



# Annual Report 2015

January 31, 2016

Spirit of Hope Lutheran Church

Annual Meeting

January 31, 2016

Agenda

Welcome Jason Ladman (Council President)

Devotions Pr Lance Ferguson

Meeting Jason Ladman

Quorum

Call to Order

Pastor's Reflection

Parochial Report

Ministry Outlook

Ministry Spending Plan

Voting

Ministry Spending Plan

Council

Synod Assembly

Audit

Closing Jason Ladman

Closing Prayer Pr Lance Ferguson

Pastor's Annual Report – 2015

It has been a good year at Spirit of Hope. It has been an interesting year at Spirit of Hope. It has been a challenging year at Spirit of Hope. All this adds up to, as I noted in my annual report to the bishop, it is good to be the church.

Why is it good to be the church?

Well, for one thing, the church is the body of Christ. We are the hands and feet of Christ's presence here on earth. We are the ones that bring Christ's love to life. We do this as imperfect people serving an amazing God. We make mistakes, we have challenges and we have some pretty good stories to tell people.

What does that mean exactly? Sounds like a bunch of churchy talk. Fair enough. Let's talk about what it means to be the church.

Let's talk about the challenges we've had this year. Part of being the church is recognizing that challenges crop up and we deal with them in healthy and Christ-like ways. Our challenges are not crises as such but things we need to be aware of and address. Our offerings and our worship attendance have been fairly stagnant for several months. The church council will be looking into that to see what needs to be done. The bright spot is that our net operating revenue and expenses were in the black for the first time in our history thanks primarily to reduced expenses.

Let's talk about what bringing Christ's love to life means. In effect, it means that we believe it when Jesus tells us to love God with everything we have and to love our neighbor as ourselves (Matthew 22: 36-39). It means that we take it seriously when Jesus tells us to feed the hungry, house the homeless, clothe the naked, heal the sick, and to visit the prisoner (Matthew 25:34-36). In doing those things we bring Christ's love to life.

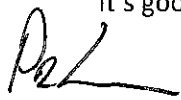
Of particular, but not exclusive, note for Spirit of Hope are the ways we feed the hungry and clothe the naked. We feed people at Matt Talbot Kitchen & Outreach every other month and have no difficulty filling the needs of that outreach when it comes around. No small task feeding 100 people or so. We also deliver Meals on Wheels every Sunday. EVERY Sunday? Yes, we're out every week delivering a hot meal to someone that wouldn't have one if someone like us didn't bring it. The rotation of delivery drivers isn't hurting for volunteers but can always use more folks, particularly in the summer. We also manage to deliver canned/dry goods to the Lincoln Lutheran Food Pantry.

I suppose it is fair to say that it is naked feet that we're clothing, to the tune of over 500 in this year's Kicks for Kids campaign. That's a lot of shoes in 8 elementary schools in our area. We also learned of another Evangelical Lutheran Church in America (ELCA) church that provides shoes as part of their adoption of a neighborhood elementary school as yet another ELCA church has been encouraged to provide shoes to an elementary school near them. We also send out a bunch of quilts every fall, though given how quilts get used in the different parts of the world they can be considered to clothe the naked or house the homeless.

These are just some examples of some pretty good news. There are a lot of other ministries going on non-stop plus we're always ready to contribute to Lutheran Disaster Relief when needed. Not only that but we've increased our support to Nebraska Synod (ELCA) which has a tremendous and wide-reaching impact throughout the state of Nebraska plus support to church-wide ministries of the ELCA. Our outreach is truly local, national and international.

We have some challenges and we bring Christ's love to life. Sounds pretty good to me.

It's good to be the church!



Pr Lance

**Year End Report  
New Members, Baptisms, Confirmation, Funerals and Transfer Out  
2015**

New Members: March 29, 2015: Michelle Benson & Mike Wright (Isabella),  
Traci Sisson (Corbin & Bristol), Al & Laurie Rouse,  
Matt & Emily Trotter (Breanna & Kayla), Brian & Amy Naber (Jayma).  
October 25, 2015; Skyler Koch; Josh, Austin & Jaelyn Baldwin

Baptisms: March 8 - Kayla Marie Trotter and Breanna Christine Trotter  
April 12, 2015 Ande Avery Ann Zugmier  
May 3, 2015 Isabella Ilene Wright  
May 24, 2015 Gracie Ann Garton

