nominations was accepted and seconded. The motion carried.

Election of endowment committee members. Kevin thanked the outgoing endowment committee members, Karen Taylor and Barb Powers. Aaron Page and Stacie Holst have agreed to be the Endowment Committee candidates. A motion to cease nominations was accepted and seconded. The motion carried.

Committee Reports:

Committee reports from the Altar Guild, Companion Committee, Cradle Roll, Endowment Committee, Grace Fellowship, Garden Committee, Grace Library, Grace Women's Board, Lutheran World Relief Team, Memorial Fund Committee, Property Committee, Social Ministry Committee, Stewardship Committee and VBS report from Youth Ed Committee were reviewed with no additional questions or comments. A request was made to have a committee report in the annual meeting reports package for 2017 from the Columbarium Committee. A motion was made and seconded to accept the committee reports as written. The motion carried.

Kevin Krause presented a balanced budget for 2016. We ended 2015 with a deficit of \$30,843 versus the budgeted deficit of \$28,250 due to new position for Director of Youth and Family being hired on a full time basis midway through the year, pledged offerings were below budget, unpledged offerings were below budget, office administrator split into two part-time positions to allow for the addition of a Communications Coordinator, purchase of additional office furniture, computers, office construction, painting of custodian house, new carpet in Grace Hall and elevator repairs. Debt service is below budget due to early retirement of outside debt by Malmin funds. Memorial monies were used for the new sound system. The budgeted activity for 2016 reflects breakeven operations including pledge activity down, Director of Laity Ministry only budgeted for partial year, Director of Youth and Family position reflects a full year, debt service reflects interest only on the Endowment debt, professional leadership positions include salary, employer taxes, pension and medical insurance. A total of \$711,407 was received from the Malmin estate. These monies were recorded in a separate reserve fund. Use of these monies included \$70,000 to the SE Synod, \$160,000 to outside debt and \$26,218 for the sound and media system upgrades.

Considering establishing a scholarship fund for use toward tuition to Lutheran Lakeside Camp. Any unused funds would be rolled over to the next year. A motion was made and seconded to accept the budget for 2016 as written. The motion carried.

Update on Emergency Preparedness Taskforce. They looked at other churches and the daycare procedures. Putting up maps of the church and exit routes, ordered 4 first aid kits, going to be getting sharps containers for the bathrooms, place 1st Aid flip charts in strategic places, make a directory of Grace members with medical training, make list of emergency numbers to be posted by the phones, procedure list for bomb or shooter threats and offer staff and congregational training on the AED Defibrillator machine.

A motion was made and seconded to adjourn the meeting. The motion passed. Meeting was adjourned at 1:35 PM with the Lord's Prayer.

Respectfully submitted by Karri Brandsfield, Secretary

Report from the Congregational Council President

Give thanks in all circumstances; for this is God's will for you in Christ Jesus. — I Thessalonians 5:18

Last year brought both great pain and joy to us here at Grace, but God continues to reveal his will and we continue to give thanks. Long-time members and good friends entered into their final rest in 2016, but we joyfully welcomed new brothers and sisters in Christ to our Grace family. We also said goodbye to two dearly beloved staff members, Jackie Holmes and Stephanie Johnson, but we joyfully welcomed Denise Friesth aboard as our new church administrator and Rich Snyder as our (kind of) new organist.

The congregational council is spending much more of our meeting moments on what we like to call "thought and idea" dialogues and generative discussion. For example, we brought Ellen Rothweiler and Michelle Voelker into meetings in July and October for dialogue and discussion about our youth and family ministries and our new communications endeavors and initiatives. The exchanges of insights and ideas during the engagements with these two incredible staff members were wonderfully revealing.

We'll be celebrating our 90th anniversary in 2017 and we've appointed two groups that are working copiously and assiduously to help us position this congregation for the work we need to do, within and without, as we work to make sure that Grace Lutheran remains relevant to church members and our local communities. One group, led by Don Peterson, is working on a proposal to spend the remaining funds that were left to us by Marvin Malmin in a way that is both prudent and providential. The other group, chaired by Kevin Drury, is exploring how we can better/best meet congregational and community needs with the many gifts that God has given us through his Spirit. We're calling this group the Grace 2020 Team. The two groups are regularly meeting together so that the money will follow the vision, not the other way around.

Our 90th Anniversary Celebration takes place on June 11th, 2017. Pastor Paul Oman is coming back to lead us in artful devotion as he did last year during worship last May. Start talking to your friends and neighbors about our celebration and bring them to the celebration. Let's use this occasion to shine our light!

I am truly grateful to all my mates on the Grace congregational council for your truly exceptional service this past year to this community of faith. I am especially thankful to Cathy Barks and Eric Weber for their incredible devotion and great deeds of faith. It has been a great joy and privilege working with both of them, and I give thanks to God for servants like these.

Yours in Christ our Savior,

Brad Lint

Report from the Pastor

Sisters in Brothers in Christ,

2016 has been a memorable year. Some of it was good. Some of it was not so good. The world landscape has changed. We have recently seen a number of tributes to the celebrities that have died in the last year, and a sense of nostalgia fills the air. My mind was suddenly flooded with so thoughts about the celebrities' offerings to the world around. One such image was the song "Pure Imagination" as Willy Wonka came alive for me as a child watching Gene Wilder's portrayal in Willy Wonka and the Chocolate Factory.

We have lost a lot of saints to death this last year too. As I think about each of them, my mind is again flooded with so many images of the lives that they lived and the impact each of them had on others. Each one of them was different from the others, but all had an offering to the world around. I think about the gifts that each of them had, and the relationships that they had with others.

One saint that is on my mind is Jackie Holmes. The year started with conversations with her about a possible summer date for full retirement. The year ended with her funeral. She comes to mind not only because I miss her, but because of the countless conversations we had about this community of faith. We would both talk about how much love and grace there is in this place, and how the people here really do form a community that feels like family.

The year was not only one of losses. As we were reminded last Sunday during the faith enrichment opportunity on "Why Christianity?", there are other narratives beyond the difficult times during 2016. We have had much reason to celebrate as well. We have gathered together and celebrated saints through sacrament of Baptism and through Affirmation of Baptism. The Cradle Roll, the list of those children birth to 3 years old, continues to grow. We have approaching Sunday School classes that are much larger. This growing group of families has led to the start of a Frolic class of Sunday School that is for those children on the Cradle Roll and her/his parents.

