

University Lutheran Church of Hope

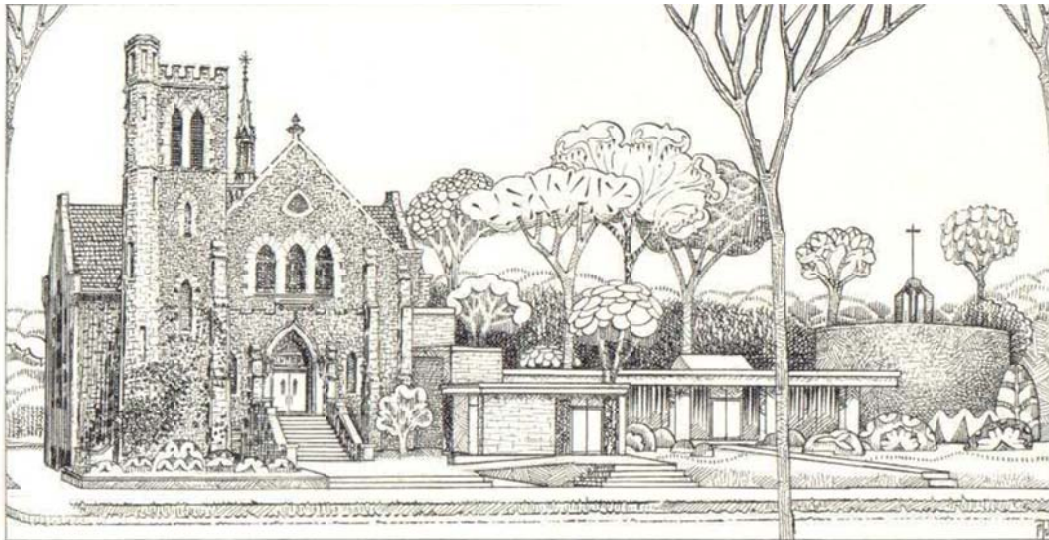
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*University Lutheran Church of Hope
is a welcoming, Christian community of faith
centered in God's grace and
called to demonstrate God's love for the world.*



2016 Annual Report to the Congregation

Presented at the Annual Meeting

February 12, 2017

Complex World. Thoughtful Church

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Congregational Meeting

Agenda for February 12, 2017

*Opening hymn, prayer, and comments
Adoption of rules for the meeting
Approval of previous minutes
Personnel Committee report for 2016
Treasurer's report for 2016
Review of benevolences distributed during 2016
Presentation and approval of 2017 budget
Message from Pastor Jen Nagel
Trust Board by-law change
Recognition of outgoing board members
2017 Leadership Development report and election
Announcements
Closing blessing*

Vision Goals for the Coming Years

University Lutheran Church of Hope—Vision and Governance Board

October 2015

Igniting Our Life Together

1. Connecting with the University and the Community

Goal: Engage the surrounding neighborhoods. Make our walls “porous”.

This includes building relationships with community organizations such as neighborhood associations, PEASE, or the Dinkytown Business Alliance; advocating for justice and exploring service needs in the neighborhood such as a food shelf or recovery groups; and improving signage, outdoor lighting, and our communication strategy and forms.

Goal: Make ULCH a place where Lutheran campus ministry happens.

This includes increasing our visibility specifically with students, re-visioning our partnership with LCM (Lutheran Campus Ministry), and working on collaborative programming with other religious communities.

2. Igniting Worship, Deepening Spirituality

Goal: Work to create more varied and participatory worship experiences, while honoring our liturgical Lutheran tradition.

This could include alternate worship times, places and formats, as well as greater creativity through drama or various forms of artistic expression.

Goal: Encourage greater participation in and offer more opportunities to learn, discuss, connect, share, explore, study the Bible, and express our faith together.

This might include expanding some small group encounters to ensure a deep and rich experience for all participants.

3. Revitalizing our Ministry with Youth and Children

Goal: Explore where we can go with this ministry and how it can be staffed.

This would likely involve the assistance of an organization such as *InterServe Ministries*. We need to explore questions such as: How do we be a church that makes room for kids and youth in worship and in the life of the community? What do we do about youth who are just not interested? How does outreach extend to youth? How do we staff for ministry with youth and children?

President's Report

In October of 2015, the Vision and Governance Board along with Pastor Jen Nagel, met for a retreat to set vision goals for the congregation for the coming years. My report is based on these goals and the progress toward these goals, as well as other ministry items we (V & G Board) have been working on.

1. Connecting with the University and the Community

Towards this goal we hired Nicholas Tangen as Community Engagement Coordinator. Among his many responsibilities is to make ULCH more visible in the University and surrounding community. In addition, we continue to increase our visibility with students through Lutheran Campus Ministry (LCM). Our 'Welcome Back Students' event last fall was a great success.

2. Igniting Worship, Deepening Spirituality

We are working to create more varied and participatory worship, this included our 'living room set' in the sanctuary for Advent. Lenten and Advent 'Prayer Around the Cross' in the chapel midweek provide a quiet, meditative service. Courtyard concerts were a fun addition and will continue this summer. Hope's choir along with a community orchestra presented Faure's *Requiem* within the context of the worship service on all Saint's Sunday. In addition there continues to be many opportunities to participate in Bible studies and small group ministries. The Worship and Music team, along with the Worship Planning Task Force, and in particular Minister of Worship and Music Zach Busch, are to be complimented on their vision and hard work in making worship an exciting and inclusive experience at Hope.

3. Revitalizing our Ministry with youth and children

Working with InterServe Ministries, we hired Interim Faith Formation Minister Ashlei Buhrow, and a Congregational Faith Formation Coach, Monty Lysne. Both will be with us through this spring, at which time it is planned to have this position filled on a more permanent basis. Jim Vitale continues his wonderful work with our youth. In addition, many volunteers continue to work diligently in faith formation for our youth and younger adults.

Last summer, after much planning and a successful capital campaign, we were able to replace the aging roof system on the education, office and lounge structures. The new roof will last for many years into the future. In addition, through fund raising, we were able to re-design the courtyard area to a much more friendly and welcoming place. Thanks to Facilities Committee and the Courtyard Task Force for their work in these areas.

The board in November began the process of discernment in becoming a 'Sanctuary' congregation. At the time of this writing, the board and staff are continuing our 'listening' phase of this conversation within Hope. We have heard from many members who have shared their passions and heartfelt responses. As we move forward in this process, know that each members' voice has been heard and is a guiding principle in this decision. We are guided by the light of Christ.

ULCH is blessed to have a talented and professional staff. We have a committed group of volunteers who do a wonderful job running all the programs, task forces and committees that keep this church alive, and who continue to step forward in furthering our ministry at Hope.

It has been a wonderful experience being the president of this congregation for this past year. Meeting and getting to know so many of you, the members of Hope, has brought me great joy.

Hope is on solid ground and well positioned to make a difference in the world today. We are in a unique place – in a large city, next to a large university, and in a neighborhood continually in transition – to proclaim the ministry of the Gospel. Together we will move forward in this ministry, guided by the light of Christ, Amen!

