

SOUTHWOOD LUTHERAN CHURCH

ANNUAL MEETING, 2020

AGENDA

JANUARY 26, 2020

CALL TO ORDER: PRESIDENT: KAY ANDERSON

OPENING PRAYER: PASTOR GREG OLSON

APPROVAL OF AGENDA

APPROVAL OF MINUTES: JANUARY 20, 2019 ANNUAL MEETING

NOMINATING COMMITTEE REPORT: CHARLIE FRANCIS

ELECTION OF CHURCH COUNCIL MEMBERS – Brian Boesiger, Larry
Buchmann, Jill Hurlbut, Cullen Robbins, Linda Whitmire

ELECTION OF ENDOWMENT FUND TRUSTEES – Lori Buchmann, Dale
Niebuhr, Sara Weyeneth

TREASURER'S REPORT: LINDA WHITMIRE

ADOPTION OF 2020 ANNUAL BUDGET: LINDA WHITMIRE

ELECTION OF 2020 NOMINATING COMMITTEE: KAY ANDERSON

Tom Blankenau, Jill Hurlbut, Jason Pauling, Linda Whitmire, Erik Wichita

PRESIDENT'S REPORT

ADJOURNMENT

CLOSING PRAYER: PASTOR JESSICA KINGSBOROUGH

The 2020 Annual Meeting of Southwood Lutheran Congregation will be held Sunday, January 26 at 12:00 p.m., at Southwood Lutheran Church. All confirmed, communing, and contributing members of the Congregation are eligible to join in the decision-making process and vote. Please read the attached reports and come to the Annual Meeting.

<u>STATISTICAL REPORT</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Accessions</u>							
Baptized Members	412	345	227	317	241	186	211
Confirmed Members	269	204	122	159	118	100	117
<u>Losses</u>							
Baptized Members	137	151	193	151	230	232	172
Confirmed Members	58	59	111	104	108	183	138
<u>Baptisms</u>							
Children Baptized	90	104	81	89	81	68	69
Adults Baptized	9	5	10	3	5	4	5
<u>Worship Services</u>							
Sunday Worship Services	157	157	154	155	160	154	154
Average Attendance	1379	1391	1387	1392	1428	1371	1413
Lenten Services/Average	9/462	9/495	9/472	9/451	9/445	9/402	9/378
Other (Thanksgiving, Christmas)/Avg	6/653	6/671	6/656	5/818	2/343*	6/716	6/675
<u>Weddings</u>							
Weddings	17	29	31	19	21	21	19
<u>Funerals</u>							
Funerals	12	16	13	14	37**	26	20
<u>Membership</u>							
Baptized Members	3902	4096	4134	4300	4311	4265	4304
Confirmed Members	2872	3017	3028	3125	3182	3099	3206
Family Units	1457	1578	1592	1649	1651	1671	1667

*Christmas Eve included in Sunday for 2017

**Includes funerals by Southwood pastors done offsite

ANNUAL MEETING, 2019
SOUTHWOOD LUTHERAN CHURCH
JANUARY 20, 2019

CALL TO ORDER: President Tom Blankenau
OPENING PRAYER: Pastor Greg Olson

APPROVAL OF AGENDA: Motion was made and seconded to approve the agenda for the Annual Meeting. Motion carried.

APPROVAL OF MINUTES: We reviewed the Annual Meeting minutes from the January 21, 2018 Annual Meeting. Motion made and seconded to approve the minutes as presented. Motion carried.

NOMINATING COMMITTEE REPORTS: Motion made and seconded to approve the following slate. Motion carried.

ELECTION OF CHURCH COUNCIL MEMBERS: Kay Anderson, reporting for the Nominating Committee, presented the slate of candidates for election to the Church Council. The following members were elected: Melanie Crocker, Laura Leger, Matt Novosad, Jodi Rowlett.

ELECTION OF ENDOWMENT FUND TRUSTEES: Kay Anderson, reporting for the Nominating Committee, presented the slate of candidates for election for the Trustees for the Southwood Lutheran Endowment Fund. The following member was elected: Cullen Robbins.

TREASURER'S REPORT: Linda Whitmire presented the Treasurer's Report. The 2018 Treasurer's report approved and seconded. Motion carried.