We gathered together on Celebration Sunday to witness the art of Paul Oman come alive in our midst. I was caught off guard when going to lead a recognition of volunteers only to turn around and see the gathered community gasp with excitement as suddenly the image being painted came into view. It was such a magical, Holy Spirit moment, to see this child-like look on the faces of those gathered. By the end of the service, we had a completed mural depicting the story of the lame man being lowered through the roof by his friends, and in it, an image of active grace, with these four friends being truly present to their friend in need. Christ met this action with an act of grace and forgiveness. That painting, to me, summarizes what it is to be the church, and as such our goal becomes living into our name: Grace.

For nearly 90 years we have been a beacon of Grace that shines forth from 52nd Street and Urbandale Avenue into the world around us. That history is the very thing that guides us. This place continues to amaze me in the way that we embody our name as a community of faith. We continue to be a place that shows that Christ-like radical welcome to others. I think about Dana Roby and the way that she is embraced, and even loved, by this community of faith. Her exuberance and sheer joy become contagious, and the lives of all gathered are brightened by her presence. Grace. That is the word for it. Many places would look at her behavior as something to be tolerated. Grace allows us to enter into the joy and see the way that God has been at work in and through her. Grace lets us know that she is at home and among friends.

There is a lot of work to do. The financial situation is not great at all. There are pressures on this community of faith that have been building for a while. We have been on the decline for over a

decade, much like most ELCA congregations. This is a point of concern, and quite possibly crisis. However, before we sound an alarm, I cannot help but think of the Chinese symbol for “crisis” which is created by combining the symbols for “danger” and “opportunity.” That is exactly where we find ourselves. There are dangers present if we continue the downward trend. There is also incredible opportunity.

In a time when the world around us is becoming more and more divided there is a word that needs to be present: grace. In a time when violence continues, verbal, physical, emotional, cyber, and in any other form, there is a word that needs to be present: grace. In a cyber bully world where slight differences with someone else can become memes and attacks, there is a word that needs to be shouted: grace. In a world of loss and pain, anxiety, depression, and other forms of mental illness, a word needs to be spoken to all: grace.

We have our work cut out for us as we embrace the work of not only living into our name, but allowing that beacon of God’s grace to shine brighter and brighter. We have work to do, making sure that others experience the warmth of God’s grace through the welcome into a community of faith, Grace.

There is a reason God brought us all together. As this congregation was formed, it found its name as a woman exclaimed, “It is by the grace of God that we are here.” That has not changed. It is still by the grace of God that we are here. It is also through the sharing of the grace of God that we discover why we are here. It is easy for us to take for granted, but something mystical happens as we gather together as the body of Christ. We become the embodiment of grace.

As Gene Wilder sang in “Pure Imagination” – If you want to view paradise, simply look around and view it., we find that the key to seeing the kingdom of God is to look around and see Christ in those around us. When we see others through the lens of the grace of God, we see Christ in others, and they see Christ in us. Grace.

This coming year will be an exciting one as we discover together what the future may hold and work together with God toward that future. This is exciting work which will be unveiled at our 90th Anniversary Celebration coming up on June 11, 2017. We hope you will be able to share in that celebration with us. It is great to be a part of such a community of grace.

Thank you for the privilege and honor of serving as your pastor.

Pastor Michael Schmidt

Report from the Director of Music Ministry

2016 has been a year of growth and change for music and worship at Grace.

Highlights include:

- Artist Paul Oman's visit on Celebration Sunday in May. Worship was exciting and well-attended, and many stayed to enjoy the workshop following the service.
- It was a joy to provide the music rotation for Preschool VBS again in 2016. It was a great week full of instrument demos, singing, dancing, and hearing stories from the Bible.
- Ellen Rothweiler and I took over the drama program over the Summer, and Grace Players gave their annual production in August. Lots of people came and a good time was had by all. Junior Grace Players participated several times during worship over the course of the year, and they continue to be happy to step into leadership roles in this way.
- God's Work, Our Hands Sunday on Sept. 11 was a collaborative success – I had a good experience working with the music leadership at St. Stephen to come together and provide a choir for that joint service.
- A staffing change was made, and in September we welcomed Rich Snyder as organist for the 8:15 service. His leadership and advocacy for the instrument has been wonderful.
- Choir, bells, and brass ensembles kicked off after Labor Day. Chancel Choir gave an Advent program in December, and on the same day the Bells & Brass concert was held in Grace Hall. Standing room only! It has been a joy to see choir attendance grow this past Fall.
- The Sunday School kids sang in worship in November and did a great job! Despite having only a few minutes with them on Sunday mornings, I find that they always rise to the occasion and sing enthusiastically in worship. They also sang as part of their Christmas program in December.

It has been interesting to hear from the Grace 2020 team as they meet and discuss how we at Grace might grow together as a community of faith. I've gotten several ideas from them regarding music and worship and have been grateful for a sounding board to talk about improvements we could make in that area. I very much look forward to 2017 as we all plan for and think about a meaningful way to celebrate the church's 90th anniversary this Summer!

*Yours in Christ,
Emma Stammer, director of music*

Report from the Director of Grace Kids Care

Grace Kids Care has been up and running since June of 2002. Every year at this time, I write a similar report, reviewing the year that has passed, the year that was full of much joy, busy children, fun learning experiences, hard work and in the end, really what is most important to me, children that are growing up within the walls of this church knowing that they are children of God.

With the year-end news about how this is the third year in a row we have ended the year with a loss, I have great respect and understanding for the fact that this is a business, it is also a safe faith based childcare center and preschool that has an amazing reputation and a wonderful and supportive "fan base" of parents, aunts, uncles, friends, family, and church members that recommend our center to care for their most precious of gifts.

Going forward, the finances are in the capable hands of Denise so that my Assistant Director (Jolene) and I will be able to turn our full attention on managing the center, managing staff hours to minimize payroll, finding more creative ways to utilize our resources for craft items and programs, to continue to keep our reputation in the community shining, reaching out past our "fan base" to fill the center with God's children and to fulfill our true mission of Grace Kids Care;

"To minister to all children regardless of ethnicity, cultural background, or religious beliefs by caring for them in a safe environment and sharing in Christ's love in all activities." " Our desire is to follow His example and welcome the children"

In 2017 we will see a difference in the finances and we will continue to be a part of Grace Lutheran Church.