John Rydeen, Congregational President

Lead Pastor Jen Nagel

“They said to each other, ‘Were not our hearts burning within us . . . ?’”
-two disciple debriefing their experience of the risen Jesus
on the road to Emmaus, Luke 24

It was just about a year and a half ago that I joined you here at University Lutheran Church of Hope (August 2015). Early in that time (October 2015), the Vision and Governance Board crafted Vision Goals centered on Igniting Our Life Together. We’d make our walls porous, connecting better with the University, neighborhood, and Lutheran Campus Ministry. We’d ignite worship and deepen spirituality. We’d work to revitalize our ministry with children and youth. These goals still play an intrinsic role in the decisions of our leaders, and I’m now convinced that we have, indeed, ignited our life together—a fire is going—and we’re called to tend and stoke, attentive to the Spirit’s winds, the fuel, and the community that gathers in its light and warm.

In the spring of 2016 a newly formed Campus and Neighborhood Task Force met and quickly our agenda included creating a position for a Community Engagement Coordinator. Nicholas Tangen filled this new 20 hour per week position in September. It’s a joy to witness this task force, Nick, and the congregation listening for the needs of the neighborhood, grappling with the issues of our context, and heightening our commitment to this ministry in practical and faithful ways. Campus Pastor Kate Reuer Welton and I work closely and we aim to have Kate preaching and participating in worship at least quarterly. Our Racial Justice Task Force is leading our discernment about becoming a Sanctuary congregation. In this discernment, our relationships with neighboring churches, especially University Baptist, First Congregational and Grace University Lutheran, take on new significance and depth.

I am so grateful to partner in worship with Zach Busch, our gifted choir, a cadre of worship and hospitality leaders, and the Worship Planning Team. Lent and Advent, in particular, have drawn the congregation into strong themes (remember the living room set up in the chancel this Advent—‘Every heart prepare him room’?). Our worship life is deepening; people are responding. The number of visitors and students in worship is growing. We’re experimenting with how children participate, our language for God, and evening and special services. Small groups are shepherded by John Beane. John Setterlund and others are offering additional Bible Study opportunities. A reinvigorated stewardship team (known as the Gratitude and Generosity Committee) is leading us into a year-round stewardship focus. Pastor Esther Dant retired in January and my respect for her ministry and gratitude for our collegial relationship is immense. A search team seeks to fill a 15 hour per week Pastor for Care and Nurture position; this will include visitation, as well as equipping us for caring ministries. Nearing the end of his seminary and candidacy work, last summer Dan Nelson joined us for three months as our Summer Pastoral Assistant with a focus on general ministry and outreach.

Our Faith Formation work, in particular this ministry with children and youth, is in a time of transformation and renewal. With the help of InterServe Ministries, our faithful and energetic faith formation teachers, and a team of leaders, we’re in the midst a longer term staffing transition. Ashlei Buhrow is our Interim Faith Formation Minister (and a Luther Seminary CPL student) and through InterServe Monty Lysne is our Congregational Faith Formation Coach. Jim Vitale is soon to complete three years of Youth Ministry. By contract, all three of these dedicated staff members are scheduled to complete their ministry at Hope this May. We’ll combine and reconfigure the positions and hire one part time faith formation minister to

coordinate this ministry with all ages (children, youth, and adults). The commitment of our congregation to children, youth and their families is notable. There is no question about if we'll do this ministry, but rather how we'll do this ministry best and most authentically in this time and in this context. Valuing staff and volunteer continuity, it has been a slower transition but the blessing is that an interim time offers us a greater opportunity to experiment, learn, and grow. These next months will be especially important for this area and I am hopeful for our progress.

Our Business Manager Gaye Bidne is at the heart of our operation. With great care, she tends to the details and works closely with the facility and the Facilities Team. Thanks to our custodians Geremew Beshah and Ben Hartmann who care not only for the facility but also hospitality and security. Clair Gustafson and Julia Gerloff care for our children in the nursery. Between the congregation, PEASE Academy (an amazing sober high school that blesses our facility daily), and many other community groups, we are a lively and vital place. I give thanks to Congregational President John Rydeen and the whole Vision and Governance Board for their leadership this year. John and the Board have a clear sense of faithful vision and work diligently to guide and empower the congregation as the fire kindles. After a year and a half, my days are filled with conversations, worship, pastoral care, administration, planning, meetings, supervision, teaching, and ministry on your behalf in the wider community. I serve as Dean of Central Conference, on the Board of Regents for Concordia College, on the synod's Unite Table (racial justice team), and as a Clergy Coach.

I began this report with a line from one of my very favorite bible stories, the Road to Emmaus. It's in walking and talking, and finally sharing a meal, that the dis-heartened disciples realize it is actually the risen Jesus who walks with them. "Were not our hearts burning within us?" they wonder. I am deeply grateful for this opportunity to walk with you here at University Lutheran Church of Hope. With its joys and challenges, I so enjoy this ministry that we share and I take seriously our bond of trust and commitment. Thank you for your care for me, but also for my family. At the table, on the road, in our homes, around campus, at church, the risen Christ meets us again with grace and hope for all that is to come. That's good news!

Gratefully,
Pastor Jen
Rev. Jen Nagel, Lead Pastor

Visitation Pastor Esther Dant

For my final annual report with you, I am reminded of what I wrote in my first annual report; it reflects on Paul's words from Corinthians. "*The parts of the body that are weaker are indispensable.*" My work here with you, first of all, was to go to those who had become weaker, so they would be reminded that they are indispensable. After seven years of visits, there have been many tearful goodbyes as we have lost members of our community. These beloved are often in my thoughts. But I am grateful for their peace. For those I have been visiting, I think how often you make me laugh or smile. Your wisdom, wit, your bright observations of life and what is happening here as you read our Visitor. Sometimes, we have, deep sharing, and sometimes tears drop from our faces. But most of all, you know you belong and are remembered by this beloved community of University Lutheran Church of Hope. I pray that never changes.

Thank you, all, for these years together.

Pastor Esther

Rev. Esther Dant, Visitation Pastor

Following are updates on the Caring Ministries at Hope:

Homebound Communion Visits – Regular monthly visits will continue as our new Pastor for Nurture and Care joins our staff. In the interim, our newly trained Communion Visitors will be called on by Pastor Jen if the need arises. They are ready and willing to help in this transition.

Compassion Care – In this time of time of transition, there will continue to be a healthy, trained group of ministers who meet monthly for supervision and often a new topic or book to study. They are a faithful group with ongoing leadership led by Joan Campbell, Karen Lindesmith and Ann Agrimson. An additional team member will be joining them soon. The ministry has been meeting for over six years and will be included in the job description for the new Pastor for Nurture and Care. It continues to be a gathering where there is sharing of caregiving in which ministers are involved in a variety of ways. It is important that it continues to be a confidential place for this sharing.

Friendly Visitors – This long time ministry was started over 40 years ago by Verle Rhoades and Bertha Hanson. Today, Rosalie Eldevik is the director and a number of members are on the team that does regular visitation to those who would enjoy a visitor. There are quarterly meeting to share these visits. Other activities of this group include the Easter Flower Project headed by Kathy Knudson, Pat Lindquist and Rosalie. The birthday card project led by Ann Krieder brings cards to each Homebound, now signed by a number of members on Sunday mornings before they are sent out. Birthday flowers are also taken on birthdays during a pastoral visit. Recently, a joyous time happened when a number of people traveled on a snowy afternoon and caroled in care centers' rooms and hallways and also in homes. All ages were part of this good day. This last year, it was wonderful when excess contributions from the Easter Flower Fund were given to the Courtyard Project.