ADOPTION OF 2019 ANNUAL BUDGET: Linda Whitmire presented the 2019 Annual Budget. Dan Klaus, chair of the Transition Committee, presented the proposal for the Executive Director position, the rationale behind this proposal and the inclusion of this item in the budget. Dan Klaus and Linda Whitmire fielded questions. Motion made and seconded to approve the proposed 2019 Annual Budget. Motion carried.

ELECTION OF 2019 NOMINATING COMMITTEE: Tom Blankenau, reporting for the Church Council, presented the slate of candidates for election to the Nominating Committee: Charlie Francis, Scott Kiefer, Laura Leger, Kim Moore, Jodi Rowlett. Motion made and seconded to approve the proposed slate. Motion carried.

PRESIDENT'S MESSAGE: Tom Blankenau's message focused on gratitude. Gratefulness to God for his family, our church, the staff, pastors and members and the support they provide to him personally, our community and the world. He thanked Southwood members for allowing him to serve as president of the church council.

A motion to adjourn the meeting was made and seconded.

Meeting was closed with a prayer by Pastor Michael Ryan

Respectfully submitted,
Jill Hurlbut

Nominating Committee Report for Church Council

The Nominating Committee has selected these members of Southwood as nominees for the vacancies on the Church Council. Each nominee was asked to complete an information sheet in which they were asked the same information. They provided the following information:

Brian D. Boesiger-Insurance & Financial Advisor. Brian has been a member of Southwood for 24 years. His service to Southwood Lutheran Church includes singing in the Men's Chorus, volunteering with Backpack Program, serving on the Worship Advisory Board, participating in a small group, being a past member of the Church Council and a former Sunday School teacher. Brian's service in the community includes volunteering with Fellowship of Christian Athletes, Junior Achievement and Nebraska Community Blood Bank. "What do you see as the greatest challenges and opportunities for Southwood Lutheran?" *"The ability to make deep connections in our faith and with others in a large, growing church, through worship and serving opportunities. Recognizing that as we grow, new and different accommodations will be necessary to help serve God and our members."*

Larry G. Buchmann-Retired, General Manager. Larry has been a member of Southwood for 29 years. His service to Southwood Lutheran Church includes volunteering as an usher, communion assistant and a confirmation leader, being a member of the Endowment Fund Committee, a small group study member/leader and a former Church Council member. Larry's other church service includes being a member of several Honduras dental mission trip teams and a former team leader for the Gathering on the Greens event. His community service includes volunteering at Matt Talbot Kitchen & Outreach, The Gathering Place and participating in Southwood Serves. "What do you see as the greatest challenges and opportunities for Southwood Lutheran?" *"I believe one of Southwood Lutheran's biggest challenges is to sustain growth of Christianity in a world that has limited ourselves to sound bites. The opportunity for Southwood to grow has never been better, because of the incredible staff and caring people within our church."*

Jill C. Hurlbut-Medical Group Administrator, retired Pharmacist. Jill has been a member of Southwood for 23 years. Her service to Southwood Lutheran Church includes being an All Stars leader, Sunday School teacher, VBS volunteer, member of Grace Circle, serving as chair for the Southwood-Tanzania Committee, an Endowment Fund Committee member, Church Council member and secretary, Mission Advisory Board member, participating in mission trips to Honduras and Tanzania and volunteering at Clinic with a Heart. Jill's community service includes being a member of the Junior League of Lincoln and thrift shop treasurer, member and president of the Lancaster County Medical Alliance, volunteering at Matt Talbot Kitchen & Outreach and volunteer soccer coach with the YMCA of Lincoln. "What do you see as the greatest challenges and opportunities for Southwood Lutheran?" *"People seem to be busier than ever. It has been and will be a challenge to engage members, those that do and do not regularly attend, as well as visitors and online viewers. They benefit from the relationships with God and with others that form the community of believers. Engagement doesn't just happen on Sunday mornings, however, and with today's culture Southwood has to explore opportunities to connect with people through the internet, our missions, small group ministry and by creating value for the participant. It will be important to approach these challenges with love, authenticity, positivity, empathy and grace."*

