

# ANNUAL REPORT GRACE LUTHERAN CHURCH & SCHOOL



2015

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The State of Grace

Pastor Rob Goodwin gives an update of accomplishments throughout the last year, as well as a look to the future. God continues to bless Grace as He leads us in a bold and faithful direction.

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Finances

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  
2015

“God is good all the time. And all the time, God is good!”

This may be a familiar phrase to some of you, and I believe that this sums up the year of 2014/15 here at Grace. God has been good to us. During the year we have been continually reminded of why we can say with confidence that God is good all the time. No matter what has happened in the past or what will happen in the future, God has been good to us. He has blessed us with his love and grace through His Son, Jesus Christ. We are welcomed into His family as His children and we know our future is secure, no matter what we face in this world. God is good!

It is important for us to understand this as we go confidently into the future, knowing God is leading us. God is good and through the saving grace of His Son, so are His people. You, God's people, have truly blessed the ministry of Grace Lutheran Church and School. Many of you

have given of your time, talents and treasures to bless others and the ministry at Grace. Because of this, our ministry to our community continues to break ground and flourish. Your dedication and commitment to what God is doing here among us is awesome and is being noticed by the world around us.

I personally want to thank you for your support of our direction, our ideas, and our staff here at Grace. We have a team that I believe is second to none and I thank God for each and every one of them everyday through my prayers. I ask you to also continue to pray for our staff, our ministry and for Kingdom impact through each one of us in God's family as we boldly go forward proclaiming Christ and his one-way love.

God is good all the time. And all the time, God is good!

Rob Goodwin  
Senior Pastor





**“Our family is blessed to be a part of Grace. We all enjoy sharing our time and talents to the glory of God!” (Long-time Member)**

## The State of Grace

*“God is truly blessing us with greater and deeper relationships in our church family and in our community.”*

As we reflect on 2014 I believe we can admit our shock at how fast things are changing. Our culture is evolving at a pace that is unprecedented. Our world is shifting all around us. These shifts in the culture and world are causing people in our communities to change as well. This is never more evident than in the first generation of the 21st century. These individuals are called the “Plurals” and they think and view the world very differently than most of us. For instance they are 55% Caucasian compared to 72% of the baby boomer generation. They are intentionally more inclusive and notice when diversity is not represented in the groups and institutions around them. It is stated that by 2024, just 10 years from now, the U.S. population will be less than 50% white making them the most ethnically diverse generation the U.S has ever seen.

The Plurals want and seek what is real and excellent. They also seek people and institutions that practice what they preach. The Plurals really don’t care about worship style, they are attracted to both traditional and contemporary worship. More important to them is excellence and passion in everything that is done. Living out our faith through authenticity, embodiment and restoration has never been more important! Over the past year we have strived to live out our faith and connect to our community. If we recap 2014, we can look back and realize the challenges

that we have overcome and recognize the fruitfulness of our ministry in this difficult and ever-changing world.

It is important for us to understand some of the changing dynamics in our culture and the perspectives our future church family will possess. It is with these dynamics in mind that many of the initiatives and changes at Grace have been put into place. As a result, God is truly blessing us with greater and deeper relationships in our church family and in our community. This can be seen through many of our results this past year.

First and foremost, it is amazing how the body of Christ here at Grace is making connections in our community. During 2014 we connected with approximately 4,896 unique individuals, a 6% increase. These individuals came from many different age groups, backgrounds and ethnicities. This is an amazing number of potential lives to impact, yet we believe God is calling us to even greater impact in the coming years.

We welcomed 2,913 visitors into worship at Grace. That represents a 9.6% increase from 2013 and contributed to an increase in overall worship attendance to 52,334 guests, a 6% increase over 2013. In addition, 32 families and 82 people were welcomed into formal membership, a 17% increase over 2013. All of this has contributed to an increase in our weekly worship attendance of over 4%.

Numbers are important, but Kingdom impact is what we strive for each and every day. Towards this end 2014 was a great year as we impacted the Kingdom of God in many ways. During the year 105 souls were brought into God’s family here at Grace through baptisms, confirmations, and confessions of faith. Our Sunday Morning Children’s Ministry (JAM and Thrive) had an increase in attendance of 12%, thanks to some great leadership by our Children’s Ministry Action Team and the addition of our second floor. Our Vacation Bible School also had an increase in attendance of 7% and connected with 70 non-Grace families. Grace is truly a place that feels like home to more and more people! Praise God! To Him we give the glory!