Looking back upon 2016:

* Winter was full of fun in the snow, activities in the gym when it was too cold outside, and fun learning activities about winter, heart health, friends and of course always working on the academics

* Spring brought the best weather to play outside, to find signs of growth both in our environment but also in the minds of our little ones, as 11 children graduated from our Preschool Program and are doing excellent in Kindergarten.

* Spring also brought a great opportunity to sing for the First Circle of Friends Group and for our annual Spring Program. This year's theme was " He's got the Whole World in His Hands"

* Summer began with volunteers from the Church and Daycare replenishing our playground mulch to meet code and keep our kiddos safe! Our annual DHS inspection, which we received high marks from, and our annual Visiting Health Nurse Audit yielding us a 98%

* We opened the school year with a literacy-focused Open House- even a visit from Clifford

* We spent time reaching out to the community with our successful Vendor Fair and a successful Garage sale.

* We offer the families weekly Dance Class with Cathy Bergman, and Drama Tykes with Miss Sarah. The children greatly enjoy Story Time with Miss Bev, trick or treating around the building on Halloween Party Day, and we love our visitors throughout the year...especially SANTA this Christmas season.

* We packed the Sanctuary for another entertaining Christmas Program ending with a powerful rendition of Hark the Herald Angels Sing

* Wrapping up the year in another winter with 52 children (9 church member families), 32 total staff (3 church members) and this includes our full time, part time and seasonal help, a waiting list of 5 families, an 8 member very supportive parent board (including 1 church member), and a new plan!

I'm looking forward to 2017 as we continue to operate Grace Kids Care, following our mission and working together to improve the financial position of the center.

Thank you for your patience and support.

~Heather Nelson

Report from the Developer of Youth and Family Ministry

As I get into my second year working with Youth and Families here at Grace Lutheran Church, I have been able to discover more of the personalities and needs of those I serve. This has allowed me to respond accordingly to these needs through what is offered for youth and how it is communicated. I continue to look for ways to meet Grace families where they are with a word of grace and opportunities to nurture and grow in their faith. What follows are a few highlights of how I have done that in 2016.

-Preschool and Elementary VBS

As the primary staff contact for this vibrant ministry, I served on the VBS planning team and accompanied an amazing group of volunteers in leading these two weeks. One of the things that I am most excited to discover about this ministry is that it serves, in a way, as a local Service Learning trip for the Grace Youth volunteers. With over 20 teen volunteers over the two weeks of VBS, youth have an opportunity to serve the younger children of Grace and to learn and practice leadership skills. I was **very** impressed by how eager and willing these youth were to give a week of their time and am excited about the opportunity that this offers for leadership development.

-Confirmation Camp at Lakeside Lutheran Camp on East Okoboji Lake

I spent a week at Lakeside with two middle school students from Grace. This was a great way for me to get to know these students better and struggle with them as they explore their faith.

-Love Like Jesus

Four youth from Grace Lutheran attended this high school student leadership event of the Southeastern Iowa Synod. Grand View University was the host site for this event, and that gave these students access to a Lutheran College campus and its faculty. We spent time over this long weekend in a day of learning and a day of service and lots of fun in between. Again, this gave me an opportunity to get to know these students better and offered them an opportunity to explore the idea of vocation and wonder about what God might be calling them to do.

-Confirmation

We have continued with the Confirmation format changes that were made last year as they seem to be working well! Sixth and Seventh graders are meeting each Wednesday evening from 6:30-7:30 and we are using a problem based learning curriculum from Sparkhouse called Colaborate This year we have learned about the Old Testament and the Small Catechism. These classes are supplemented with service learning opportunities every 4-6 weeks.

Eighth grade students are spending this last year of Confirmation with a mentor of their choosing. Each month these mentor pairs have an assignment to complete that usually consists of some exploration and discussion of faith. The goal is for these students to get to know an adult member of this congregation, and through that relationship we hope they will practice and become more comfortable articulating what they believe as they prepare to affirm their baptism in the fall of their ninth-grade year.

We also added a Fall Confirmation Retreat at Boone Y-camp with St. Peter Lutheran Church in Grimes. This was a fun experiment in partnership and gave our youth and mentor pairs an opportunity to jumpstart those relationships.

-Youth Ministry Team

A team of four adults has continued to spend time on a regular basis reflecting on the needs of the youth and families of Grace. We assess the health and effectiveness of our youth ministry and look for ways to tweak and add elements that will nurture relationships amongst the youth of our church.

-Our Whole Lives

One significant addition to high school youth ministry this fall has been the offering of the Our Whole Lives comprehensive sexuality education program. Carter Woodruff and I attended a training in June to become facilitators for this program. This fall we partnered with St. John's Lutheran Church and combined classes three times a month for what has been a fruitful and fascinating journey. As sexuality is an important part of the human experience, and as youth learn about and discover their own sexuality, I feel it is important that the church have a voice in this. O.W.L. offers accurate information on an array of topics in the safe and supportive environment of the community of faith. I am very pleased with how these classes have gone and believe that this program has built up trust and rapport between me and these students.

I am blessed to be here with you and feel called daily to this challenging and exciting ministry with youth and families. Grace is an exciting and rewarding place to serve I look forward to working alongside you in the year to come.

Peace, Ellen Rothweiler

Report from the Director of Communications

2016 in the office was both a difficult and amazing year. We began with so many goals, some of which were adjusted or set aside as we learned by trial and error to do tasks Jackie Holmes had always done – sometimes only when members asked why something hadn't been done.

Occasionally we laughed while struggling to figure out where something was or who to call, because Jackie knew everything and without her here laughing was the only thing we could do as we figured out each puzzle. The amazing part of the year has been Grace membership - patient, supportive, and often laughing right along with us, both before and after the amazing Denise was hired. Friendly Visitor: 2016 was the second full year I have been publishing the newsletter. Added this year were the Spotlight – a monthly feature that highlights a volunteer member or group who often operate quietly under the radar, doing what it takes to make things run smoothly behind the scenes. Youth Ministry, Sunday School and related events now has a dedicated News page, and photos from events are often included on the back page of the newsletter. Newsletters are available online, by email, and in printed version. The newsletter is mailed by request to the homebound, and those who have moved away. A copy is provided to each Grace Kids Care family to keep them in the loop of all Grace happenings and offerings. Announcements: Printed weekly for distribution on Sunday, highlighting personal celebrations, prayers, announcements, calendar items and events.