Cullen R. Robbins-Director of Telecom/NUSF-Public Service Commission. Cullen has been a member of Southwood for 14 years. His service to Southwood Lutheran Church includes being a small group participant, serving in the café, co-teaching the financial class with his wife, being a former Sunday School teacher, delivering Meals on Wheels, currently serving on the Missions Advisory Board and as a trustee on the Endowment Fund Board and was on the Pastoral Call Committee. Cullen's other church service includes attending the Lutheran Student Center and supporting their mission and the construction

of their new facility. “What do you see as the greatest challenges and opportunities for Southwood Lutheran?” *“I think the greatest challenges are the greatest opportunities for Southwood. I think the two largest are preparing for changes in leadership within the church, and determining how the church might handle growth in the congregation.”*

Linda A. Whitmire-SVP, Chief Actuary. Linda has been a member of Southwood for 26 years. Her service to Southwood Lutheran Church includes being a PreK Sunday School teacher, church treasurer, member of the Church Council, volunteer with the Saratoga Backpack Program, member of the Finance and Facility Advisory Board, sponsoring a Tanzania student, participating in Southwood Serves and going on a Honduras mission trip. Linda’s community service includes being the vice-chair of the UNL Actuarial Science Advisory Board and a graduate of Leadership Lincoln. “What do you see as the greatest challenges and opportunities for Southwood Lutheran?” *“Southwood is a wonderful church that we are so blessed to have. It is our responsibility to continue to make Southwood that faith place where both visitors and members feel a special connection to each other and to our Lord and Savior. Our strong children and youth ministries are key to growing our love of Christ in our youngest members. Our adult ministries and strong global and community mission work provide multiple opportunities to meet varying spiritual needs and to connect the different generations. Church attendance patterns nationwide are changing. It is important that we continue to focus both on the current as well as the long-term needs of our congregation and to prayfully and thoughtfully make the best use of the resources God has given Southwood.”*

Nominating Committee Report for Endowment Fund Trustees

These members of Southwood have agreed to be nominees for Endowment Fund Trustee. They were asked to complete an information sheet in which they provided the following information:

Lori Buchmann-Dental Practice Administrator. Lori has been a member of Southwood for 29 years. Her service to Southwood includes being on Church Council and serving as president in the past, volunteering as an usher, communion assistant and a confirmation leader, serving on a pastoral call committee, being a small group member, participating in Southwood Serves, being a team leader for Gathering on the Greens and serving at Matt Talbot Kitchen & Outreach and The Gathering Place. Lori's other church service includes going on Honduras mission trips. Her community service includes serving at Clinic with a Heart and at City Impact, Gifts of Love.


Dale K. Niebuhr-Retired accountant, auditor and risk manager. Dale has been a member of Southwood for 11 years. His service to Southwood includes being a Men's Breakfast leader, offering counter, Backpack Transport coordinator and small group participant. His other church service includes volunteering for Gathering Place, Matt Talbot & Kitchen Outreach and Food Distribution and going on mission trips to Honduras and Tanzania.

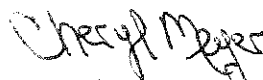
Sara Weyeneth-Stay at home mom. Sara has been a member of Southwood for 10 years. Her service to Southwood includes teaching Sunday School, babysitting for MOPS, filling backpacks for Saratoga, baking cookies for funeral lunches, providing food for Mourning Hope and participating in the Women's Bible Study and a small group. Sara's other church service includes being a past VBS teacher, delivering backpacks to Saratoga, participating in Southwood Serves, providing food for Matt Talbot Kitchen & Outreach and helping at Tabitha Village parties. Her community service includes volunteering for her children's schools and organizations they are involved in and helped plan and organize fundraiser banquets for Lincoln Young Life and Friends of the Lincoln Children's Museum.