We have truly been blessed and much is going well here at Grace. Yet any church also has challenges or difficulties. Our biggest challenges continue to be in the areas of generosity in giving and our Christian day school.

We have been blessed with some very generous people here at Grace. We say thank you for all you have done to make Grace Lutheran Church and School the ministry it is today. Yet, as costs in all areas of our ministry have increased, just as our household expenses have increased, our plate and envelope offerings have remained about the same since 2007. We have been able to balance our budget by cutting costs, especially in the operating budget for the church and looking for additional sources of funds.

To increase our level of funding for our school ministry we have needed to increase our tuition to help provide the funds to support this important ministry and to support our school staff. The increased income through tuition has helped greatly but we realize there is a ceiling for this.

This is due to a conflicting view between those who see the long-term value of our school ministry and those who perceive a

lack of value in our day school due to their opposition to the Milwaukee & Wisconsin Parental Choice Programs. The Choice programs have had positive affects on the school.

Choice has helped many families who already had their children at Grace but were not able to take advantage of this program. It has improved the diversity in our classrooms and has helped cover some of our increasing costs. Unfortunately, some parents have left our school as a result of Choice, for a number of reasons: lack of understanding of the program, aversion to diversity in the school, fears of the unknown and a concern about test scores dropping. In an effort to correct this perception and ensure excellence we are strengthening our curriculum in Language Arts, Science, Math and Religion, and will be using a new assessment program in 2015-16 to allow teachers to better measure student progress.

We will continue to feel this pressure in our day school. Lutheran education is being seen almost as a commodity in our communities. We have experienced increased competition for almost the same pool of students. Though our school staff continues to seek ways to improve and enhance the experience of our school ministry, the long-term answer to our struggle is acceptance and willingness to serve the students God is bringing to our school. In addition, we need increased generosity by everyone connected to Grace to help fund the needed investment in our school, communities, missions and other ministries. We have and will maintain our strategy implemented four years ago to provide long term sustainability of the church and school. The strategy has been to create more ways for the school to be financially self-sustaining while providing excellence in education and developing authentic disciples of Jesus Christ.

Moving forward we will continue to strive for excellence in all of our ministries as we reach out to the communities around us.

As we do so we will seek to identify and train disciples to lead ministries throughout Grace. This will enable us to utilize various Ministry Action Teams (MAT) for ministry to people touched by Grace - men, women, children, guests, and missions.

We will continue to focus on our discipleship process that has produced much fruit as the numbers highlighted have indicated. We will do this through additional huddles (small group discipleship vehicles) as more people are trained to lead them. We will continue with additional missional communities (larger groups of 20-50 people engaging each other in the three dimensions of Up-In-Out) living life together within the communities we reside, and we will provide a specific pathway to connect more intentionally to our ministry, especially for our new members.

Because of the fruit that God is providing through our discipleship process, we are working to elevate our already strong children’s ministry. Our three goals for our children’s ministry are to establish occasional events to reach the children of our community (e.g. - Easter Egg Hunt), to start a ministry for parents and children 0-3 years old, and to provide monthly “out” focused service projects for the children and families of our Sunday morning “Thrive” ministry.

We are developing mission partners throughout the world with the goal of providing yearly missional opportunities in our community, state, country and the world.

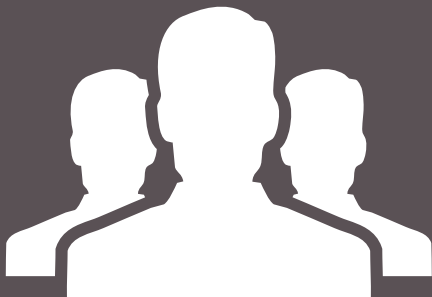
As we continue to reach beyond our walls to others, we will be doing so knowing that God is with us knowing that our view of this world is limited. Yet we believe and live by the words of Paul in Ephesians 3:20-21. “Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen.”

