

# ANNUAL REPORT GRACE LUTHERAN CHURCH & SCHOOL



2014

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In these pages we highlight the ministries of Grace and the impact that these have made during the past year. God continues to use the people of Grace as His hands and feet to bring the kingdom of God out into our communities.

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### Finances

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Most churches in this day and age have had difficulty when it comes to finances. Grace is no different. While we have struggles, God's generous people have helped Grace move forward during these unstable times in our world.

# Welcome Grace Lutheran Church & School Annual Report 2014

*"Grace is truly a place that feels like home!"*

God has really blessed the people of Grace this past year. We have much to be thankful for, from the completion of our second floor ministry area, our acceptance into the Milwaukee parental choice program, to the impact we are making in our community and the lives of its people. God is good!

I am personally thankful for the people of Grace. It is because of you that this ministry continues to flourish. Your countless hours of time in service, your continued generosity, and your faithfulness to the ministry here at Grace is simply amazing.

I also want to thank you for your support of the staff here at Grace. I believe we have a tremendous team that is dedicated, hard working, and second to none. Please continue to pray for our staff and for their families, who sacrifice much for the ministry here at Grace.

I also want to thank God for His continued gifts of love and grace. Without this, none of us could stand before Him in the secure confidence that we do. All that is recorded in this annual report is only possible through God and His spirit alive in us. Glory to God alone!

**Rob Goodwin**  
Senior Pastor

# The State of Grace

“Grace is alive! It has energy and excitement like no other place!” (New Member)



*“As people become more aware of Grace each day, more people are being connected to our ministry.”*

As we reflect on another year in the church, I believe the one thing we can say is all glory and praise be to God! It has been an amazing year with many reasons to rejoice in the grace of God. We close the year with a look to both the past and the future. We look to the past thanking God for setting Grace on this wonderful journey of growth and opportunity. We look to the future with listening ears to hear the call of God speaking to us. It is amazing to see where God has brought us, what He has carried us through and what He has positioned for us to do in the future. There are endless opportunities for Grace. With that stated, I believe that I first have to say a big thank you to the people of Grace. It is because of your faithfulness, your dedication to the mission of God and the love that you have shared, that Grace is one of the most dynamic congregations in southeast Wisconsin.

Over 80 years ago, God encouraged a small group of people to start a church, named Grace, to spread His word. I don't believe any of them could have

imagined what Grace has become. It is a place that feels like home, a place that is welcoming many more people into its life, and is sharing the love and grace of Jesus Christ, with each other and in the communities all around us. As people become more aware of Grace each day, more people are being connected to our ministry. We've welcomed almost 40 new families, 70 new members, in the last year, many who are young families with children. They consistently state that Grace is a place that feels like home or that there is an exciting, dynamic atmosphere at Grace. I hope all of you are experiencing this as well.

One of the highlights of this last year is that God has graced us with a new principal for our day school. His name is Tim Gieschen and he is a true man of God and a great administrator. He has already made an impact at the school and is joined by an awesome and dedicated staff. Our year end was a little stressful for some, as we were accepted into the Milwaukee Parental Choice Program;

however, many have found this to be a blessing to the school. We have a total enrollment of 229 students, with 12 students in the Milwaukee Parental Choice program. A few families felt that due to this decision, Grace was not the place for them. We have been blessed by other families joining our school community, and this has resulted in an additional \$80,000 in the school budget.

The outlook for Grace School is good. The staff has made many changes that will impact our students education positively. We now have over 150 Chrome Books in our school, all supported by an up-to-date wireless communication system. This has led to more one-on-one and individualized learning opportunities. All of this only helps to advance Grace School as one of the most advanced and well equipped schools in our area. This does come with a cost and that has resulted in increased tuition. Our goal is to balance all our ministry needs at Grace, while keeping our cost as low as possible and still adding to the value of the education we provide. If we have learned anything, it is that we cannot become an educational commodity that competes on cost alone. We must provide the best education possible for a family to invest in that is also sustaining for our school.

Just as we have advanced our education ministry in the school, we have also revamped our children's ministry. This has been accomplished by splitting JAM into two groups. JAM is now our initiative for our children ages 3K-2nd grade and THRIVE is our initiative for our students 3rd -5th grade. The completion of our second floor has allowed us to accomplish this much needed and impactful transformation. At the same time we have launched our youth ministry into a new initiative called IGNITE. We are hoping that this will impact our youth in their faith life by lighting them on fire to live out their faith each and every day. I am amazed at the gift that God has given us

with the additional space on the second floor and the lasting impact it will have on our ministry. I have been moved by the support for this project shown both financially and in volunteer time. We had many individuals that gave over 5,000 man hours to complete this project.