Communion Visitors - Eleven people from Compassion Care and Friendly Visitors have received training for taking home communion. They are listed on the Sacristy door with contact numbers and are available as needed.

Caring Ministry – Eight members joined this four week training and have completed their study. They also might join, if they choose, either of the groups listed above, if they are not already involved.

A Letter from the Minneapolis Area Synod Bishop

Dear Friends in Christ,

At a recent gathering of retired pastors, I asked participants to share the names of their home congregations. After all the introductions, I noticed that every congregation named was one I would love to attend-where the Gospel is proclaimed and the community is real.

Nothing gratifies a bishop more than seeing the vibrancy of the synod's congregations. Our most important goal as a synod staff is to support and nurture life-giving communities of faith. And, yet, we all know that a healthy congregation doesn't just magically appear; it is a miraculous coming together of gifts, talents, leaders, love, and openness to the spirit. When a synod is filled with such communities, our joy is clear, our gratitude is deep. Thank you for being communities where lives are healed and transformed through the Gospel shared in Word, Sacrament. and beloved community.

In addition to our 147 congregations, the synod has three new mission starts: Tapestry in Richfield, Intertwine in Northeast Minneapolis, Tree of Life in the North Loop. We have 268 pastors and deacons serving congregations (including 10 whom I was privileged to ordain in 2016), 71 serving in specialized ministries such as chaplaincy, and 326 who are now retired and rostered in our synod.

Much of the synod's work focuses on leaders. We actively look for faithful pastors and deacons to serve in our synod. We support leaders through mentoring, peer groups, theological and spiritual growth. We provide resources for elected congregational leaders, especially through our staff's commitment to offer wise and swift responses to the many resource requests we receive each day.

The members of our synod staff spend much of their time in congregations-preaching, installing new pastors and deacons, and providing leadership in times of transition: staff changes, call processes (of which our synod had 34 in 2016), conflict situations, and strategic planning. We also foster connections among ministries and congregations, believing we are stronger together. Our relationships with our companion synods continue to flourish. Next month I travel to Nigeria for the installation of the new Archbishop of the Lutheran Church of Christ in Nigeria, the Rev. Musa Filibus. In May, I will be in Leipzig for Germany's premiere observance of the 500th Anniversary of the Reformation.

We also have a distinctive focus on worship. We both host and provide funding for the Center for Worship and Music, led by Jay Beech, which "fosters imagination and creativity to make worship innovative and meaningful in every time and culture." I invite you to its website: worshipandmusic.org.

Our commitment to the care of creation grows - and we delight in the efforts of our synod's EcoFaith Network. Together, we worked to pass a resolution at the 2016 ELCA Churchwide Assembly that will provide resources so every congregation knows the watershed district in which it is located.

At our 2016 synod assembly, we passed a resolution asking each congregation to develop a mission statement on racial justice and appoint a person to serve as racial justice liaison with the synod.

During that same assembly we approved a synodical capital campaign feasibility study in conjunction with the ELCA churchwide campaign. Depending upon the study results, your synod council will decide whether to launch a campaign. The focus will be on raising resources for those urgent mission priorities that we can only do as church together.

We struggled some financially in FY 2015-16, receiving only 94% of our anticipated mission support from congregations. This meant that churchwide received 94% of what our synod pledged - and the synod operated on 94% of budget. We are especially grateful to all who have faithfully supported the synod and churchwide through their benevolence for FY 2016-17.

Thank you for the incredible privilege of serving as your bishop. I have such a deep sense of calling to this work, such profound gratitude for the Minneapolis Area Synod, and such love for the Gospel-centered, thoughtful, and welcoming work we do as the ELCA. Please let us know how we can serve one another better -working together so all experience *gracious invitation* into *life-giving Christian community* and live in *just and healthy neighborhoods*.

Bishop Ann Svennungsen

Lutheran Campus Ministry

Lutheran Campus Ministry-Twin Cities continues to celebrate our partnership with University Lutheran Church of Hope and is glad for our collective ministry to students, faculty and staff at the U. We are encouraged by recent growth in our relationship, and deeply grateful for the many ways this partnership will ensure a stable, healthy and vibrant ministry for a many years to come.

This past year has brought with it opportunities and challenges, of course. LCM-TC continues to embrace the paradox of radical hospitality and welcome to those outside our doors, while caring and nurturing the committed young Christians that comprise the core of our faith community.

Some ministry highlights from the past year:

- Increasing engagement on campus, whether through our “Reformation Doors” outreach project, our partnership with the Muslim Student Association, or our Faith and Leadership Institutes, students are engaged and looking for ways to be a part of a meaningful faith community.
- A board of directors which grows stronger every year. A special thanks to Hope members John Bablitch and John Setterlund for serving in this capacity!
- The continued commitment of a core group of students who are actively engaged. Our ministry has grown from a core of 15-20 participating on a weekly basis, to 50 students regularly attending weekly worship, and close to 75 participating in our myriad events throughout the week.
- It is also our pleasure to work so closely with Community Engagement Coordinator, Nick Tangen.
- Last of all, we would like to extend our thanks for the generous, and increasing use of space, that Hope offers to LCM-TC, whether for small groups, committee meetings, or study space!

Our ministry faced the real challenges of significant student and staff transition (the loss of a beloved intern in October, coupled with Tim Schroeder’s leaving in May), but through the grace of God, the accompaniment of this congregation, and a lot of hard work, we’re continuing to thrive – albeit in new and ever-changing ways.

We look forward to continuing this important work together. Thank you for everything,

Pastor Kate Reuer Welton, on behalf of Lutheran Campus Ministry-Twin Cities’ Board of Directors

Youth and Young Adults

Once again God has blessed the youth group with a year full of worship, adventure, fellowship and service. In January, the youth gathered together at the church to discuss matters of faith, God, and human sexuality at our biennial sexuality retreat. At the end of February, the youth celebrated the extra day of the year by throwing a Leap Day party.

On Easter, the youth group continued the tradition of hosting breakfast for the congregation. The breakfast was a success as it brought the congregation into a festive spirit of celebration centered around good food and fellowship. The following weekend, the youth group rested from the hard work of the Easter breakfast by traveling up north to spend the weekend at the Morse's cottage. While there, the youth strengthened their community and enjoyed Sabbath together by cooking, worshipping, exploring nature, playing games, and watching movies.

At the end of May a number of youth and parents supported Camp Amnicon by attending the annual Packs and Paddles fundraiser. Later in the summer the youth group traveled up to Camp Amnicon to spend a week hiking through the Sawtooth Mountain region of the Lake Superior Hiking Trail. Nine of our youth traveled about 20 miles over the course of six days. During the day they enjoyed sweeping views of Lake Superior and winding paths through the woods and in the evening bonded around a campfire with conversations about faith and life.

Also over the summer, members of the youth group participated in a half-week service retreat with the Greater Minneapolis Council of Churches in south Minneapolis. The youth group spent time volunteering with local volunteer organizations and learning more about matters of social justice in our local Minneapolis community.

In the fall, the youth kicked off another year of Sunday Morning faith formation, gathering each Sunday in the youth room to read Scripture, pray, and enjoy a warm drink. In October the youth gathered for a Halloween Party and in December they gathered again to celebrate Christmas. Our confirmation-age youth continued the annual tradition of Moonlight Madness, gathering with over 500 other youth to spend the night playing games, bowling, and going to the movies.