SOUTHWOOD LUTHERAN CHURCH
REPORT ON INTERNAL FINANCIAL PROCEDURES

We reviewed certain internal financial procedures for 2018 for Southwood Lutheran Church. Procedures performed and any suggestions for the financial procedures are as follows:

- One deposit per month was randomly selected. Deposits included electronic fund transfers. All deposits selected were traced to the corresponding bank statement. Church service deposits were checked for accuracy and a sample of the envelope numbers and contribution amounts were matched to the contributor record control sheets. No exceptions noted.
- The deposit procedures were reviewed with the Director of Administration/Finance. Control procedures include dual controls and rotation of duties. Procedures were deemed adequate.
- One check or withdrawal per month was randomly selected. Reviewed invoices for proper account coding and payment approval. The check or withdrawal was traced to the corresponding bank statement and any check was reviewed for an approved signee. No exceptions noted.
- All monthly bank statements were reviewed. Monthly checking account bank reconciliations were performed in a timely manner. Agreed bank reconciliation amounts to the monthly financial statements. No exceptions. Bank reconciliations were reviewed with evidence of the review present. No exceptions.
- The money market account includes designated and restricted funds. Designated and restricted funds are accounted for and reconciled within the Church's accounting software. Reviewed the accounting detail, no exceptions noted.
- The loan payment activity for 2018 was reviewed. The lender statement was compared to the monthly financial statements. Also traced debt payments to approved budget amounts. No exceptions noted.
- Scanned insurance policies for adequacy of coverage and policies. Agreed policy amounts to annual financial statements. No exceptions noted.
- Reviewed quarterly payroll tax returns, W-2 and 1099 forms. Compared W-2 forms to quarterly payroll tax returns. Reconciled gross wages and employer payroll tax expense on annual financial statements to payroll records. Traced approved pastor housing allowance to pastor W-2 forms. No exceptions noted.
- The minutes of Church council were reviewed. Traced any financial matters noted with no exceptions.
- We noted two disbursements that were authorized by an internal email. One was partially substantiated with subsequent supporting documentation. We recommend controls be considered regarding this practice such as a threshold where board approval or an invoice be required.


Pat Meyer


Cheryl Meyer

Southwood Lutheran Church
Statement of Net Assets
Tuesday, December 31, 2019

	General Fund	Designated Funds	Missions Fund
Assets			
Cash and cash equivalents	\$ 431,821		\$ 332,813
Contingency Fund		\$ 7,690	
Building/Grounds Repairs/Maintenance Fund		\$ 41,996	
Equipment Replacement Fund		\$ 10,900	
Other Dedicated Funds		\$ 183,168	
Furniture and equipment	1,387,826		
Land and buildings	7,988,240	-	
Total Assets	\$ 9,807,887	\$ 243,754	\$ 332,813
Liabilities			
American National Notes	\$ 1,812,485	\$ -	
Other	(258)	-	
Total Liabilities	1,812,227	-	
Net Assets			
Unrestricted	7,995,660	-	
Temporarily restricted	-	243,754	\$ 332,813
Total Net Assets	7,995,660	243,754	332,813
Total Liabilities and Net Assets	\$ 9,807,887	\$ 243,754	\$ 332,813

**Southwood Lutheran Church
Statement of Revenue and Expenses, Actual and Budget, General Fund
For the Year Ended December 31, 2019**

	Percentage of	
	Y-T-D Actual	Actual to Budget
Revenues	Annual Budget	Y-T-D Actual
Plate offerings and other giving	\$ 3,140,000	\$ 3,128,549
		99.64%
Expenses		
Exec Committee/Council Personnel Costs		
ELCA/Synod support	1,849,623	1,656,725
Total Exec Committee/Council	175,000	175,000
		100.00%
Ministry Board		
Hospitality	2,024,623	1,831,725
Youth		
Children & Family		
Worship and music		
Adult Education	38,500	35,216
Total Ministry Board	46,500	44,096
		94.83%
Mission Board		
	46,490	41,880
	76,400	65,813
	8,180	4,080
		86.14%
Care Board		
	216,070	191,085
		88.44%
Finance & Facilities Board Administration/Office		
Building & Grounds		
Debt Service	90,000	85,700
Total Finance & Facilities Board	11,500	9,042
		78.63%
	119,600	93,527
	349,200	366,326
	400,000	399,964
	868,800	859,817
		98.97%
Total Expenses	3,210,993	2,977,369
		92.72%
Net Revenues Over (Under) Expenses	\$ (70,993)	\$ 151,180