E-news: Emailed weekly on Tuesday. Populated with Calendar, Adult Education Offerings, Community news, and events of interest to recipients. This version is also posted to the Grace Facebook page. The e-news is also used to notify members of deaths, funerals, weather closings, or special services as needed. Website: www.gracedm.org contains the calendar, a news section that is updated weekly, Bulletins and Friendly visitors in PDF form (current as well as an archive), updated worship hours, staff and program information. The Links page contains links to documents such as this annual report, the endowment grant, the current choir calendar, VBS medical forms and more. Planning for the new website was put on hold in 2016 due to staffing changes and to focus on development of a social media presence. Staff has recently been working on a comprehensive organizational overhaul of the site, and will soon begin exploring designers while writing updated sections, and requesting information from Grace Committees. Facebook: New this year, at the request of several groups. With guidance from Alexson Calahan, a Facebook page previously created for Grace as a student project was explored and brought to life. The page now has over 150 followers and likes, boasts an average of 500+ unique views per week. Facebook allows Pastor Mike to start conversations with members online meeting members where they are –such as recent conversations about the Bible in a year Reading. Facebook allows us to market events such as the annual Pet Blessing, Christmas Eve services, or the Paul Oman event to the Facebook population living in our neighborhood, the Metro area, or who have specific interests, such as the arts, family, animals, or religion. We have also shared events on the pages of local organizations and neighborhood associations.

Advertising: Advertising beyond the yellow pages has been explored. Some neighborhood associations have webpages, newsletters and Facebook pages where advertising will be deployed. Facebook advertising is inexpensive and can reach a large or targeted audience for specific events.

Worship Bulletins: Created and adapted as needed weekly. Cover art comes from two websites we were already using,

Phone system updates: Voicemail messages have been made shorter and more user friendly. Members can now reach staff by entering their extensions without listening to the entire message.

Bulletin Boards: The bulletin boards have been rearranged to be more user friendly and easy on the eye, with permission of all who post there. Some sections are maintained by the appropriate staff member or committee. All will be maintained with current and rotating information.

Michelle Voelker

Report from the Church Administrator

Having been here at Grace Lutheran Church for six months, it seems an appropriate time to reflect, give thanks and share some highlights.

- Thank you to my colleagues here at Grace. We have a cohesive staff that works well together.
- My husband, Lon, and I are grateful for the rich tradition of Christian worship here at Grace Lutheran Church. We have been welcomed warmly.
- I appreciate the diversity here at Grace: members with different expertise, backgrounds, and personalities.
- I enjoy the challenges in my role as Church Administrator
 - Maintaining the finances and records of Grace Lutheran Church
 - Managing the church calendar
 - Managing use of space here at Grace - in-house groups and outside groups
 - Updating contact information, etc. using our software system (ACS)
 - Updating online pictorial directory
 - Providing administrative support
 - Assisting Grace Kids'Care director with accounts payable, etc.

I enjoy my responsibilities here at Grace Lutheran Church, but it's the little things that I call ministry that bring me extra joy: offering a cup of hot chocolate to our mail deliverer on a bitter cold day, hearing the Grace Kids Care preschoolers singing as they move from one activity to another, receiving a handwritten thank you in the mail from a member, sharing updates at staff meetings, being part of Grace Bells, visiting with Grace volunteers, getting to know our vendor reps, and more.

Thank you, all. I look forward to what lies ahead in 2017.

Peace,
Denise Friesth

Election of Endowment Fund Committee Members

We thank Marvin Johns for his service on the Endowment Fund Committee. Members continuing include: Stacie Holst, Loree Nelson, Aaron Page and Mark Stumme,

Our nominee for an open position on the committee is John Justice.

John Justice

I am married to Tracy and have 2 sons (Evan-5, Isaac-2). We have been members of Grace for almost 2 years. I work with the Social Work Department at the VA Hospital in Des Moines.

Report from Altar Guild

The Altar Guild members at Grace prepare the altar and apse of the church for worship services. Members prepare the altar for Sunday worship, assist with communion and clean up. Preparation for special events such as Thanksgiving, Advent, Christmas, Lent, Easter, baptisms, weddings, and funerals are also the responsibility of the Altar Guild.

Altar Guild is responsible for the care and maintenance of the paraments, linens, banners, candelabras, and candlesticks. Altar flowers are funded by members of the congregation. The communion bread is made and donated by the Piltingsrud/Nelson family. The following items are purchased throughout the year:

- * Wine, grape juice, wafers
- * Candles for baptism and special services
- * Communion cups
- * Candle oil
- * Cleaning supplies
- * Advent decorations

This year through Memorial Funds given in memory of Diane Jessen, the Altar Guild purchased a liquid Paschal candle, Paschal candle stand and liquid Eternal Light. We want to thank the Jessen family for the funds that allowed for these purchases.

A plaque was mounted on the sacristy wall in memory of past Altar Guild members.

The members meet one Saturday morning each month for fellowship and to discuss any problems/concerns.

Eighteen is the ideal number of Altar Guild volunteers. Our current number of volunteers for 2017 is eleven. We would like to encourage you to consider becoming a member of the Altar Guild.

Thank You To:

1. The Willing Workers for their assistance throughout the year.
2. The Valley Junction Embroiders Guild for the baptismal napkins.
3. The 2016 Altar Guild volunteers for their dedicated service; Kathy Bowermaster, Connie Heuton, Marion Nehmer, Loree Nelson, Cindy Peeler, Jane Ridnour, Rita Stackhouse, Carol Woodruff, Barb Zimany and subs Alice Kulzer and Michelle Voelker. Marion also serves as Flower Chart coordinator. Marion, Loree and Jane for coordinating the Advent/Christmas decorations.

Budgeted amount for 2016: \$1,500.00

Expenses for 2016: \$1,281.50

Report respectfully submitted,

Gail Peterson & Sue Anderson, Co-Directors of Grace Lutheran Church Altar Guild

Report from the Companion Congregation Committee

Grace Lutheran Church of Des Moines and Msindo and Mararo Lutheran Churches of Tanzania have been companion parishes for over fifteen years; bishops from the South Pare Diocese and the Southwest Iowa Synod selected matches they felt would make good companions and we have been friends since that time.