The young adults group gathered a handful of times this year for some fun and fellowship. Events included a game night hosted by Derek and Molly Broin, a grill-out and Mexican Independence Day celebration hosted by Matt and Liz Fry, and a "Star Party" at the Bell Museum. Beer and Hymns, providing young adults, grad students and members from Grace University Lutheran Church and University Lutheran Church of Hope an opportunity to sing some favorite hymns together in the basement of Blarney's Pub, has also continued this year. Our young adults group is always looking to welcome new faces and ideas for fellowship events!

Leena Rapacz, Liaison for Youth and Young Adults
Jim Vitale, Minister of Youth and Communication

Worship and Music

Our worship and music life at ULCH continues to thrive. With the congregation's Vision Goals in mind, efforts in 2016 sought to deepen our spirituality through varied worship experiences and make our walls more "porous" as we explored ways to engage the local community.

We diversified our worship experiences by adding Prayer Around the Cross as a monthly mid-week worship offering, and weekly during Lent. In August, we worshiped outdoors on the East lawn. In November, music from Faure's *Requiem* with orchestra elevated our All Saints worship. We prayed Holden Evening Prayer weekly in Advent, with a phenomenal cosmic slideshow presentation orchestrated by James Flaten for the fourth and final week.

We expanded congregational participation in the worship planning process by offering Worship Planning Workshops centered around Lent and Advent. Both workshops were successful, birthing these fruitful themes:

Lent - "Wayfaring" - footprint prayers trailed around our sanctuary leading to different stations for each week.

Advent - "Every heart, prepare him room" - a living room set was erected in the chancel and used as a stage for our worship to unfold. A prop was added to the space each week to illustrate weekly subthemes.

Thanks to a Trust Board grant, during the summer months we launched the first Courtyard Concerts series. All three concerts in the series were well attended and the series was an overall success. The completion of the courtyard renovation in September crowned the final concert nicely. Plans for Courtyard Concerts 2017 are in the works.

ULCH continues to be a sought-after location for performing and recording. We host recording sessions for Morningstar Publishing occasionally, and hosted a sold-out concert for Luther College Nordic Choir in February and an InVocation benefit concert in April.

Heartfelt gratitude to all who volunteer their time, talent and energy to the vitality of our worship life and the music ministry in this space.

Lisa Morse, Liaison for Worship and Music
Zach Busch, Minister for Worship and Music

Hope in the World

Hope in the World is a ministry area of our church that concerns itself with what happens beyond our walls: in our immediate neighborhood, in the greater Twin Cities community, in our nation, and the world beyond. Hope in the World partners with other communities and organizations, faith-based and others, to address and improve issues of poverty, hunger, injustice, inhospitality, damage to our environment and the like, in keeping with what we believe we are called to do as people of faith.

Neighborhood and Campus

In 2016 we were delighted to welcome Nick Tangen as Community Engagement Coordinator. Nick has been making connections with persons and organizations in our immediate vicinity to find out what some of the needs are and how Hope can offer assistance, all in an effort to make our walls more porous. Nick is helped by the newly formed Neighborhood and Campus Team: Beth Kautz, Lynette Lamb, Tim Gustafson, Kirsten Mebust, Doug Hartmann, and Pastor Jen Nagel. The Neighborhood and Campus team hopes to focus its efforts in 2017 on issues concerning mental health, food insecurity on campus and in the neighborhood, continuing to foster ULCH's relationship with PEASE and LCM, and continuing to host events for students and neighbors.

Neighborhood and campus events that Hope sponsored or participated in this fall include:

- A very successful Welcome Back University Students event headed by John Bablitch for the fourth year running. This year around a hundred coupons were given out to non-members who stopped by, double the number from the previous year.
- A booth at Open Streets street fair in Dinkytown and the U campus.
- Another iteration of Study Space where we offer hospitality (a friendly welcome, quiet, snacks, coffee) to U students during finals. This year some students showed up even before we were officially open.

Global Mission

Related to our global partnership with St. Peter's congregation in Jos, Nigeria, in October we hosted Dr. Ibrahim Bitrus as Theologian in Residence. For the entire month, Ibrahim participated in the life of the congregation in many different ways and gave us a perspective as a Nigerian Christian on issues we both struggle with and commitments we share.

The Sheridan Story

This fall Hope began active participation in The Sheridan Story, an effort to supplement weekend food supplies for students at Marcy Open school in our neighborhood. The fourth Friday of each month, Hope volunteers show up to distribute sacks of non-perishable food to the backpacks of students who need it. Twelve Hope volunteers also helped out at a packing event at The Sheridan Story warehouse to put together the food sacks for later distribution.

Racial Justice

Early in 2016, Hope members concerned about mounting racial inequities began meeting together with a similar group from Grace University Lutheran Church. Together we read and discussed portions of *America's Original Sin: Racism, White Privilege, and the Bridge to a New America* by Jim Wallis. In October, the group attended the "Journeying Toward Justice" two-day event along with 450 others from many Twin Cities' churches. Soon thereafter the group began to function as a task force, with a goal of identifying ways our congregation could act to bridge the racial divide. The Racial Justice Task Force is chaired by Karen Westwood. In 2017 it will be working on developing a racial justice mission statement. Most recently the

process of discerning whether Hope should join a network of sanctuary churches has also occupied the Task Force.

Ongoing ministries within Hope in the World are:

- Families Moving Forward – hosting temporarily homeless families two weeks a year. Coordinated by Julie Paschke and Christine Nielsen with many Hope volunteers.
- Loaves and Fishes – in partnership with Grace University L. C., serving a meal at Holy Rosary church one evening a month to people with limited food budgets. Coordinated by Karen Westwood and supported by a cast of faithful Hope volunteers.
- Bread for the World's Offering of Letters had excellent participation this year. Faithfully organized once again by Donna Neste.
- Groveland Food Shelf – the grocery cart near the Chapel is the receiving location for food donated by Hope members and regularly delivered to Groveland Food Shelf by Dean Bronson.

Peace, justice, relief, and community organizations supported financially by our church through Hope in the World were:

- Bread for the World
- Families Moving Forward
- ISAIAH
- Loaves and Fishes
- The Sheridan Story

Bruce Eldevik, Liaison for Hope in the World

Nick Tangen, Community Engagement Coordinator

Education

2016 was a year of major transition for the Faith Formation programs at University Lutheran Church of Hope. Early in the year we formed a committee to study the Youth and Childrens Ministries and make recommendations for staffing and for program structure. Committee members worked with InterServe Ministries to survey and interpret our needs and develop a plan for the future of these ministries.

In June, we published a position of “Interim Faith Formation Minister,” looking for someone who could help us manage the Sunday School and lead us towards a more intergenerational approach to faith formation, and recognizing that we would reconfigure this position when Jim Vitale’s time as Youth Minister comes to an end.

In August, we hired Ashlei Buhrow and Monty Lysne, who started in their new positions of Minister and Coach the same week as Rally Day. They have introduced us to a variety of ways to move forward into a livelier approach to intergenerational faith formation, especially the Faith Five, a simple daily practice that deepens faith and family relationship at home. Ashlei and Monty have also initiated the “First Fifteen!,” a high-energy gathering at 9:15 for all Sunday School students and whoever else wants to join in the music and fun.