# Ministry Impact

All statistics are based on the 2014 calendar year.

Average Worship Attendance (without special services).

+4.7%



Average Worship Attendance (without special services).

866 People

Total People Connected to Grace

+6.3%  
4896 People

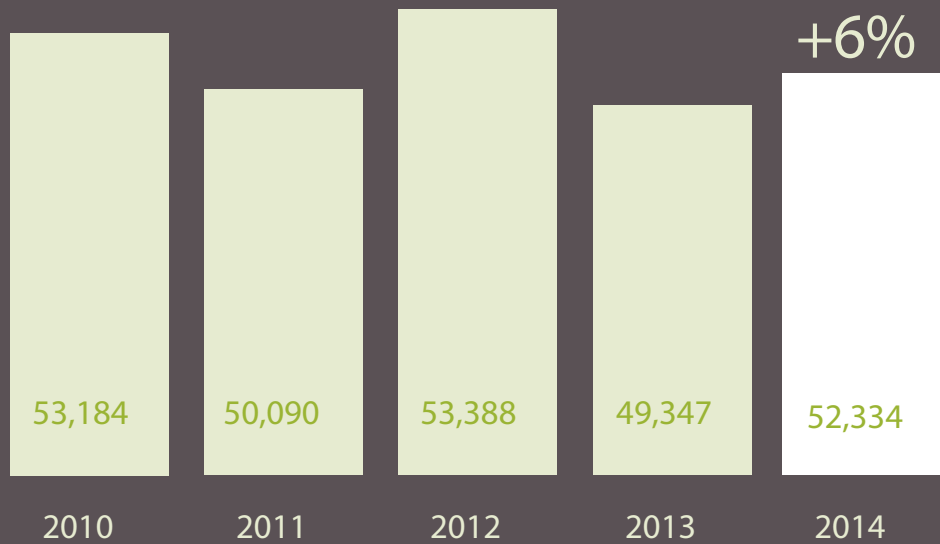


Worship attendance at Grace is up an average of 39 people per weekend.

Number of Worshipping Guests

2913 People +9.5%

Total Worship Attendance (including special services).



Frequency of Worship

1.4 Times a Month

Number of New Families in Worship

32 Families  
82 People  
+17.1%



# Grace has a lasting impact in our changing 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

The world we live in is changing; we in the church must change as well. Not in terms of our worldview or what we believe, but in how we engage our friends and neighbors. We need to be intentional in building relationship both in the church and in the world around us. Yet, building these relationships is getting harder and harder for us to do as Christians in this world. We are caught up in the busyness of our lives and worried about how we will fit into this changing culture. This is the bridge that we are trying to build through our discipleship process here at Grace. A bridge that helps us connect with those around us.

The chart below, from the Pastoral Leadership Institute, illustrates the change that we need to make in order to engage the world around us. These changes have already been working for us on a small scale here at Grace. Our intentional relationships during the past few years have resulted in some good Kingdom impact, especially in our discipleship process through Huddles (small group discipleship vehicles) and missional communities (larger groups of 20-50 people living life together in the three dimensions of Up-In-Out). The numbers below show some of the fruit of these discipleship efforts.

The diagram below demonstrates two ways in which people enter the church

or faith. We know that it is a work of the Holy Spirit that brings people to faith, and we know that God calls us to actively engage the world around us. So, to make things clear we are talking about engagement and not conversion.