Msindo is called a two-point parish because one pastor serves two churches in the neighborhood; some pastors have as many as six or seven points! An evangelist serves the parish when the pastor is in another location.

We share information such as how the role of the evangelist works in Tanzania and end-of-life palliative care, as presented by a nursing staff from the U.S. through a non-profit associated with our churches.

We are thankful to Empower Tanzania, the U.S./TZ non-profit association, for their work in a variety of areas including water wells, water storage, and food storage (to prevent losses through many ways including weather, insects, animals, spoilage, and misuse.) The recent development is a project piloted by St. John's Church here and their companion church: due to disease, accidents, or shortage of jobs, many children are left in the care of relatives, who often lack the resources to care for them. The Most Vulnerable Children project has created a "Club" for Saturday School at which children can receive two hot meals, tutoring, free uniforms, and teaching of life skills. It appears to be very successful at addressing poverty and unmet needs of the community. We applied for an Endowment grant to establish this valuable program in Msindo. Thank you so much for paying for the start-up costs, including teacher training and materials. At this time, Empower Tanzania is requesting individuals from Grace (and other places) to consider financially supporting students for next year at approximately \$150 USD per student. They are eager for support and the Club seems to be very effective and helpful according to reports.

Electricity came at last to our village, so we are interested in the impact. We need to get together again to see what they are doing and if they are planning for the Dairy. They are very hard-working and industrious, intelligent, knowledgeable, entrepreneurial, and capable.

We were unable to bring representatives from the villages to the US because visas were not granted. They do not provide a lot of information about why they decline requests, but we suspect our friends did not have bank accounts.

We are beginning the process of planning a trip to visit our brothers and sisters in our Companion Church. If you are interested in meeting and living in a bush village, taking a safari, and expanding our mission, please talk to someone in the office and we will contact you, or if additional information is needed, please contact Jane Ridnour or Mary Freimuth Helt. No definitive plans exist currently and we can work around schedules of those who want to travel and be a part of a life-altering experience. Connecting with other Christians is a powerful ministry here and abroad.

Respectfully submitted,

Mary Freimuth Helt, Recording Secretary
Companion Congregation Committee

Report from Cradle Roll

The Cradle Roll is a program through the Grace Education Program that ministers to parents with children between the ages of birth through age three.

“Splash!” materials from Augsburg Fortress press are being used. Each month the parents are sent a “Parent Page” appropriate for the age of their child. A music CD is sent with the first parent page and again when the child is 13 and 25 months old. The materials are supplemented with additional materials at Christmas, Easter and at the child’s third birthday.

There are currently eighteen children enrolled in the Grace Cradle Roll.

Six children were baptized during 2016. At the time of the baptism of their child the parents are presented with “The Beginner’s Bible.” A dove with the child’s name and baptism date is added to the Baptismal Roll in the sanctuary. The dove is sent to the parents just prior to the 1st anniversary of their child’s baptism. The bibles were purchased with funds received from the Grace Endowment Committee in 2012. Len Ringgenberg makes the doves which are donated by Len and Helen. The name plates are purchased with funds from the Kevin Nehmer Memorial.

Prior to the Sunday School year for which the child is eligible, the parents are sent a letter inviting them to enroll their child in the three-year old Sunday School class. Five children were sent invitations in September 2016.

Along with the “Splash!” materials other expenses include supplemental materials, postage, and mailing materials.

2016 Budget: \$400.00

Expenditures: \$433.47

Respectfully submitted,
Gail Peterson
Cradle Roll Coordinator

Report from First Circle Friends

This early-to mid-stage memory loss ministry, offered in coordination with Lutheran Services in Iowa, has had strong volunteer support and has stayed relatively constant in the number of participants enrolled in the program. We began the year with 7 enrolled and ended the year with 6 enrolled. Our average attendance for each session (held twice a month) was 5.5, as we work around participants’ illnesses, vacation, and lack of transportation. We see some of our participants move to a stage of memory loss that requires the next level of care, making it necessary for them to drop from our program. In 2016, our one participant who had been with us from the beginning of our program in 2013, passed away, which was a very sad moment for all of our volunteers. The support we get from LSI is strong, and a backup coordinator was added in that space. They continue to bring in new participants as we lose some others, provide training for our volunteers, and participate in our sessions. With the resignation of Stephanie Johnson from the Grace staff, Connie Heuton took over her responsibilities as the coordinator on the Grace side. We currently have 18 dedicated volunteers (16 of those from Grace): 4 leads, 11 one-on-one volunteers, 1 additional music volunteer, and 2 additional lunch helpers.

Report of the Endowment Committee

The purpose of the Grace Lutheran Church Endowment Fund is to promote faithful Christian stewardship by providing a congregational plan to receive grants, gifts, or bequest of money to be used to enhance the total program and mission of the Church beyond that supported through regular giving and apart from the general operation of the congregation. The Endowment Fund Committee acts as custodian of the Fund.

The Endowment Committee approved the following distributions of 2015 income, which was distributed in March of 2016:

Awards to Grace Lutheran Church:

\$5,915 for carpet replacement in lower level corridor
\$2,620 for carpet replacement in main west entry
\$300 for a new coffee cart
\$848 for two sewing machines for the Grace quilters
\$800 for prayer quilt supplies
\$1,000 for scholarships for Msindo/Mararo students
\$1,000 for Msindo most vulnerable children project

Other Awards:

\$2,500 for a utility trailer for the global greens farm with Lutheran Services in Iowa
\$1,440 for furniture for a group home with Mosaic

A total of \$16,423 was awarded. Requests for grants totaled \$17,923.

Since inception, the Endowment fund has awarded a total of **\$291,065** to **153** projects.

Your Endowment Committee,

Loree Nelson (Chairman), Stacie Holst (Secretary), Marvin Johns, Aaron Page and Mark Stumme

Report from Visiting Friends

The purpose of Visiting Friends is to bring loving care, attention, and concern to those who are isolated from our church family due to age, illness, or circumstance. By reaching out beyond the church walls, it is our hope that God's real presence may be sensed and felt wherever two or three are gathered.

Visiting Friends may carry the Good News to members who are unable to get to the church and they may deliver/distribute communion to our friends at home.