In addition, we have had a very good year in worship with over 2,659 visitors. Our music ministries have all done a great job leading us in worship. We have experimented with new worship flows and this has resulted in a much smoother and more spiritual worship experience.

Our attendance has held steady, which is a result of a larger trend in society. Our per person monthly average number of times in worship has dropped to 1.4 times, also consistent with current trends in the culture. Pew research has reported that regular attendance is now considered to be once a month or every 6 weeks. This is an alarming trend and one we must change. All of us need to be in worship at least 3 times a month in order for us to be fed by God's word, receive His gifts and continue to be shaped by God. My personal goal is for this average to be 2.5 times a month here at Grace. I encourage you to help us change this trend by setting a personal goal for your family.

Our ministry has been supported generously in both sacrificial giving and tuition, and this has allowed us to balance our operations budget for the third straight year. In addition, we have been able to pay back some of our outstanding operational debts from years ago. This has put us in a much better cash flow position and allows us to begin thinking about moving forward with new ministry initiatives. Although we have met our operations budget, we have not increased spending or our income for the last three years. Our plate and envelope giving has been flat, and this is limiting the impact we can make in our growing ministry and in the community both today and in the future.

We continue to struggle with our building (campaign) cash flow. We currently need \$10,365 per week to continue to make our bond payments. We consistently fall short \$4,000 or more each week. We thank God for the large gifts we have received that have kept us up to date, but we need to consistently receive \$10,365 per week to continue making our bond payments on time. This, in my opinion, is our biggest challenge as a congregation.

With all this being said, the outlook for the coming year is bright, assuming that all the commitments to our Standing Together campaign are satisfied. We continue to be conservative on our budgeting and spending, yet we need to keep moving forward in the ministry direction God is calling us. I ask that you continue to pray about your personal generosity to God's ministry at Grace and please fulfill your commitments to Standing Together as soon as possible. There are still many opportunities to reach out and impact our community. We will continue to focus on discipleship through the model that we introduced this fall. We plan to expand our intentional discipling relationships through huddles with a goal of 75 new people involved. As these expand, we will add more groups focused on living life together as we serve in the community.

I feel God leading us to become more involved in reaching out to the city of Milwaukee. There are many needs and opportunities for us to share all of our blessings with those who are near and in need. To accomplish this, we will identify opportunities for us to serve and partner to impact Milwaukee. In addition, we plan to extend God's reach by expanding our mission work in the United States as well as throughout the world. God is continually calling us to reach out in ever increasing circles to share God's love and grace so His kingdom will grow. I pray that you will continue to join us as we nurture people to love God, love others and make disciples.

# Ministry Impact

All statistics are based on the 2013 calendar year.

Average Worship Attendance (without special services).

## -.03%



Worship Attendance (without special services).

## 812 People

Total People Connected to Grace



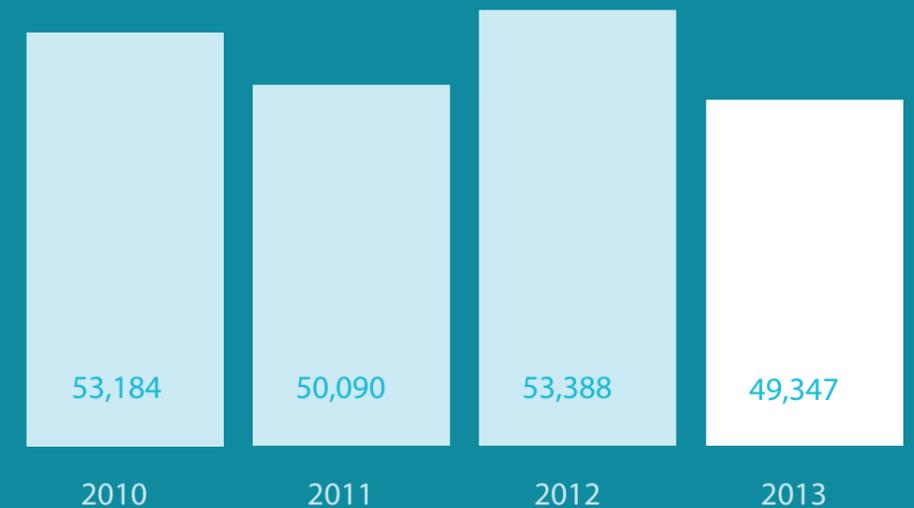
## 4605 People

Worship attendance at Grace is down an average of 25 people per weekend.