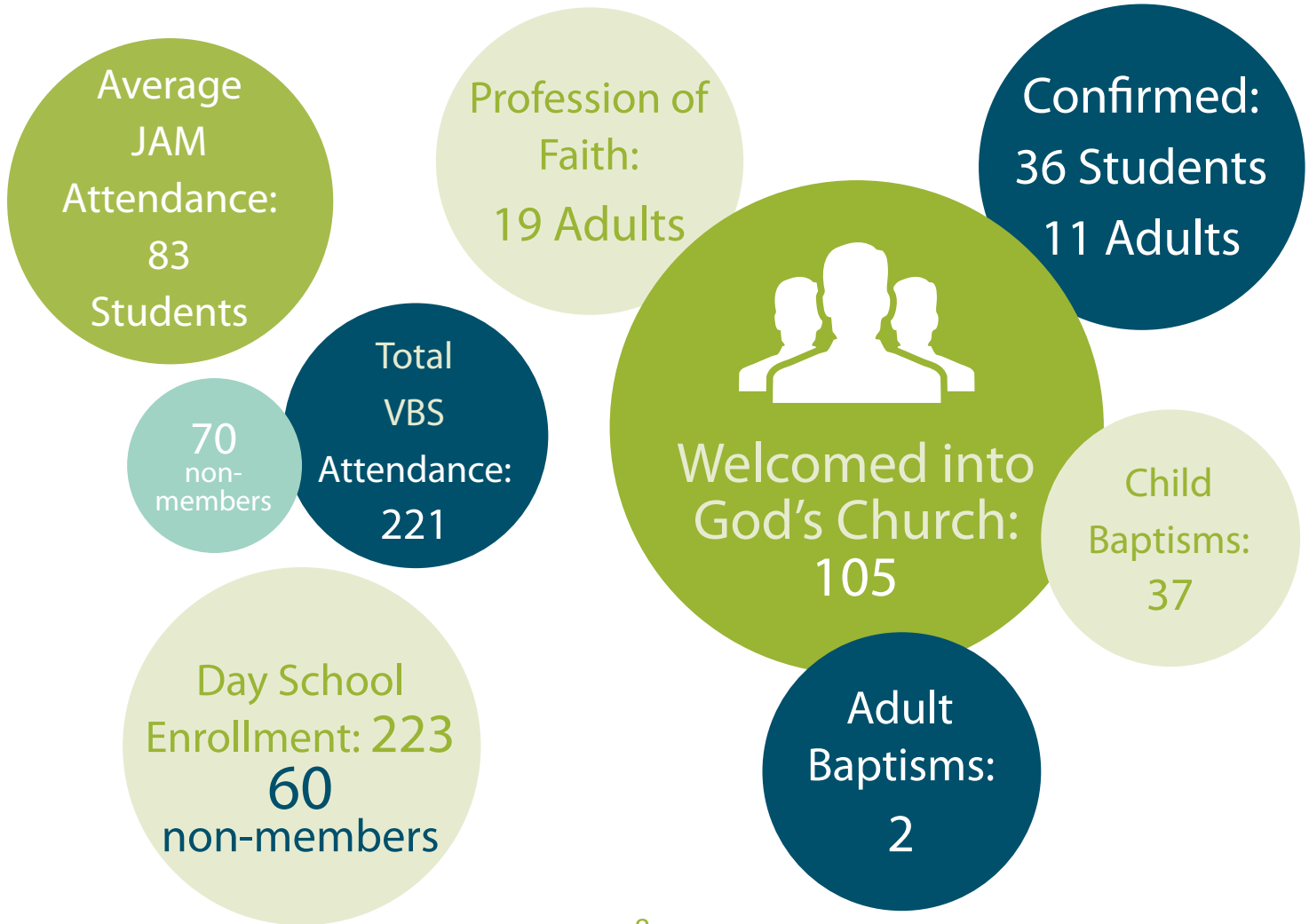
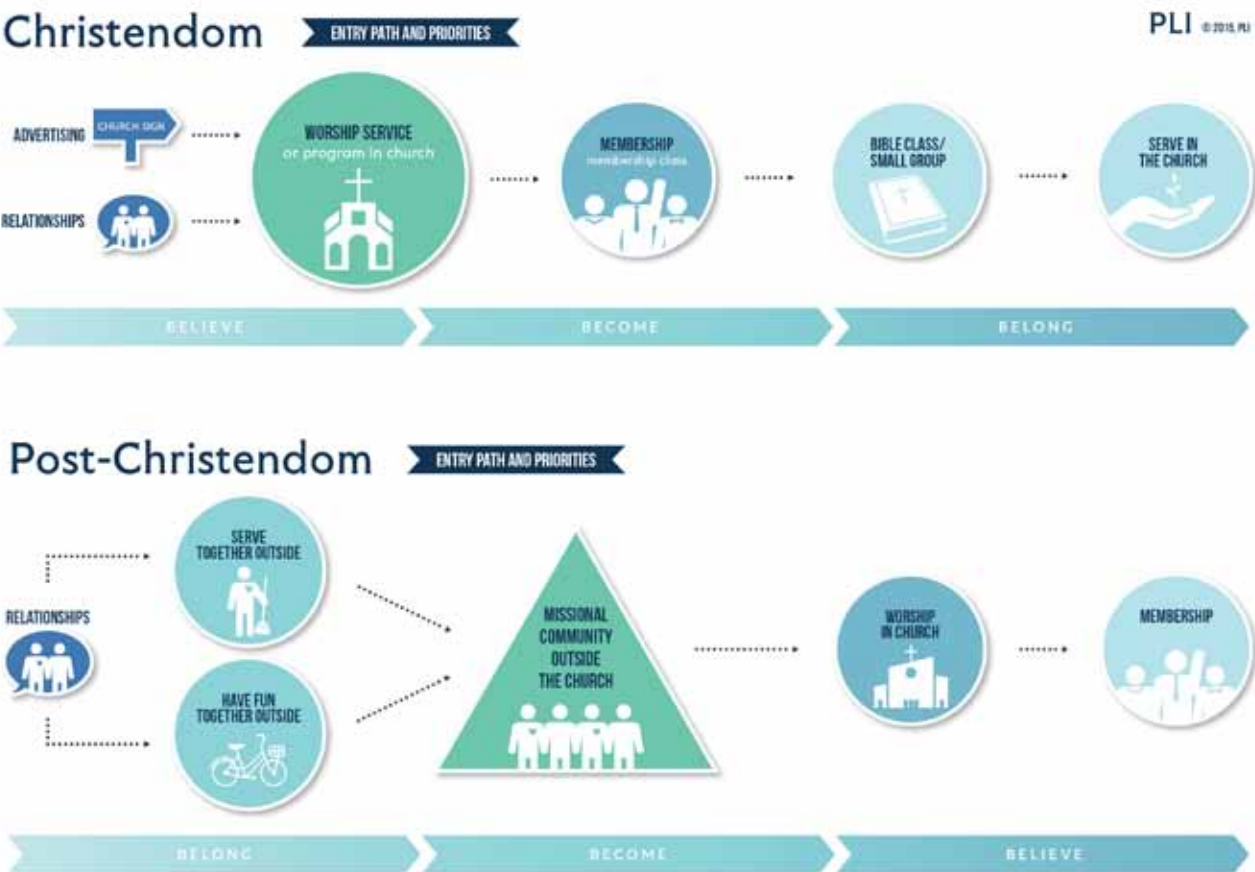
The top of the chart is the world of Christendom, the past culture here in the US when the church was the center of our society. The bottom of the chart shows the culture in a Post-Christendom world, where church is no longer at the center of society and is being pushed more and more to the fringe. This shows us two completely different pathways to enter the church. The good news is that neither is wrong or bad, just different.