The Adult Forum became the Sunday Forum in 2016, recognizing the broad age appeal of many of the forums so ably planned and brought to us by the committee headed by Diane Greve. This year’s forums included a series on the spiritual disciplines practiced by many of our members and a number of forums looking forward to 2017’s celebration of the 500th Anniversary of the Lutheran Reformation. All current staff members have led a forum at least once this year. The Sunday Forum has also been a key event helping us to get to know our neighbors and the neighborhood which we serve. The committee has also been a catalyst for additional faith formation events, including Bible studies and other spiritual practices.

The Confirmation ministry has also undergone a few changes. Monthly mini-retreats focus around a topic of concern for faith, incorporating eating together, Bible and Catechism study, service activities, and prayer. Sunday mornings include participation in Youth Group and working with adults in the congregation to learn various important leadership and service tasks that support our life together, as well as some time making connections with each other. We encourage all our youth to become an integral part of worship leadership and other aspects of congregational life, including service on committees and teams.

Two continuing challenges among the education ministries are maintaining the library and coping with the tightly-packed Sunday morning schedule. A couple of dedicated volunteers have been managing the flow of books in the library and we continue to bring in new books for both children and adults. My goal for 2017 is to re-convene a fully operational library committee. Let me know if you love books and would like to help make the library great. We are also looking for creative ways of expanding faith formation activities that don’t have to be crowded into the Sunday schedule.

We are preparing to hire a half-time Faith Formation Minister for all ages to begin in June. Please thank all of the volunteer leaders who bring these faith formation activities to life. I am especially thankful for the hard work of Shelly Parry who has led the Children’s Ministry

Team through so much transition, Diane Greve, who has provided leadership and cohesion for the Sunday Forum Team, and Jo Schroeder, who keeps the library functioning.

Kirsten Mebust, Liaison for Education

Faith Formation Staff Reports:

Beginning in September of 2016, I was brought on to the team at Hope as the Interim Faith Formation Minister. I began the year at roughly the same time with the start of Faith Formation in the fall. Sunday mornings are filled with an education portion of the hour, music and placing much of our focus on FAITH5—to bring faith back into the home. In October, planning for an Intergenerational Event and the Christmas Program began with the help of two of our youth in Faith Formation; they provided us with ideas for our Intergenerational Event, as well as wrote our Christmas script. Our Intergenerational Event, “Back to the Future,” happened in November, with great turn out from an array of ages. We intend on having two more events come March and May of 2017. December brought the Christmas program and finalizing end of the year projects with classes, preparing us for the New Year and changes to the way we think about our ministry. So we added a new component to the Sunday morning routine, called First Fifteen, where the children gather with one another at the beginning of their education hour before heading off to their classes. This provides the kids a time to grow in community and share their faith with one another.

Ashlei Buhrow, Interim Faith Formation Minister

Last September, through an arrangement with InterServe Ministries, I was fortunate to come on board at ULCH as the Congregational Faith Formation Coach. My role has been a varied one—to work alongside and “coach” our Interim Faith Formation Minister, Ashlei Buhrow, as she works with Sunday morning faith formation, to introduce and highlight the FAITH5 method of faith-talk to the congregation, and to plan and execute intergenerational events for the entire ULCH church family. In my remaining few months at ULCH, I’m looking to continue with more of the same, with the addition of revisiting the “Living Your Strengths” work that the congregation had been exploring in recent years. Thank you for the warm welcome and kind hospitality you have shown me and my family. It has been my privilege to be, however briefly, a part of the ULCH family.

Monty Lysne, Congregational Faith Formation Coach

Relational Ministries

- Our monthly Fellowship meals welcome members along with students and other guests. Thanks to Becky Halvorson, Dan O'Loughlin, John Lauber, Elizabeth Lincoln and a team of volunteers who prepare these meals and strengthen our community.
- Hope Connections was started in 2008 and is led by John Beane. The theme this year was on race. These neighborhood small groups meet monthly in each other's homes to study and discuss God's word and to make even stronger connections with each other.
- Hope Senior Group has a new name: Hope Diamonds Senior Group! They meet quarterly on the third Wednesday of the month for lunch and a program. Everyone, not just seniors, is welcome since they enjoy the company of familiar and new faces. They are looking for a few enthusiastic volunteers who might assist in planning future programs.
- Crafters meet every second Friday evening of the month. Everyone works on creative projects of their own choosing. It's an opportunity to share ideas, see others' talent and enjoy friendship.
- Hope Quilters meet in the church Fellowship Hall each Monday morning. Working together with donated machines and fabric, they create beautiful and functional quilts. The quilts are taken to Central Lutheran Church, where they are distributed to those in need.
- Care packages are created and sent by volunteers to college students and those in the military.
- We have child care provided in the nursery by Clair Gustafson on Sunday mornings during both services and the Faith Formation hour.
- Please note the report by Pastor Esther Dant regarding Compassion Care and Friendly Visitors. These two groups will be linked with the new Pastor for Care and Nurture once this person is hired.
- Dorcas Circle and Gloria Circle each meet once a month on a Thursday for devotions and fellowship, and occasional service projects.

All of these programs eagerly welcome new participants!

Nancy Swanson, Liaison for Relational Ministries

Facilities Committee

The Facilities Committee work in 2016 was dominated by two important projects: roof replacement and courtyard improvements.

We contracted with AllWeather Roofing to replace all the flat roof systems and metal flashing on the education and office wings. The chapel roof, which was replaced in 2015, required additional rain leader work that we also finished this year. Also, some minor roof repairs were completed in the bell tower in November. Our new roof systems should last a minimum of 25 years, with the likelihood of years beyond that. We were very pleased with the contractor's quality of work and the very positive relationship we developed with the company.

The other main project in 2016 was the courtyard renovation. After receiving a generous donation, we arranged for tree removal and tree trimming, both of which were long overdue. With the guidance of Kathy Knudson, we hired Terrapin Landscaping to renovate the courtyard surfaces and prepare the area for planting this coming spring. We received many positive comments about the new look of the courtyard and we look forward to continuing the good work in 2017.

Other projects included finishing the youth room refresh with the help and resources of PEASE Academy, replacing some air handling units for offices and classrooms, replacing fogged window glass at the east entrance, reinforcing metal doors for added security, and plumbing repairs in the women's rest room in the upper education wing and custodial closet near the library.

Special thanks this past year go to several individuals: Kathy Knudson for her commitment to the courtyard project even during her period of illness; Bob Paschke personally repaired wooden chairs and hymnal holders; and Fred Kreider for his diligent efforts obtaining courtyard furnishings. You are a blessing to us all.

We have several exciting projects in the works for 2017 so stayed tuned.

John Pignatello and Craig Nelson, Facilities Committee Co-chairs

Personnel Committee

2016 was a busy year for the Personnel Committee as we began to align our staffing model with the congregation's vision goals established in 2015. We were fortunate that our Minister of Youth, Jim Vitale, decided to postpone his pastoral internship until his fourth year of seminary and continue working with the youth of our congregation for a third year. Additional duties with social media and communication added several hours a week to his position. Anticipating hiring a minister for Children's and Youth Ministry upon Jim's departure in May 2017, we decided to hire an interim Minister of Faith Formation for the academic year 2016-2017. That search resulted in 2 new part-time staff members in August 2016; Ashlei Buhrow is responsible for children's Faith Formation, while Monty Lysne is coaching the whole congregation to be more attentive to faith formation.

During the summer, the Vision & Governance Board approved a new part-time position for a Community Engagement Coordinator. A job description was drafted, a search committee formed, two rounds of interviews conducted, and in early September, in time for the Welcome Back Students event, Nicholas Tangen was on board.