During the past year, Visiting Friends traveled to more than seven local facilities and several private residences to visit, distribute communion, and provide DVDs of our Sunday services.

If you want to know more about Visiting Friends, have questions about the ministry, or know of someone who may benefit from the ministry, please contact Martha Mitchell (iwork4Him@gmail.com or 515-491-3062).

Report from Grace Fellowship

Grace Fellowship meets the first Sunday of the months of March, May, October, and December. In addition to this being a social event, the group enjoys food and entertainment provided by the committee. This past year we enjoyed the following:

Sherrie Colbert, Museum Director of the Iowa Gold Star Military Museum in Johnston Van Harden discussing his book, "Life in the Purple Wedge"
Don Rothweiler "Luther Matter"
Singing of Christmas Songs and Antics by Denny Rehder and Kathy Bowermaster on the Keyboard. A delicious dinner catered by Great Caterers of Iowa - Turkey, Ham Balls, Mashed Potatoes with Gravy, Dressing, Mixed Vegetables, Cranberry Salad, and Rolls. MMMM! Come next December and join the fun.

All adults and friends of Grace are welcome to attend.

Randy and Karen Taylor will continue as chair of the group. Carol Krause continues to be our Secretary and Treasurer.

Respectfully submitted,
Karen Taylor

Report from the Grace Garden Committee

Committee Head: Michelle Voelker

Committee: Julie Honsey, Joie Gronert, Marion Nehmer, Carla Peterman

Other garden helpers: Marilyn & Mike Nizzi, Mike Peterman, Jay Wangerin, Gary Nehmer, Scott Honsey

With the 2016 budget we purchased seeds and soil that were then grown by committee members in their homes until large enough to plant. Other plants and direct sow seeds and sets (onions, potatoes) were purchased at planting time. Six tons of compost was delivered and applied in the fall, along with some compost created in the compost bins. Additional wood was purchased to increase the depth of the raised beds.

Mike and Carla Peterman reinforced the rabbit-proofing along the fenceline.

Plantings were rotated for soil health. Climbing plants were given fences, including peas, beans, snap peas, and cucumbers. Harvesting was easier, fruit cleaner, and production increased. Fewer tomatoes were planted for ease of harvesting between rows, with early onions and beets planted between later harvested rows for best use of space. 2016 production was amazing, even with fewer plants, produce seems healthier and harvest increased. The compost applications are making a difference in the soil.

Produce was harvested from early June through October, two – three times a week. The majority of the harvest was taken to local food pantries immediately. One harvest per week was placed in the entrance hall weekly, providing a place for all who passed through Grace to take home, trade, or contribute from their own gardens.

The committee will continue to make adjustments based on soil health and the needs of the food pantry customers, their nutrition needs and their ethnic preferences.

Sincerely,

Michelle Voelker, RDN and the Garden Committee, volunteers and recipients

Report from the Grace Library

The Grace Lutheran Church Library had a budget of \$100 for books and \$150 for supplies. Five books were purchased for \$62.04.

Ruined, Surprised by Hope, Ordinary Mary's Extraordinary Deed, Making a World of Difference, and A Sick Day for Amos McGee.

No supplies were purchased.

Respectfully submitted,
Marion Nehmer and Bev Anderson Co Chairs.

Report from the Stewardship Committee

The Stewardship Committee met in the fall and planned and carried out the gathering of financial commitments for the coming year. We appreciated all the people who responded and returned their pledge cards. This allowed the Financial Committee to plan a budget for the coming year.

The Stewardship Team
Howard Kulzer
Jay Wangerin
Tim Nelson
Lynn Niemuth
Norm Iverson

Report from Grace Women's Board

Home-Bound Members Christmas

In 2016, WELCA, with the assistance of the congregation assembled gift bags for the home-bound members. Each gift bag contained a variety of things, including:

- A candle made by the members of Lydia Circle
- An embroidered Christmas ornament made by the Embroidery Guild
- Christ in Our Home (large print) devotional book donated by WELCA
- 2017 calendar from Luther Park
- A Christmas card with Christmas ornaments made by the Sunday School children
- A Christmas card from the congregation

Martha Circle's December meeting was a Christmas Brunch with the Staff and the Willing Workers. We all enjoyed singing Christmas carols followed by a delicious meal. After eating, everyone there joined in packing the gift bags, furnished by Martha Circle. There were 24 bags assembled for delivery. The Tuesday morning Bible Study Class, and others made the deliveries and spent time visiting with the recipients. It was truly a blessed experience for all.

This year the poinsettias, donated by members of the congregation, were delivered with the gift bags. The home-bound members were surprised, grateful and most appreciative to receive those beautiful plants to enjoy during the Advent Season.

Ardis Schmelzer

Report from the Lutheran World Relief Team

Successful fundraising drives in the spring and fall raised \$1881.10 in 2016. The fall drive was partially aided by contributions from members of St. Stephen's Lutheran Church at our combined God's Work Our Hands worship and service event on September 11, 2016. In total, we sent 51 quilts, 3 tied fleece blankets, 198 school kits, 152 personal care kits, and 31 baby care kits to LWR warehouses this year.

A quilting group works all year long on Thursday mornings to create beautiful quilts. In addition, they had an all-day Saturday quilting session for Grace members who are interested in learning to make a quilt. The group also led a service learning project with our confirmands to make quilts in December.

While we may only have a drive for donations and kit assembly events twice a year, the kits and quilts our congregation makes have an impact around the world all year long. The LWR Quilt and Kit Tracker helps us see where our donations go. In May and November, our School kits went to rural children in Honduras where families have to make it on \$5.00 income per day, and 60% of students drop out of school, many because they lack the needed supplies. In September, School and Personal Care kits went to children in Pakistan to address health and hygiene issues that affect their growth, reading and learning skills. In August, Baby Care kits went to Thailand for Burmese refugees and to Burkina Faso for needy families in September.

We thank you for your contributions and participation in quilting, tying, assembling and packing these gifts for our neighbors in need around the world.