First Communion: April 2, 2015: Addyson Hanson & Kiana Dostal

Confirmation: 10-18-2015; Adriane Calafiore

Funerals:

Transfers: 10-27-2015; Grant, Brandi, Kolten, Taelynn & Ryker Settje  
to Concordia Lutheran Church

Respectfully submitted,

Laurie Rouse  
Administrative Assistant

**Spirit of Hope Lutheran Church**  
**Ministry Spending Plan - 2016**  
**Sunday, January 31, 2016**

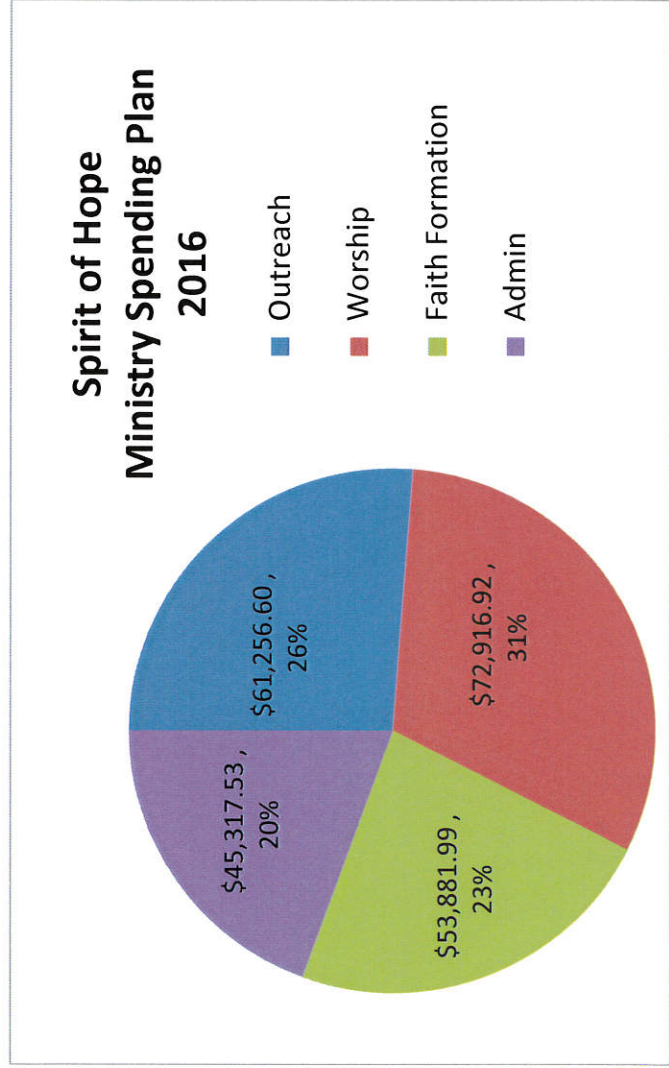
	2015 (Actual)	2016 (Proposed)	Change from 2015
<b><u>Income</u></b>			
Total General Offering	\$ 194,094.18	\$ 199,476.18	3%
Advent/Lent Offering	\$ 2,348.01	\$ 2,575.00	10%
Total Miscellaneous Income	\$ 841.82	\$ 51.50	-94%
Building Fund Income	\$ 2,826.11	\$ 2,060.00	-27%
Barnabas Project Income	\$ -	\$ 250.00	0%
Confirmation Outreach Income	\$ 113.29	\$ 118.45	5%
Matt Talbot Kitchen & Outreach Income	\$ 461.71	\$ 309.00	-33%
Kicks for Kids Income	\$ 12,079.00	\$ 9,500.00	-21%
Lutheran Disaster Relief Income	\$ 1,084.00	\$ 1,000.00	-8%
Good Samaritan Income	\$ 640.00	\$ 309.00	-52%
Thrivent Choice Income	\$ 831.00	\$ 824.00	-1%
Total Faith Formation Ministry Team Income	\$ 1,183.00	\$ 1,217.46	3%
Total Worship Income	\$ 927.00	\$ 837.39	-10%
<b><u>Total Income</u></b>	<b>\$ 218,878.62</b>	<b>\$ 218,733.98</b>	<b>0%</b>
<b><u>Expenses</u></b>			
Total Miscellaneous Expense	\$ 911.52	\$ 350.00	-62%
Building Fund Expense	\$ 2,395.49	\$ 500.00	-79%
ELCA NE Synod Mission Share	\$ 7,004.00	\$ 8,000.00	14%
Barnabas Project Expense	\$ 1.00	\$ 257.50	25650%
Lincoln Area Mission Cluster	\$ 405.00	\$ 500.00	23%
Confirmation Outreach Expense	\$ 113.29	\$ 118.45	5%
Matt Talbot Kitchen & Outreach	\$ 256.12	\$ 257.50	1%
Kicks for Kids Expense	\$ 7,525.95	\$ 9,500.00	26%
Lutheran Disaster Relief	\$ 1,059.00	\$ 1,000.00	-6%
Good Samaritan Fund Expense	\$ 408.29	\$ 500.00	22%
Total Property Expense	\$ 91,437.09	\$ 86,155.30	-6%
Youth Fund Expense	\$ 320.00	\$ 329.60	3%
Staff/Misc Expense	\$ 248.02	\$ 180.25	-27%
Total Compensation Expense	\$ 92,138.25	\$ 106,609.93	16%
Total Faith Formation Ministry Team Expense	\$ 3,160.84	\$ 2,554.50	-19%
Total Hospitality Expense	\$ 650.05	\$ 618.00	-5%
Total Worship Ministry Team Expense	\$ 4,272.04	\$ 3,570.00	-16%
Total Worship Music	\$ 648.19	\$ 726.15	12%
Total Worship Tech Systems	\$ 850.39	\$ 463.50	-45%
<b><u>Total Administrative Ministry Team Expense</u></b>	<b>\$ 8,830.11</b>	<b>\$ 11,182.35</b>	<b>27%</b>
<b>Total Expenses</b>	<b>\$ 222,634.64</b>	<b>\$ 233,373.03</b>	<b>5%</b>
Difference	\$ (3,756.02)	\$ (14,639.05)	290%