Here at Grace we need both pathways to be successful. The top pathway is our traditional entry method that we at Grace have been successful with over the last 80 plus years. This pathway needs to continue and will continue to bear fruitfulness.

The Post-Christendom pathway is what we are pressing toward as a church in order to reach this world that is no longer easily receptive to the gospel message due to their differing worldview. In this changing world our first emphasis must be building intentional relationships with both church and non-church

individuals. More and more of our effort as a church needs to happen outside of our church and school focusing on the communities where we live, work and play. More of our time needs to be freed up so that we can intentionally engage the individuals that God has place in our lives. This allows people to first feel a sense of **belonging**, then a sense of **becoming** as their worldview changes, and then they may move to a state of **believing** in the one true God, Jesus Christ.

I invite you to join us in this exciting time in our world; a time where sharing our Christian worldview and the Gospel is more important than ever.





# Financial Year

All numbers reflect fiscal year July 1, 2014 - June 30, 2015.

## Total worship offering

\$1,142,990 +2.8%

## Contribution Per Attendee

\$1,319.85 -3.6%

## Total Debt Owed to Bond Holders

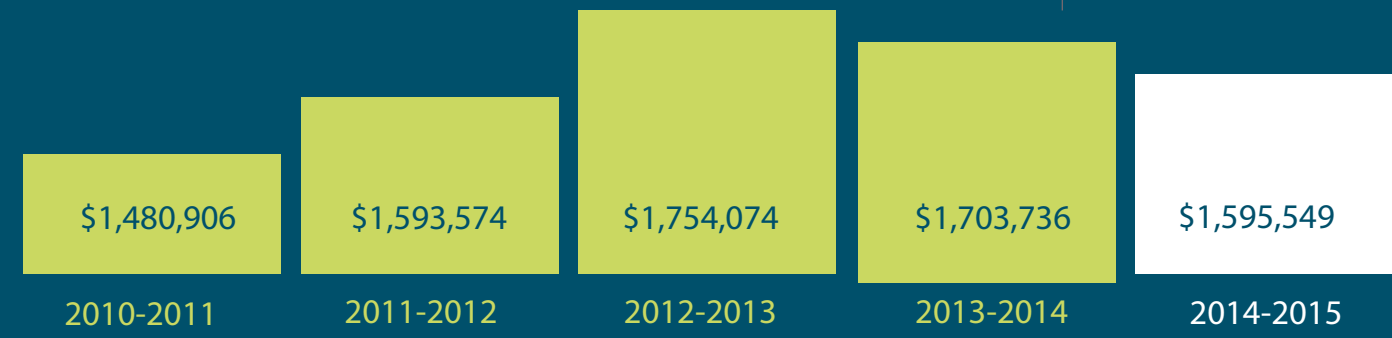
\$6,390,486

↓\$379,514 from 13/14

Weekly bond payment \$10,365

## Total Giving

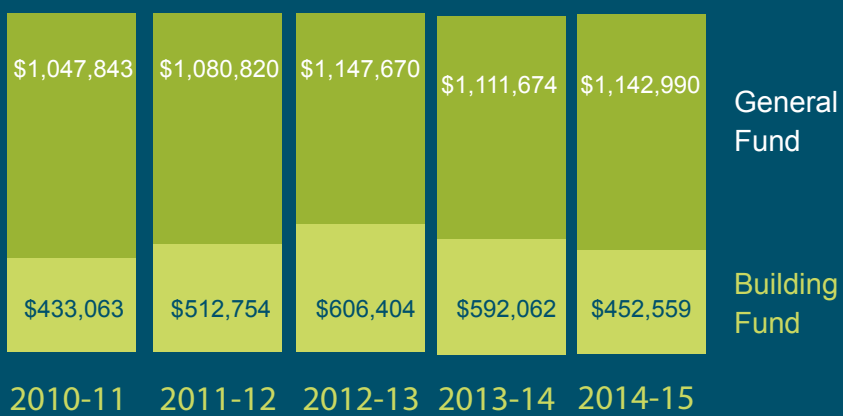
\$1,595,549 -6.3%



## Active Giving Units

657

## Total Giving

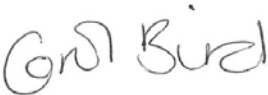


Financial Accountability

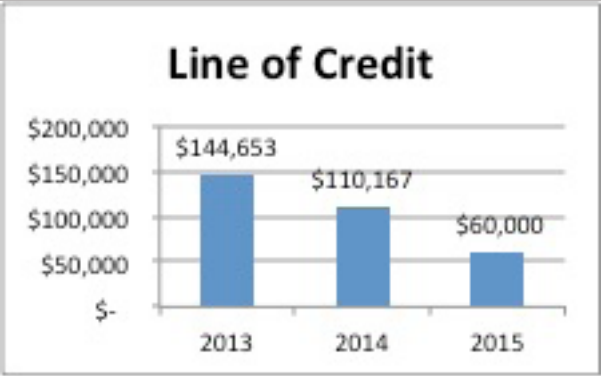
At Grace we believe that the Lord provides all the resources that we need to do His work. We believe that He leads us in our work and speaks into the hearts of His people to be generous with their gifts so that His Kingdom can grow and the lost can be reached with the news of the love, power and saving grace of Jesus Christ. As such we recognize our responsibility to be good stewards of these resources and our ultimate accountability to

Him and His people. The 2014/2015 fiscal year saw Grace continue to make strides to ensure our long term financial stability. The work started several years ago to strengthen our internal control, budget, financial reporting and long term planning procedures, positioned us well to meet the reporting requirements of the Milwaukee and State Parental Choice Program. The annual audit required for Ziegler, our Bond Company, our Choice Financial

Information Report and Enrollment Audit has been completed by Winter, Kloman, Motor and Repp, and the Financial Highlights are shown on the opposite page. Below are some areas of financial improvement and a listing of some key investments that were made.