Your LWR Team: Gail Peterson, Helen Ringgenberg, Lori Fry, Mary Jo McCleary, Beth Flannery, Lois Slye, Lynn Niemuth, and Cathy Barks

Lutheran World Relief Account 2016

BALANCE ON HAND - January 1, 2016 (balance agrees with Church records)		\$ 1,382.26
<u>INCOME:</u>		
Donations Received (January-June)	1,033.00	
Donations Received (July-December)	848.10	
Total Income		+ <u>1,881.10</u>
		3,263.36
<u>DISBURSEMENTS:</u>		
Expenses - Spring Drive	715.10	
Expenses - Fall Drive	788.01	
Total Disbursements		- <u>1,503.11</u>
<u>BALANCE ON HAND</u> - December 31, 2016 (balance agrees with Church records)		\$ 1,760.25

Report from the Property Committee

The Grace Lutheran Church property committee again had a busy year for maintenance and improvements around the church.

Maintenance and improvements include:

- Grace Hall – Complete renovation with newly painted walls, Acrovyn (plastic) wainscoting, new carpet tiles throughout, Completion of video/sound system
- Corridor outside of office – new carpet tiles
- Installation of new fire protection system in the Sanctuary
- New Concrete curbs and gutters, resealing of the parking lot
- New concrete entrance ramp to the main west entrance
- New video system in the Sanctuary
- Repair of lighting in the Sanctuary

The Property Committee has had fewer regular monthly meetings this past year, using email as an alternate means of sharing information and ideas.

A number of new projects are to be accomplished soon. A grant from the Grace Endowment Committee will enable replacement of the carpet in the lower level outside the classrooms with new carpet tiles. Another Endowment Committee grant will allow replacement of the carpet in the main west entrance (Portico).

Due to several unfortunate backups of the sanitary sewer lines in the mechanical rooms beneath Grace Hall and flooding of the Café and part of the Chapel, most of the carpet there has been removed. We recently received an insurance check to cover a good portion of the cost of repairs.

The Property Committee, again, wishes to thank our custodian, Todd Haugen, for keeping the building and grounds well cared for and for all his work to accommodate the many activities that take place within the church every week. We would also like to thank the members of the property committee, and all others who contribute their time and talents to the upkeep and improvement of the church property.

The Willing Workers group continues to meet on Wednesday mornings to work on various projects, complete routine maintenance, and make minor repairs throughout the church as needed. This group of dedicated individuals completes a lot of projects and repairs every year and we thank them for all they do.

Eric Weber and Aaron Brandsfield have again led a Saturday morning group that does a Bible study, has breakfast and does various projects around the church once a month. We thank this group for contributing and serving in this manner. They are looking for additional members to join them.

Many of the property improvements listed above were made possible through the generous bequest of Marvin Malmin. The Committee is presently working with the Malmin Fund Task Force to identify additional projects for possible funding by that means.

Respectfully submitted,

Don Peterson, Chair

Chuck Denton

Norm Iverson

Roy Mann

Jon Rissman

Jay Wangerin

Eric Weber

Report from the Social Ministry Committee

The following activities/events were sponsored by the Social Ministry Committee in 2016:

- Pet Project Sunday in January. Made pet toys/treats for the Pet Project of the Midwest.
- Grace members volunteered at Meals from the Heartland three times during 2016.
- The pictorial directory project was completed and is now administered by the Office Administrator. Colored copies of the directory will be available at the Annual Meeting.
- Diaper and Baby Wipe drive for the Young Women's Resource Center in April. Delivered 1,860 diapers, 14 packages of wipes and \$100 to YWRC.
- Community Pet Blessing in October. Pet food/treats were received for the Pet Project of the Midwest.
- Christmas Star Tree for MOSAIC and LSI Early Childhood Development in November/December. Gifts for the 58 stars were received and distributed.
- Work was begun on updating contact information committees/groups/teams meeting at Grace.
- Hunger Working Team
 - Hosted Water Project for LWR in January. Collected \$3,000.00.
 - Conducted Bread for the World Offering of Letters
 - Partnered with Iowa State Extension to host Slower Cooker initiative.
 - Worked with the Grace Garden Group – tilling, planting & composting.
 - Team members – Julie Honsey, Joie Gronert, Rich Snyder, Rick Stammer, Michelle Voelker
- Member Care Group
 - Continued to provide supplies and transportation to Grace members at time of need.
 - New members of this group are always welcome. Please contact the church office if you are interested.
 - Group members – Julie Honsey, Joie Gronert, Mary Helt, Connie Heuton, Gail Peterson, Jane Ridhour

Respectfully submitted,
Gail Peterson, Chairman/Secretary

2016 Social Ministry Committee members: Sandy Briggs, Joie Gronert, Denny Rehder, Jane Ridhour, and Barb Zimany.

Report from the Memorial Fund Committee

All memorial money donated to Grace Lutheran Church is deposited to a special reserve account with memorials for each individual tracked separately. Purchases from these funds are made according to the needs of the congregation and the wishes of the family.

Contributions received from January 1 - December 31, 2016 were in memory of:

Robert E. Barks, James (Bob) Beeler, Gerald E. Dockum, William (Bill) Henderson, Jacquelyn S. Holmes, William (Bill) Jensen, Robert (Bob) Jensen, Diane R. Jessen, Chrystal Lehfeld, Lillian Prickett, Dick Sampel, Mark Wonderlin and Robert Ziesman adding a total of \$10,032 to the fund. The December 31, 2016 balance in this reserve account is \$29,756.50

Grace Children's Ministry in 2016

There have been some changes in the area of Children's Ministry at Grace with the shifting of staff roles and involvement, but our dynamite volunteers have continued to lead with passion and provide faithful and caring ministry for children here at Grace.

Sunday School

One way that we serve the children of Grace in 2016 is through Sunday School. We have continued to use Spark Rotation curriculum this year for Preschool and K-5. This offers a multi-sensory approach to learning bible stories. This Fall we planned and began implementing a two-year rotation of 10 key stories from the Old Testament and 10 key stories from the New Testament. We are using the Old Testament stories for the 2016-2017 program year and will use the New Testament stories for the 2017-2018 program year. This rotation will repeat every other year, offering children and families the opportunity to really dive into 20 bible stories and hear them in new and different ways. We have also added a music rotation with our Music Director, Emma Stammer, for Preschool and K-5. The children are learning songs and have been able to sing those songs in worship.

We have added Frolic this Fall, a program for children age 0-3 and their parents. We are using a curriculum from Sparkhouse to begin introducing faith stories and practices to the youngest members of Grace. This also gives parents a time to be together and support each other. Middle and High School students have the opportunity to "hangout" during the education hour and have conversation with their peers and caring adults. Topics range from school and other activities to the Trinity and the Ten Commandments.