Number of Worshipping Guests

## 2659 People

Total Worship Attendance (including special services).



Frequency of Worship

## 1.4 Times a Month

Number of New Families



## 34 Families

## 70 People

## Outreach/Mission

### Grace is having a lasting impact in our community!

*"We came from a life of being around a church, but never actually being part of one. Our exposure to Grace Lutheran changed everything... We realized that this was exactly where we needed to be... We're "home" and we love it!!!"*

- LeRoy & Kathy Johnson

As we strive to live our life as a disciple, a follower of Jesus, we are focused on living a life that is modeled after the rhythms and life of Jesus.

Throughout His ministry, Jesus left a lasting impact through the interactions and relationships that he established. This can be seen through the lives of the disciples. As such, our lives as a church has also had lasting impact throughout our community. Grace Lutheran School is an educational ministry with a great reputation in our

community. We currently have 229 students in the school, with 59 of them non-members of Grace. This ministry is an important part of our overall ministry as we seek to make disciples of our Lord Jesus Christ.

Grace has, since our inception, been known for our children's ministry. Although this has been challenging over the past few years, Grace has made a new turn towards regaining our high standards for children's ministry. Our JAM attendance has

been on the rise with an average of 74 students each week. During Vacation Bible School this year, we had over 200 children in attendance. With the addition of the second floor we expect this positive trend to continue.

We have also seen the Holy Spirit at work in our other ministries here at Grace. As a result, we have seen 36 children baptized and 3 adult baptisms this year, after having no adult baptisms in the last 3 years. We confirmed 28 students and 11 adults

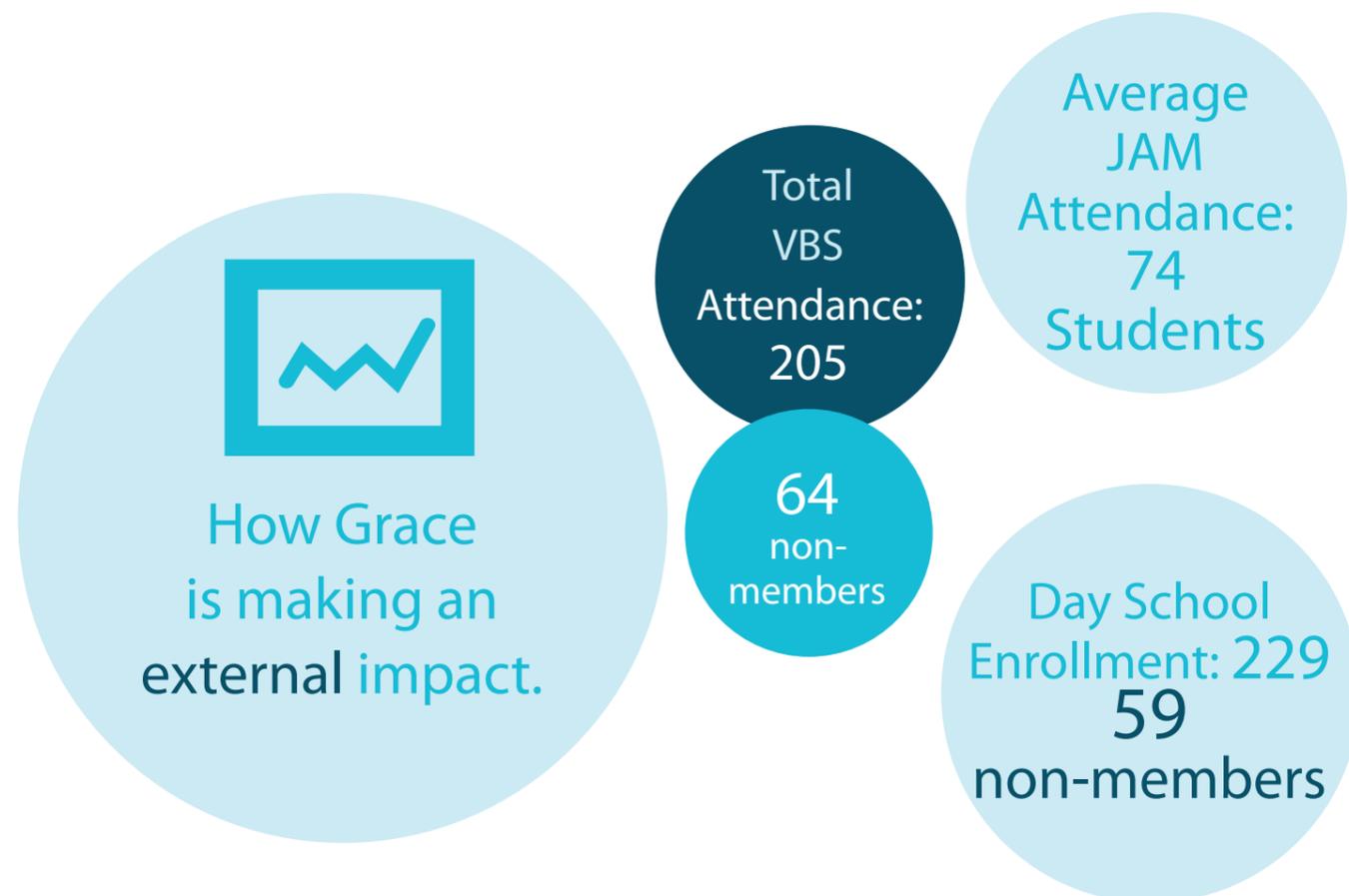
and have seen 13 individuals become members through profession of faith.