**Southwood Lutheran Church
Dedicated Mission Fund Activity
For the month ended December 31, 2019**

Mission Fund	Beginning Balance	2019		Ending Balance
	1/1/19	Income	Expenses	12/31/19
Mission	200,328	170,305	233,052	137,581
Schools (Christmas)	33,939	29,490	34,553	28,876
Hunger	7,462	11,104	10,137	8,429
Global Mission	103	23,315	20,981	2,437
Honduras	8,769	9,431	16,991	1,209
Honduras Medical Clinic	55,658		4	55,654
Honduras Agriculture	1,892			1,892
Tanzania	1,085	12,725	7,411	6,399
Tanzania Medical Dispensary	0			-
Tanzania School	25,180	10,000		35,180
Tanzania Scholarships	35,478	114,081	96,650	52,909
Travel	18,654	160,568	176,969	2,253
Total Fund Balances	388,548	541,019	596,748	332,819

2020 Budget Narrative

The Church Council proposes that the Congregation approve the 2020 Budget as presented. General fund giving is projected to increase about 3.5% in the coming year. This budget will allow us to continue the high quality of Southwood programs. Specific items include:

- **Staff** – Southwood could not keep the high quality of worship, ministry, mission and care without our dedicated staff. Increased dollars for staff include raises and funding for a new staff person to help with communications.
- **Building** –In the coming year, we need to make repairs to the asphalt in the parking lot, the retaining wall on the north side of the building, and miscellaneous other repairs. As our building gets older, we have increased maintenance costs. This budget allows us to set aside money for unexpected repairs.
- **Mission** – We continue to pay the administrative costs of Mission through the general fund. This includes costs for Southwood Serves, staff travel, travel insurance, trip scholarships, and ongoing support for our pastors in Honduras and Tanzania.
- **Security** – The budget includes funds for potential additional security measures. A team is working on what would be most appropriate for Southwood.
- **50th Anniversary** – Southwood will celebrate its 50th anniversary in 2021. A team is planning this celebration. The budget includes money for the celebration.
- **Debt Payments** – We continue to pay down our debt. We currently owe \$1.8 million. If we continue to make payments as we have been, we will be debt-free in 2024.
- **Planned Budget Deficit** – This proposed budget shows a deficit of about \$100,000. However, we have approximately \$430,000 in our cash reserve that will cover the deficit, if needed.

Southwood Lutheran Church
Statement of Budget Revenue and Expense
For the Year 2020

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2020 Budget</u>	<u>Percentage Change 2019 Actual verses 2020 Budget</u>
Revenues				
Total Income	<u>3,140,000</u>	<u>3,128,549</u>	<u>3,240,000</u>	<u>3.6%</u>
Expense				
Executive Committee/Council				
Staff	1,849,623	1,656,725	1,916,515	15.7%
ELCA Support	175,000	175,000	175,000	0.0%
Ministry				
Hospitality	38,500	35,216	70,500	100.2%
Youth	46,500	44,096	49,000	11.1%
Children and Family	46,490	41,880	48,900	16.8%
Worship and music	76,400	65,813	76,400	16.1%
Adult Education	8,180	4,080	9,500	132.8%
Mission	90,000	85,700	100,000	16.7%
Pastoral Care	11,500	9,042	12,750	41.0%
Finance and Facilities				
Building and grounds	349,200	366,326	366,800	0.1%
Administration and office	119,600	93,527	123,580	32.1%
Mortgage payment	400,000	399,964	400,000	0.0%
Total Expense	<u>3,210,993</u>	<u>2,977,369</u>	<u>3,348,945</u>	<u>12.5%</u>
Income Less Expense	<u>\$ (70,993)</u>	<u>\$ 151,180</u>	<u>\$ (108,945)</u>	

**Mission Dedicated Funds
2020 Income and Spending Plan**

Total of Dedicated Mission Funds 12/31/2019

2018 fundraisers and special offerings Estimated income:

Lent/Easter Offering		
Thanksgiving Offering		
Christmas Offering		
Mission Sunday		
Miscellaneous Donations		
Total	50,000	
	5,000	
	30,000	
	55,000	
Total funds available	<u>50,000</u>	
		190,000
		<u>522,819</u>