## Ministry Area

Spending Area	Outreach	Worship	Faith Formation	Admin	Total
Outreach	\$ 20,133.45	100%	0%	0%	100%
Building	\$ 86,655.30	40%	20%	25%	100%
Pastor	\$ 85,248.36	5%	35%	15%	100%
Admin	\$ 7,389.37	10%	15%	50%	100%
Worship	\$ 13,972.20	0%	10%	0%	100%
Faith Form	\$ 2,884.10	10%	85%	5%	100%
Hospitality	\$ 618.00	0%	0%	0%	100%
Worship	\$ 4,759.65	0%	0%	0%	100%
Admin	\$ 11,712.60	10%	15%	60%	100%
<b>Total</b>	<b>\$ 233,373.03</b>				

Outreach	Worship	Faith Formation	Admin	Total
\$ 61,256.60	\$ 72,916.92	\$ 53,881.99	\$ 45,317.53	\$ 233,373.03
26%	31%	23%	19%	100%



**Spirit of Hope Lutheran Church  
Treasurer's Report as of December 2015**

**Wednesday, January 20, 2016**

Account Name	YTD Balance	Annual Budget YTD	Over/Under YTD
<b><i>Income</i></b>			
Total General Offering	\$194,094.18	\$207,500.00	\$(13,405.82)
Advent/Lent Offering	\$2,348.01	\$2,100.00	\$248.01
Total Miscellaneous Income	\$841.82	\$250.00	\$591.82
Building Fund Income	\$2,826.11	\$2,000.00	\$826.11
Mission/Outreach Income	\$500.00		
Confirmation Outreach Income	\$113.29	\$400.00	\$(286.71)
Matt Talbot Kitchen & Outreach Income	\$461.71		
Kicks for Kids Income	\$12,079.00	\$7,500.00	\$4,579.00
Lutheran Disaster Response Income	\$1,084.00	\$1,000.00	\$84.00
Good Samaritan Income	\$640.00	\$400.00	\$240.00
Total Property Income	\$609.50		
Thrivent Choice Income	\$831.00	\$425.00	\$406.00
Total Faith Formation Ministry Team	\$1,183.00	\$500.00	\$683.00
Worship Equipment Income	\$340.00		
Total Worship Income	\$927.00	\$1,125.00	\$(198.00)
Endowment Fund Income	\$100.00		
Memorial Gift Income	\$35.00		
<b>Total Income</b>	<b>\$219,013.62</b>	<b>\$223,200.00</b>	<b>(\$4,186.38)</b>
<b><i>Expenses</i></b>			
Total Miscellaneous Expense	\$911.52	\$100.00	(811.52)
Building Fund Expense	\$2,395.49		
ELCA NE Synod Mission Share	\$7,004.00	\$7,000.00	(4.00)
Lincoln Area Mission Cluster	\$405.00	\$500.00	95.00
Confirmation Outreach Expense	\$113.29	\$375.00	261.71
Matt Talbot Kitchen & Outreach Expense	\$256.12	\$175.00	(81.12)
Kicks for Kids Expense	\$7,525.95	\$7,500.00	(25.95)
Lutheran Disaster Response Expense	\$1,059.00	\$1,000.00	(59.00)
Good Samaritan Fund Expense	\$408.29	\$500.00	91.71
Total Property Expense	\$91,437.09	\$92,310.00	\$872.91
Youth Fund Expense	\$320.00	\$-	(320.00)
Staff/Misc Expense	\$248.02	\$100.00	(148.02)
Total Compensation Expense	\$92,135.25	\$105,145.00	\$ 13,009.75
Total Faith Formation Ministry Team Expense	\$3,160.84	\$3,150.00	(10.84)
Total Hospitality Expense	\$650.05	\$665.00	\$14.95
Total Worship Ministry Team Expense	\$4,272.04	\$5,225.00	\$952.96
Total Worship Music	\$648.19	\$470.00	(178.19)
Total Worship Tech Systems	\$850.39	\$425.00	(425.39)
Total Administrative Ministry Team Expense	\$8,886.26	\$8,225.00	(661.26)
<b>Total Expenses</b>	<b>\$222,686.79</b>	<b>\$232,865.00</b>	<b>\$10,178.21</b>
<b>Difference</b>	<b><u>(\$3,673.17)</u></b>	<b><u>(\$9,665.00)</u></b>	<b>\$5,991.83</b>