In the fall, Visitation Pastor Esther Dant announced her retirement at the end of January 2017. The Executive and Personnel Committees considered various staffing constellations for the coming year and ultimately decided on a 15 hr/wk Pastor for Care and Nurture. That position should be filled in February 2017.

The position of weekend custodian is perennially difficult to fill. Full-time staff members, primarily the pastor, have often taken on many of the responsibilities. Upon the recommendation of the Lead Pastor, we now have a paid "Sunday Opener/Closer," Ben Hartmann, to attend to routine building procedures, while a limited number of members and staff are on call for set-up or emergencies.

We have continued to be blessed by the creative, inspirational, and dependable work of Rev. Jen Nagel, Lead Pastor; Rev. Esther Dant, Visitation Pastor; Gayle Bidne, Business Manager; Zach Busch, Minister of Worship and Music; Kate Reuer Welton, Lutheran Campus Pastor; Geremew Beshah, Custodian; and Clair Gustafson, Child Care. 2017 will bring more staffing changes. We anticipate that by June 2017, our staff model will be:

Lead Pastor (40 hrs)	Pastor for Care and Nurture (15 hrs)
Minister of Worship and Music (35 hours)	Minister of Faith Formation (title TBD, 20 hrs)
Business Manager (40 hrs)	Community Engagement Coordinator (20 hrs)
Custodian (3 rd party contract)	Sunday Opener/Closer
Child Care	Campus Pastor

Beth Kautz, Past President, Chair of the Personnel Committee

Gratitude and Generosity Committee

This report starts off with a disclaimer: Our committee consists of new members, none of whom have served in a stewardship capacity in the past. It was therefore helpful that last summer, some members were able to attend a half-day stewardship workshop to give us ideas regarding what other congregations were doing in the area of stewardship. After reading some of the materials suggested at the workshop and brainstorming ideas in our early meetings, it became apparent that what stewardship meant to this committee was expressing gratitude for what comes from God and tying that to congregational gifts of generosity both monetarily and in time and talents. Thus, the change in our name from Stewardship to Gratitude and Generosity Committee.

This fall in an effort to introduce this concept to the congregation and in preparation for pledging, we held a Sunday Forum where we talked about gifts and service along with sharing our gratitude and generosity stories. Our hope was to encourage congregants to share their own G and G stories. We will then keep these in a folder for others to read, hopefully inspiring more people to share. This is still a work in progress, but committee members have shared their stories in *The Visitor* and look for more of these during worship times in the coming months.

Along with sending out the pledge letters and cards this past October, some of the other activities our committee has been involved in have been:

- Arranging for 3 special guest speakers to give stewardship sermons (one of which was our own Ann Beane)
- Ann also gave a children's message based on Gratitude and Generosity
- Members of our committee participated in a dialog sermon highlighting our faith stories as it related to themes in the Bible lessons for that Sunday
- We have instituted a monthly "noisy offering" where kids collect coins from congregants. The proceeds are divided between the The Sheridan Story to fill back packs of food for Marcy Elementary students and to help fund further development of our children's play area
- We have an ongoing commitment to send thank you notes to congregation members who serve on committees, boards, share music talents, assist with the services or help in any way to further God's work in this community

Our goal is to maintain a focus on gratitude and generosity not only in the fall during pledge time, but throughout the year. We hope to inspire members of the congregation who may not have previously pledged and for others to perhaps increase their pledge or share gifts of talents and service.

Respectfully submitted by committee members

Ann Beane, Ann Wagner, Kathy Kufus, Molly Broin, Beth Ubbelohde and John Hensrud

Leadership Development

This has been a year of many new people, traditions and faith explorations. Our vibrant congregation is exploring new ventures and programs, all of which require some form of leadership to be effective. The Leadership Development Committee has been in conversation with many individuals regarding a variety of positions. Thankfully, several of you have agreed to accept new roles or commit to renewed terms and we thank you for your service to the congregation. Some positions still remain; we continue to seek nominees for Vice President, and Synod Assembly Voting Members. Nominations for these positions will be taken from the floor at the 2017 Annual Meeting if not already filled.

Our members are busy, engaged and committed to many valuable endeavors (some even outside of this congregation!) In light of this, there is a need for a large cross section of members to participate in the leadership of this congregation. If you are interested in exploring how you may be of service, please contact me, Uli Koester or Elizabeth Lincoln to discuss opportunities.

Please prayerfully consider volunteering!

Jack Dant, Leadership Development Committee Chair

Leadership Development

Names in ***bold italics*** are nominees. * Ending is the annual meeting held in February of that year.

Officers

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
President	1 year	<i>Eric Ringham</i>	<i>2018</i>	<i>N/A</i>
Past President	1 year	<i>John Rydeen</i>	<i>2018</i>	<i>N/A</i>
Vice President	1 year	<i>TBD</i>	<i>2018</i>	<i>N/A</i>
Treasurer	2 years, 1x re-elect	Ruth Hedman	2018	Term 1

Vision and Governance Board Members -at-Large

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Worship and Music	2 years, 1x re-elect	Lisa Morse	2018	Term 1
Education		Kirsten Mebust	2018	Term 2
Youth and Young Adults		<i>Leena (Haugland) Rapacz</i>	<i>2019</i>	<i>Term 2</i>
Relational Ministries		<i>John Beane</i>	<i>2019</i>	<i>Term 1</i>
Hope in the World		<i>Bruce Eldevik</i>	<i>2019</i>	<i>Term 2</i>

Financial Controls Committee

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	3 years, 1x re-elect	John Beane	2018	Term 1
Member #2		<i>Mark Nelson</i>	<i>2020</i>	<i>Term 2</i>
Member #3		Kelly Brooks	2019	Term 2

Personnel Committee

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	3 years, 1x re-elect	Shelly Parry	2019	Term 2
Member #2		Garvin Davenport	2018	Term 2
Member #3		Becky Halvorson	2020	Term 1

Facilities Committee

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	3 years, 1x re-elect	Mike Kneer	2019	Term 1
Member #2		John Pignatello	2018	Term 1
Member #3		Bob Paschke	2019	Term 1
Member #4		Ken Lynes	2020	Term 1
Member #5		Kathy Knudson	2020	Term 1

Gratitude and Generosity (Stewardship) Committee

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	3 years, 1x re-elect	Ann Wagner	2019	Term 1
Member #2		Kathy Kufus	2019	Term 1
Member #3		Beth Ubbelohde	2019	Term 1
Member #4		Ann Beane	2019	Term 1
Member #5		Molly Broin	2019	Term 1
Member #6		John Hensrud	2020	Term 1

Leadership Development Committee

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	2 years, 1x re-elect	Jack Dant	2019	Term 2
Member #2		Uli Koester	2019	Term 2
Member #3		Elizabeth Lincoln	2018	Term 1

Trust Board

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Member #1	4 years, 2 consecutive terms max	Merrill Morse	2021	Term 2
Member #2		Greg Davenport	2021	Term 2
Member #3		Joan Campbell	2020	Term 2
Member #4		Kathryn Carpenter	2019	Term 2
Member #5		Luther Ranheim	2018	Term 1
Member #6		Jack Dant	2020	Term 1
Member #7		Carol Flaten	2020	Term 1

Synod Assembly (May 5-6, 2017)

<i>Title</i>	<i>Term Length</i>	<i>Name</i>	<i>Ending*</i>	<i>Term</i>
Lay Voting Member #1	1 year	(TBD)	2018	N/A
Lay Voting Member #2		(TBD)	2018	N/A
Alternate		(TBD)	2018	N/A

Trust Board Annual Report

2016 was probably one of the most tumultuous years in the history of the Hope Church Trust, including even the 2008-9 recession from which the Trust recovered nicely. In a nutshell, here's what the Trust Board dealt with as the year unfolded:

January – A bookkeeping error of nearly \$90,000 dollars related to Principal in the fund was discovered. The good news: no “lost” money, just a misunderstanding. Between January and May every transaction in the last 6 to 10 years was reviewed, corrections were made, and the analysis and corrections were confirmed by a CPA.