Our lasting impact has not been limited to our local expression of ministry. We have had a lasting impact with our mission efforts throughout the world.

Over \$20,000 has been used to support missions in the US and abroad. These ministries have ranged from a mission trip to New York and Ohio, support for families in need, a clean water initiative in Africa,

Operation Christmas Child, 4-the-1 ministry support in Peru, District and LCMS mission support, as well as other smaller mission projects. This support is a good beginning for us and we need to continue to build a much stronger effort towards missions throughout the world.

Our goal should be to tithe 10% from our overall ministry budget to mission work throughout the world. This is a goal we will start moving forward to achieve.



# Financial Year

All numbers reflect fiscal year July 1, 2013 - June 30, 2014.

## Total worship offering

**\$1,111,674** | -3.15%

## Contribution Per Attendee

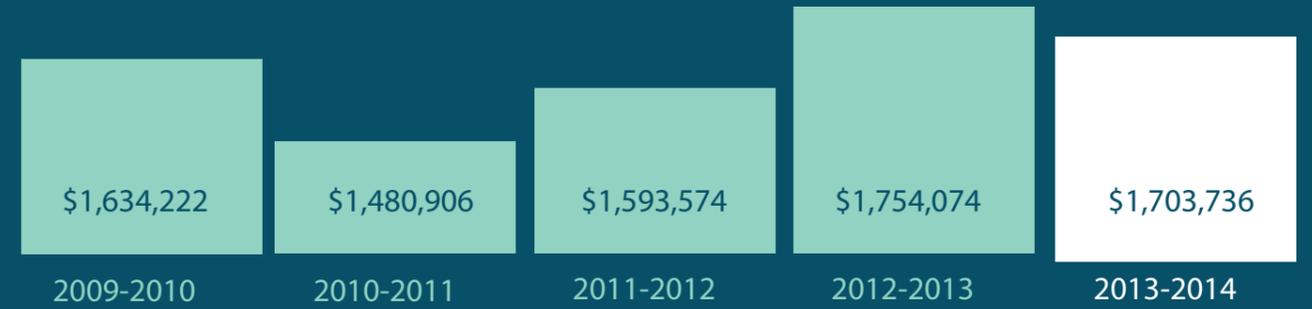
**\$1,681.81** | +18.4%

## Total Debt Owed to Bond Holders

**\$6,770,000** | Weekly bond payment **\$10,365**

## Total Giving

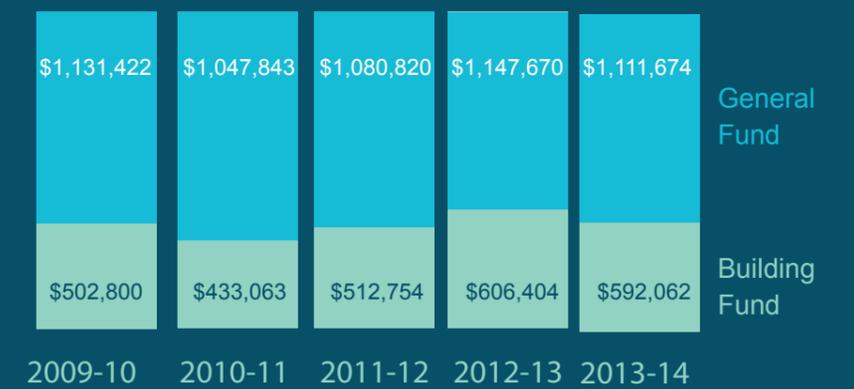
**\$1,703,736**



## Total Giving

## Giving Units

 661

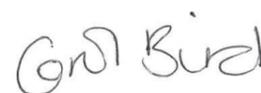


## Financial Accountability

God calls us all to be good stewards of the gifts he has entrusted us with. Here at Grace, we take this trust very seriously and work hard to manage and plan our finances to ensure our long-term financial stability, because we know that every gift given to us can be used to transform lives.