Some things of note:

One of the challenges of our ministry spending plan process is using actual versus projected numbers. Last year we began projecting a pastoral compensation cost for Pr Lance based on ELCA insurance coverage by its carrier, Portico Benefits. This is what would ordinarily be paid for benefits for the pastor called to Spirit of Hope but Pr Lance is currently covered under his wife Lora's insurance. This represents quite a savings to the congregation but won't last forever so we started budgeting for that cost even though we knew we wouldn't spend it.

What we didn't predict was how that would make our projected ministry spending plan numbers for 2016 look like compared to the actual numbers for 2015. Our 2015 ministry spending plan included \$8,000 dollars in this insurance offset but this wasn't actually spent. Our proposed ministry spending plan for 2016 includes \$10,000 in insurance offset that makes it look like we have a much larger proposed net budget deficit compared to last year.

Another part of total compensation is adding back \$1,500 in continuing education for Pr Lance. This was not in the plan last year as those dollars were allocated for pastoral coverage while he was on sabbatical. The coverage expense is in a different part of the spending plan, falling under the worship ministry team expense.

There are staff raises included at the rate of 3%. This includes Pr Lance, the first time we've been able to give him a raise since he started with us in September 2010.

The administrative ministry team expense is something of a mixed bag. We have a new copier which is a savings for us and we are also outsourcing our payroll and some of our accounting functions. Payroll and accounting have become more and more complex and time consuming over the years and it seems prudent to have people who do those functions on a daily basis take care of it.

Regarding the change percentages, there are some changes that we budget for but sometimes start from zero. In creating the change percentage we have to substitute a "1" to avoid a 'divide by zero' error. This creates some interesting percentages but don't generally represent a lot of dollars.

On that same line, there are some line items that may increase (or decrease) but are actually budget neutral. For example, the dollars planned for Lutheran Disaster Relief or Kicks for Kids income are exactly the same as the dollars planned for the expense side.

Another interesting note on the chart and pie graph with all the percentages is how Excel treats and rounds percentages. You may have caught the one line that apparently adds up to 99% but Excel sums it to 100%. Near as we could find it is the way Excel treats and displays floating point integers. We tried to fix it, other than just manually putting a number in to make it look right, but eventually gave up.

Feel free to discuss our annual report with any council member or Pr Lance.