February – The Trust Board, realizing that Principal may have been compromised in previous years due to the accounting error, reviewed previous grant calculations. The good news: no problem; that had not occurred. The Trust Board also looked into fidelity bond coverage for Board members, which ultimately led to full coverage for both Trust Board and Vision and Governance members via an added rider in the church's general insurance coverage.

March-April – The revised Principal amount, combined with the first-ever decline in Trust Fund value in 2015 (unrelated to investment returns) triggered a review of the 5.5% rule in the Bylaws. It became clear that following this formula would cause the Trust to “hit a wall,” a point beyond which it would no longer be able to give grants (a primary purpose of the Trust) without compromising Principal. The Board took immediate action to adjust grants for 2016 to a sustainable level for the Trust.

A surprise along the way - After an extensive search and review of documents (or lack thereof) related to the Johnson Mission Fund in the Trust, the Board was about to dissolve the Fund due to a negative balance. Pushing further, however, with CPA help, the Board determined that an error had occurred several years ago, the resolution of which meant that the Johnson Mission Fund still exists, available for Hope's support of global missions. Good news.

May-July – Trust updates were provided to church staff and Treasurer. Closer communication between the Trust and the Vision and Governance Board was established. The Trust also joined the Financial Controls Review instituted by the Vision and Governance Board. Multiple meetings with the contracted CPA led to both confirmation of Trust finances and suggestions for changes.

August – The Trust Board responded to a variety of requests including the recommendation of the Financial Controls CPA and approved moving funds from the Trust to the congregation's operating budget (as reported in the October and December issues of the Hope Visitor). The Board approved moving remaining funds in five Special Gift accounts (Arts and Environment, Heritage, Library Fund, Music Fund, and Student Outreach) to the church Operating Budget, pending V & G Board acceptance of responsibility for fulfilling Donor Intent.

The Trust Board declined the request of the Financial Controls CPA to re-direct memorial gifts to the operating budget, continuing instead the long-standing policy of memorials going to the Hope Church Trust. The Trust Board also declined a proposal that all small cash gifts to the Trust be re-directed to the operating budget on the basis that all gifts count and that establishing a threshold for such gifts would be untenable. Along the way, data related to memorial gifts to Hope over the last ten years was collated and reviewed.

September – The Trust Board met jointly with the Vision and Governance Board in a review with the CPA of his work with the Trust. The Trust also began the process of updating signing authorities on several accounts. In September as well as in May the Trust closed out two CD's from the ELCA Mission Investment Fund, the funds to be re-invested in 2017.

October-November – the Trust Board engaged in extensive discussions and calculations around the accumulation and use of interest in the Trust; further review will continue in 2017. Plans for a bylaws change of the 5.5% rule were finalized. Projections and preparations for a presentation to the V & G Board about the Bylaws change were made.

December – The Trust Board met with the Vision and Governance Board for a broad update of its work during 2016, explaining the problem with the 5.5% rule and proposing a Trust Bylaws change. The V & G Board, after good questions and discussion, added their approval to the proposed change; they also passed a motion enabling the transfer of Special Gift funds to the operating budget (dedicated funds), assuming responsibility for Donor Intent.

Finally, the Trust Board updated and revised the grant application form, and made it available to applicants for grants in 2017. The year ended with the Trust Board working on ways to inform the congregation as a whole in regard to the proposed Trust Bylaws change.

Relevant Financial Notes for 2016 include:

I. Grants given in 2016:

Orphan Sponsorship International	-	\$ 500.00
Mabel's Free Clinic	-	\$ 200.00
The Sheridan Story	-	\$1,300.00
Courtyard Renewal	-	\$5,000.00
Courtyard Concerts	-	\$1,750.00
Worship Team Conference	-	\$1,125.00
Church WiFi	-	<u>\$3,500.00</u>
Total	-	\$13,375.00

II. Assets –

The Trust has investments in two social investment funds and in the ELCA Foundation:

Domini Social Equity Fund	\$109,346.02
PAX Balanced Fund	\$167,076.06
ELCA Foundation	<u>\$294,340.09</u>
Total	\$570,762.17

Remaining assets are held in a checking account; the current high balance is due to the CD cash to be reinvested in 2017:

Total Trust Assets	\$629,633.05
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III. Total Liabilities and Equity –

The Johnson Mission Fund :	\$10,352.28
The amount of Principal in the Trust:	\$453,647.72
The remainder is interest and earnings.	<u>\$165,633.05</u>

Total Trust Liabilities and Equity	\$629,633.05
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The Trust Board wishes to thank all donors, past and present, who have created and sustained the Hope Church Trust as such a beneficial resource for the mission work of ULCH.

Merrill Morse, Chair, Hope Church Trust

Board Members: Greg Davenport, Joan Campbell, Kathryn Carpenter, Luther Ranheim, Jack Dant, Carol Flaten

University Lutheran Church of Hope Staff

Lead Pastor	Jen Nagel
Visitation Pastor	Esther Dant
Minister of Youth and Communications	Jim Vitale
Minister of Worship and Music	Zach Busch
Community Engagement Coordinator	Nicholas Tangen (beginning Sept. 2016)
Interim Faith Formation Minister	Ashlei Buhrow (beginning Sept. 2016)
Congregational Faith Formation Coach	Monty Lysne (beginning Sept. 2016)
Business Manager	Gayle Bidne
Child Care Attendant	Clair Gustafson
Weekday Custodian	Geremew Beshah
Sunday Opener/Closer	Ben Hartmann
Boiler Reviewer	Ken Lynes

Statistical Report

Membership beginning of 2016 714

Members received in 2016

Baptized - Children	3	
Baptized - Adults	0	
Affirmation of Faith/Transfer	8	
Other Sources	0	
Total gains		11

Number of Baptized who were Confirmed 3

Members removed in 2016

Death	2	
Transfer	3	
Other	6	
Total Removed		11

Membership as of December 31, 2016 714

Financial Statements

Treasurer's Report

General Operations

We ended 2016 with a profit of \$40.7K. While our revenue was under budget by \$9.2K our expenses were also under budget by \$49.9K. Salaries & Benefits is where we saw our biggest variance from actual to budget. We were under budget by \$55K. Thanks to staff and volunteers in the congregation, we were able to perform all necessary administrative tasks with a delay in filling the Director of Education and Small Group Ministries position. This delay is a contributing factor in our favorable variance.