Here are some statistics from 2016 Sunday School-

Total Children/Youth served- 45

Average weekly attendance- 12 (Frolic, Preschool and K-5) 8 (Middle and High School)

Adult volunteers- 18

Vacation Bible School

Another way we minister to children at Grace is through our VBS program which offers a week for preschoolers (June 6-10, 2016) and a week for K-5 (June 27-July 1, 2016). Again this year we brought in three staff people from Lakeside to help us lead our activities each day. Mornings were full of lessons and crafts around the theme "*Like*" Jesus and afternoons were full of field trips and service projects. A new field trip that we added this year was to visit Blackmer Family farm where the kids were able to learn about farming and practice some basic planting skills.

Here are some statistics from 2016 VBS:

Preschool VBS: Served 35 kids, 25 of those were from Grace Kids Care

Elementary VBS: Served 43 kids, 9 kids are members

Volunteers (combined from both weeks): Teens: 21 Adults: 16

Evangelism committee has reached out to 12 families of VBS kids since they did not have a church home as of registration for VBS.

Many thanks to all who help to make this ministry possible. This is not a comprehensive list but we did want to name a few of our key volunteers to have given many hours of time and energy to Grace Children's Ministry.

Key Sunday School leaders: Deanna Weber and Karri Brandsfield

Sunday School team: Kara Jordahl, Ashley Lund, Stacie Holst, Karri Brandsfield, Deanna Weber, Tammy Denton, Mary Freimuth Helt and Ellen Rothweiler

Frolic Leaders: Kara Jordahl and Tracy Justice

2016 VBS Planning Team: Beth Flannery, Kristin Medhurst, MeLissa Lawson, and Ellen Rothweiler

Report of the Marvin Malmin Fund Task Force for 2016

The Marvin Malmin Task Force has been meeting since August, 2016. The purpose of this group is to develop recommendations to present to the Congregation Council on the usage of the money remaining in the Marvin Malmin Fund. Since that time, this group has met at least monthly and has discussed a wide range of possible uses for this generous bequest.

Subgroups have recently been established to study current needs, wishes and wants relative to worship and arts, education and day care and property, while also giving consideration to other needs in keeping with our mission. These include mission trips, Christian education, marketing (making Grace better known in the community), money for enhancing our 90th Anniversary celebration in June, 2017, repayment of congregational loans held by the Grace Endowment Fund, and a number of others.

Originally, a total of \$711,407 was received during 2015 from the estate of Marvin Malmin. These monies were placed in a separate reserve account.

Use of these monies in 2015 included \$70,000 to the SE Synod for benevolence, \$160,000 for retirement of the bank debt \$26,218 for sound and media system upgrades.

Use of these monies in 2016 include \$19,269 for painting and carpet in Grace Hall, \$13,765 for additional upgrades to the sound system and \$30,255 for parking lot concrete curbs and gutters, parking lot surface repairs and resealing.

A total of \$391,900 remains and is currently conservatively invested in money market funds. This is the amount for which the Task Force is considering uses and is also considering over what period of time portions or all of those funds should be used.

The Malmin Fund Task Force is hoping to complete its recommendations for the Congregation Council within the next few months, but is very willing to hear any and all suggestions from Grace members.

Your Committee,

Don Peterson (chair), Alexson Calahan, Chuck Denton, Tammy Denton, Kevin Krause, Pastor Mike Schmidt, Rich Snyder, Rick Stammer, Ellen Wonderlin and Barb Zimany

Report on the Columbarium Fund – Grace Lutheran Church

As of January 2, 2017

Cash Balance of December 28, 2015	14056.69
Receipts:	
Interest on funds	6.94
Deposits:	
Disbursements:	
Cash Balance of December 23, 2016	14063.63

Members that have purchased niches – McIntyre, Tussing, Frost, Krauss, Rehder, Iverson, Buihner, Page, Batten, Singh, Zimany, and Knudsen.
No niches were purchased in 2016.

Report of the Finance Committee

Grace Lutheran Church

The Church results were below budget in 2016. Overall, a deficit of \$7,176 was incurred as compared to a breakeven budget projection. Highlights include the following:

- Pledged offerings were below the prior year results but above budget by \$10,000.
- Unpledged offerings were comparable to the prior year results but below budget.
- Staffing changed during the year. The new position for a Director of Family and Youth had a full year of activity, the Director of Laity Ministries position was redistributed when vacated during the year and the Office Administrator and Organist positions turned over during the year. These changes resulted in a budget overage of \$12,000 during the year.
- Maintenance activity was above budget \$13,000 due to HVAC repairs, sewer repairs, fire detection enhancements and front entrance sidewalk replacement.
- Other expense activity remained consistent with the prior year and budget.

Budgeted activity for 2017 reflects a \$26,300 deficit operation. Highlights include the following:

- Pledged offering activity is down compared to 2016 by \$25,000 due to the departure and deaths of several members.
- Staffing costs are comparable to 2016.
- The budget for the professional leadership positions includes salary, employer taxes, pension and medical insurance.
- Other budgeted expense items are consistent with normal activity and committee requests.
- The activity for debt service reflects interest only on the Endowment debt. The bank debt was retired in 2015 and no payment on Endowment principal is required in 2017. Starting in 2018, the Endowment Fund is requesting that \$25,000 per year be repaid on the outstanding debt of \$375,000.
- Since retirement of the bank debt, which had an annual budget of \$70,000 – offerings have decreased \$40,000 and staffing costs have increased \$45,000.
- To achieve a balanced budget and continue the current staffing levels, pledged offerings needs to increase 7% or approximately one additional months contribution level.

Grace Daycare

Grace Daycare reflected losses of \$12,339 in 2016, \$10,940 in 2015 and \$13,208 in 2014. These losses have reduced the cash to a balance of \$14,239. Unless significant steps are taken to increase tuition and/or reduce expenses, there is concern of the continued viability of these operations. It is expected that the Office Administrator will take a greater role in 2017 to help achieve these objectives. Budgeted activity for 2017 reflects break-even activity, but the achievement of this is questionable at this time.

Your Finance Committee,

Kevin Krause (chair), Kevin Drury, Paul Kallenbach (Financial Secretary), Tom Selander (Treasurer)