  
**Carol Bird**  
Business Manager

Financial Stewardship



Investing in our Future

- Residing of School Building at Kenwood - \$9,100 – From budgeted School Capital Improvement Funds
- Purchase of Tractor/Mower for Cross View - \$11,372 – From Donations and Estate Bequest
- New Server/Firewall at School - \$6,700 – From 2013 School Auction Funds
- 25 Chrome Books & 100 Google Licenses - \$9,296 – From 2013 School Auction Funds
- New Athletic Uniforms - \$6,772 – From Athletic Budget and Shoot Out Funds

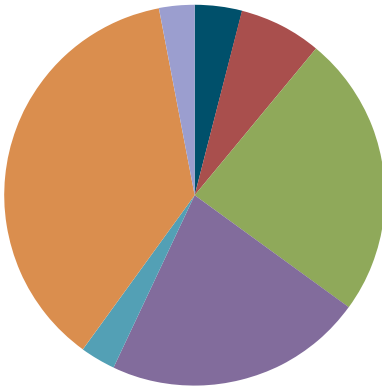
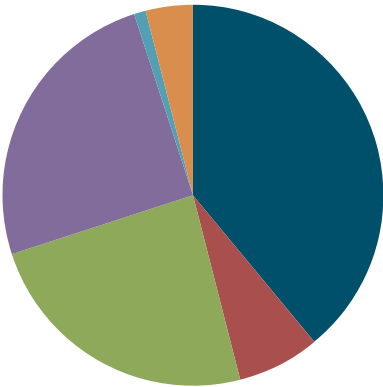
We give thanks to God for another successful financial year and for providing direction, strength and wisdom to the leadership of His church. We have seen a great deal of progress over the last several years as a result of much hard work, the generosity of God’s people, strict budget controls, firm decision making and long term strategic planning. We realize that this progress is fragile and that the constantly changing cultural, economic and political environment provides us with both opportunities and challenges, yet our commitment to do Gods work and follow his will do not waiver. As we move forward and fund both our Bond payments and General Budget without a 3 year campaign, we pray that the Holy Spirit continues to work in the hearts of His people so that their generosity provides the resources needed.

Financial Highlights (Audited Results)

Financial Highlights		
Revenue Sources	2013/14	2014/15*
plate & envelope	\$1,111,674	\$1,143,009
other church income	\$181,019	\$180,230
endowment, restricted, scrip, campaign	\$967,214	\$716,099
school tuition, fees and matching gifts	\$690,862	\$735,260
fund raising	\$37,500	\$29,466
extended care	\$125,882	\$124,221
Total Revenue	\$3,114,151	\$2,928,285
Operating Expenses	2013/14	2014/15
church operations		
mission, worship and program expenses	\$132,196	\$114,875
worship	\$40,201	\$30,424
tuition assistance & scrip	\$255,824	\$198,296
overhead/operations	\$899,498	\$682,049
bonds/depreciation/amortization	\$661,929	\$647,306
school operations		
program expenses	\$98,321	\$88,291
overhead/operations	\$798,968	\$1,037,892
extended care operations	\$84,479	\$84,837
Total Operating Expenses	\$2,971,416	\$2,883,970

\*Numbers supplied via auditors; pre-audit 2014/15.

revenue sources		operating expenses	
church plate & envelope	39%	church -- mission, worship, program	4%
other church income	6%	church tuition assistance & scrip	7%
church endowment, restricted, scrip, campaign	24%	church overhead/operations	24%
school tuition & fees	25%	church bonds/depreciation/amortization	22%
school fund raising	1%	school program expenses	3%
extended care	4%	school overhead/operations	36%
		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 has made Grace 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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Menomonee Falls, WI 53051

262-251-0670

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Menomonee Falls, WI 53051

262-251-7140

[www.grace-connect.org](http://www.grace-connect.org)