Staff and lay ministry made an effort this year to use our funds in the Dedicated Accounts (money given to us for a specific purpose). This was also a factor in our expenses being favorable to budget. In 2016 we used \$2.5K of Dedicated Funds. We also transferred \$12.3K from the Trust Fund for the Dedicated Accounts. These funds were in the Trust Fund as Dedicated Accounts. Because the Trust is focused on long term growth of its assets, (and after discussions between the Trust Board and Vision & Governance) these funds were moved to the Dedicated Accounts of the Operating Fund. These funds will be available for use in 2017 and beyond.

In 2016 we began the process of switching our checking and savings accounts from Wells Fargo to Bremer. This process is almost completed. Bremer offers us better pricing, is a local organization and aligns better with our values. Thank you, Gayle, for all your work on this switch.

Our courtyard received a face lift this fall that, while not an expense in the Operating Fund for us as a church, is thanks to us. There was a fund raiser this fall that paid for Phase I and II of the work.

Building Fund

Thanks to our successful capital campaign, the roof over the Education and Office wings of our building was replaced in 2016. Because of that expense our Net Loss for 2016 was \$215K. Even with this expense our Building Fund subsidized the mortgage by \$83K. PEASE Academy continues to reimburse us ~\$400/month for remodeling that was done in previous years. This year, PEASE paid for the re-modeling of the Youth Room on the first floor of the Education Wing. While they continue to do good work for teenagers that have gone through rehab, we continue to welcome them as our renters and neighbors.

We are blessed to have a home in our building that welcomes us, PEASE, the Marcy Holmes neighborhood, and so many others.

Closing Comment

Were it not for all of us we would not have the building, the programs and the ministry that we do. So from the financial aspect of our church, thank you for your gifts that help us continue doing what we do.

Ruth Hedman, Treasurer

Financial Controls Committee

The Financial Controls Committee worked closely with the Board this past year to engage a financial firm to conduct a review of our financial controls. We signed a 1-year commitment with LeiningerCPA, Ltd. (certified public accountants) to conduct the first phase of what they call a Financial Controls Check-up. It is our intention to continue over the next 1-2 years with LeiningerCPA to complete their full recommended Check-up.

Work was done in May and June of 2016 with the significant involvement of Gayle Bidne, ULCH Business Manager; Ruth Hedman, Treasurer; and Merrill Morse, chair of the Hope Trust. The goals for this engagement for year 1 were: 1) focus on the reliability of balance sheet financial information and annual reporting to the congregation, and 2) lay a foundation for understanding the Church's overall financial and internal control activities.

A final report was received from David Leininger dated July 21, 2016 and reviewed and discussed in a meeting with the Board, our Business Manager and the Financial Controls Committee. The report states that "Church staff and lay leadership are committed to maintaining a sound culture of financial accountability." Dave Leininger informed the group in our review meeting that University Lutheran Church of Hope is one of, if not the most, invested and involved congregations he has worked with. Kudos to Gayle, Ruth and Merrill for the time and effort they invested in this work with Leininger.

A number of recommended changes were suggested and will be – and in many cases already have been – adopted. We agreed to move forward in 2017 with the next phase, focusing on our Capital Campaign and on understanding and "cleaning up" our Dedicated Accounts in the general operating fund. We also have a goal to better define the Treasurer role and compile training information for incoming treasurers.

Thanks to all involved – both in this process and in the day-to-day running of the church's business – for your hard work and high standards. The Financial Controls Committee believes that if this Check-up were a report card, ULCH earned a strong A!

Mark Nelson
Chair of Financial Controls Committee

UNIVERSITY LUTHERAN CHURCH OF HOPE
OPERATING ACCOUNT

PROFIT & LOSS - 2016

	Actual 2016	Budget 2016	2016 Variance
General Giving	439,902	445,500	(5,598)
Rental Income - Other	93,767	97,362	(3,595)
			-
TOTAL INCOME	533,670	542,862	(9,192)
Salaries & Benefits	275,416	330,286	(54,870)
Administration - Other	34,349	26,831	7,518
Operations - Other	133,772	129,000	4,772
Education Ministries - Other	2,371	3,550	(1,179)
Hope in the World	5,703	5,900	(197)
Worship Ministries	4,901	7,600	(2,699)
Relational Ministries	(87)	1,500	(1,587)
Benevolences	27,731	28,066	(335)
Ldrshp Dvlpmnt & Communications - Other	17	500	(483)
Youth & Young Adults Ministry	3,585	4,385	(800)
Finance	5,244	5,244	-
TOTAL EXPENSES	493,003	542,862	(49,859)
NET INCOME	40,667	-	40,667

BALANCE SHEET

ASSETS

Current Assets	
Checking/Savings	248,534
Accounts Receivable	8,429
Other Current Assets	120
Total Current Assets	257,083
Fixed Assets	2,680,434
TOTAL ASSETS	2,937,517

LIABILITIES & EQUITY

Current Liabilities	10,709
Long Term Liabiltiies (Mortgage)	1,105,306
Total Liabilities	1,116,015
Dedicated Accounts	
Sunday School Offerings	198
Interest Income	1,149
FMF Dedicated Fund	7,350
Loaves & Fishes	4,687
Special Gifts	362
Women's Retreat	(228)
Youth Fund	6,849
Hope Diamonds Luncheons	885
Instrument Maintenance Fund	2,119
Lutheran Campus Ministries	152
Tape Ministry	116
Nigeria Missions	2,376
Outreach Donations	250
Erik Johnson Memorial Fund	800
Music Fund	2,578
Moonlight Madness	150
Adopted/Multi-Cultural Families	3,937
Funeral Fund	669
Lenten Luncheons	813
Library / Reading Fund	1,132
Friendly Visitor Program	3,966
Unity Candle Stand	200
Gloria Circle	1,167
Quilters	875
Kitchen Fund	2,314
Stained Glass Maintenance	2,030
Sabbatical Fund	1,350
Courtyard Concerts	482
Student Outreach	7,143
Heritage Fund	2,122
Fine Arts Fund	285
Total Dedicated Accounts	58,279
TOTAL EQUITY	1,821,501
TOTAL LIABILITIES & EQUITY	2,937,517

UNIVERSITY LUTHERAN CHURCH OF HOPE BUILDING FUND

PROFIT & LOSS - 2016

	<u>Actual 2016</u>
Capitalized Interest	1,370
Contributions Income	90,318
TOTAL INCOME	<u>91,687</u>
Building Improvements	223,857
Mortgage Subsidy	83,027
TOTAL EXPENSES	<u>306,884</u>
NET INCOME	<u>(215,197)</u>

BALANCE SHEET

ASSETS

Current Assets	
Checking/Savings	52,495
Accounts Receivable	10,256
Total Current Assets	<u>62,751</u>
TOTAL ASSETS	<u>62,751</u>
TOTAL EQUITY	<u>62,751</u>
TOTAL LIABILITIES & EQUITY	<u>62,751</u>

**UNIVERSITY LUTHERAN CHURCH OF HOPE
2017 BUDGET**

	<u>2017 Budget</u>
General Giving	448,700
Rental Income - Other	139,315
 TOTAL INCOME	 <u>588,015</u>
 Salaries & Benefits	 330,986
Administration - Other	34,783
Operations - Other	130,196
Education Ministries - Other	3,000
Hope in the World	7,450
Worship Ministries	10,735
Relational Ministries	1,500
Benevolences	28,268
Ldrshp Dvlpmnt & Communications - Other	2,100
Youth & Young Adults Ministry	4,100
Finance	52,897
	-
 TOTAL EXPENSES	 <u>606,015</u>
 NET INCOME	 <u>(18,000)</u>