Planned Spending

332,819

Community Mission		
Hunger Missions	94,400	
Clinic With a Heart	23,400	
Other	25,100	
	<u>142,900</u>	
Global Mission		
Healthcare	20,000	
School Support	39,500	
Church Support	11,500	
Homes	25,000	
Children's Home Project	25,200	
Kuku Project	10,000	
	<u>131,200</u>	
Total Planned Spending		274,100

Estimated 2020 year-end balance*

248,719

Southwood Lutheran Church
2015-2019

	2015	2016	2017	2018	2019	% Change 2015-2019	2020 Budget
General Income Total	2,633,576	2,694,159	2,870,981	2,970,609	3,128,549	18.79%	3,240,000
Staff Total	1,535,787	1,618,619	1,653,214	1,691,807	1,656,725	7.87%	1,916,515
ELCA Synod Support Total	219,180	259,543	225,000	225,000	175,000	-20.16%	175,000
Hospitality Total	23,192	28,900	25,381	20,070	35,216	51.85%	70,500
Youth Total	28,307	31,242	36,348	46,083	44,096	55.78%	49,000
Children/Family Total	33,269	44,431	44,391	39,911	41,880	25.88%	48,900
Worship/Music Total	54,082	62,560	52,722	55,387	65,813	21.69%	76,400
Adult Education	17,006	11,250	13,455	14,047	4,080	-76.01%	9,500
Missions Total	57,220	46,104	33,865	39,991	85,700	49.77%	100,000
Care	9,892	12,099	11,025	14,871	9,042	-8.59%	12,750
Bldg & Grnds Total	225,414	250,288	260,419	318,124	366,326	62.51%	366,800
Administration/Office Total	86,516	87,332	94,703	101,436	93,527	8.10%	123,580
Loan payments	400,355	399,955	399,954	399,445	399,964	-0.10%	400,000
Expense Account Total	2,690,220	2,852,323	2,850,477	2,966,172	2,977,369	10.67%	3,348,945
Income Less Expense	(56,644)	(158,164)	20,504	4,437	151,180		(108,945)
Average Worship Attendance	1,387	1,392	1,428	1,371	1,413	1.87%	
Membership	4,134	4,300	4,311	4,265	4,304	4.11%	

**SOUTHWOOD LUTHERAN
CHURCH ENDOWMENT FUND
2019 ANNUAL REPORT**

The Southwood Lutheran Church Endowment Fund is invested in socially responsible mutual funds that meet criteria established by the Church and the Trustees. As of December 31, 2019, the balance in the Endowment Fund was \$412,198.43. As of 12/31/2019, the Endowment assets are allocated 59% Stock, 35% to bonds and 6% in money markets.

The Endowment Fund had a return of 17.5% for 2019. The Endowment Fund produced income of \$9,042.14, of which approximately \$6,782 will be available for distribution in 2020. (Per guidelines, 25% of the annual income must be reinvested back into the fund balance).

The Trustees reviewed and approved the following requests for funding in 2019:

1. The Children's Home Project in Honduras – approved \$2,000
2. Southwood Flood Relief Serve Strong Day – approved \$1,475
3. Emmaus Class for Morgan Tranmer – approved \$500
4. Annual gift for Tanzania Scholarships - \$726

Income from the Endowment Fund is used in four areas:

- Outreach into the community and Nebraska Synod
- Missions of the ELCA in this continent and worldwide
- New ministry opportunities within Southwood
- Other causes and programs which enhance the mission outreach of Southwood

Southwood members can apply for funds that meet the above qualifications.

Gifts to the Endowment Fund may be designated in memory or honor of a loved one, in response to God's goodness, as a witness to one's faith or as a financial boost to the mission and ministry of the church. There are many ways to give to the fund. Gifts can be given outright, deferred from a final estate, given anonymously or given to celebrate. If you are feeling called to give, we encourage you to visit with a financial planner who can offer many creative ways to give to maximize your gift.

On behalf of the Endowment Trustees, I would like to thank you for allowing us to serve our church in this capacity.

For the Endowment Fund Trustees,
Brian Bohling