Over the last several years, we have worked hard to improve our financial planning by providing more detailed budgets and reporting methods to our Board and staff. This has allowed us to monitor our progress closely throughout the year and make adjustments to ensure that we are on track to end each year well. We are always working on ways to keep our costs low and

find additional sources of income. Below are listed some of the areas where we have seen positive results this year and on the opposite page you will find our audited financial highlights.



**Carol Bird**  
Business Manager

## Financial Stewardship

- 2013 gave us the opportunity to take advantage of favorable interest rates and refinance our Bonds, giving us the benefit of lower weekly payments and allowing us to pay off our equipment leases. Monthly savings \$9,844.
- Reduced line of credit from \$144,653 July 2013 to \$110,167 July 2014.
- Reduced accounts payable balance from \$126,786 July 2013 to \$62,621 July 2014.
- Increased restricted funds held in money market from \$115,958 July 2013 to \$191,578 July 2014.
- Paid back \$71,481 borrowed from Building Fund over 24 month period.
- Reduced arrearage to Lutheran High School Association from \$65,662 to \$18,181.

We are certainly moving in the right direction, but our long term planning shows that there is no quick solution to our continued cash flow challenges. We are faced with challenges in both our General Fund, which pays our operational and overhead costs, and in our Building Fund that is used to make our weekly bond payments and is funded from campaign contributions.

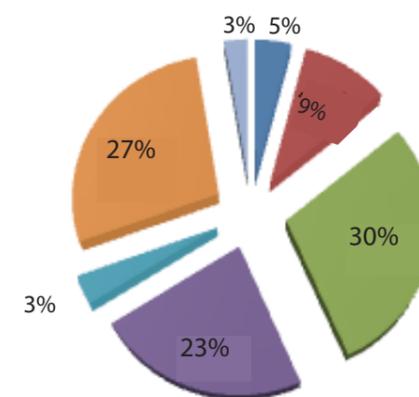
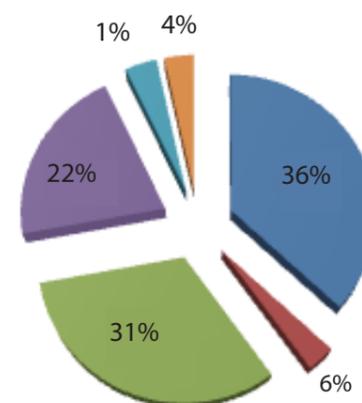
## Financial Highlights

### Financial Highlights

Revenue Sources	2012/13	2013/14*
plate & envelope	\$1,147,670	\$1,111,674
other church income	\$95,861	\$201,204
endowment, restricted, scrip, campaign	\$998,194	\$954,676
school tuition, fees and matching gifts	\$645,871	\$690,862
fund raising	\$115,360	\$29,854
extended care	\$106,002	\$125,882
<b>total revenue</b>	<b>\$3,108,958</b>	<b>\$3,114,152</b>
operating Expenses	2012/13	2013/14*
church operations		
mission, worship and program expenses	\$124,224	\$160,668
tuition assistance & scrip	\$303,294	\$255,824
overhead/operations	\$881,812	\$899,498
bonds/depreciation/amortization	\$690,629	\$673,658
school operations		
program expenses	\$101,517	\$98,321
overhead/operations	\$839,767	\$798,968
extended care operations	\$79,330	\$84,479
<b>total operating expenses</b>	<b>\$3,020,573</b>	<b>\$2,971,416</b>

\*Numbers supplied via auditors; pre-audit 2013/14

revenue sources		operating expenses	
church plate & envelope	36%	church -- mission, worship, program	5%
other church income	6%	church tuition assistance & scrip	9%
church endowment, restricted, scrip, campaign	31%	church overhead/operations	30%
school tuition & fees	22%	church bonds/depreciation/amortization	23%
school fund raising	1%	school program expenses	3%
extended care	4%	school overhead/operations	27%
		extended care operations	3%





“It is because of your faithfulness, your dedication to the mission of God and the love that you have shared, that Grace is one of the most dynamic congregations in southeast Wisconsin.”



“At Grace, we strive to make a difference...one life at a time.”



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