

SOUTHWOOD LUTHERAN CHURCH

ANNUAL MEETING, 2024

AGENDA

JANUARY 21, 2024

CALL TO ORDER: PRESIDENT: CULLEN ROBBINS

OPENING PRAYER: PASTOR JESSICA KINGSBOROUGH

APPROVAL OF AGENDA

APPROVAL OF MINUTES: JANUARY 22, 2023 ANNUAL MEETING

CALL COMMITTEE REPORT: SCOTT KIEFER

NOMINATING COMMITTEE REPORT: BRIAN BOESIGER

ELECTION OF CHURCH COUNCIL MEMBERS – Megan Guthrie, Sharon Harms, Jenna Huttenmaier, Brad Johnson

ELECTION OF ENDOWMENT FUND TRUSTEES – Charlie Francis, Shari Rector

TREASURER'S REPORT: NEAL LYONS

SIGN RESOLUTION: NEAL LYONS

ADOPTION OF 2024 ANNUAL BUDGET: NEAL LYONS

ELECTION OF 2024 NOMINATING COMMITTEE: CULLEN ROBBINS

Joel Barjenbruch, Sharon Harms, Jenna Huttenmaier, Carol Klaus, Heidi Longe

PRESIDENT'S REPORT

ADJOURNMENT

CLOSING PRAYER: PASTOR MICHAEL RYAN



**Annual Meeting 2023  
Southwood Lutheran Church  
January 22, 2023**

CALL TO ORDER: President Joel Barjenbruch

OPENING PRAYER: Pastor Jessica Kingsborough

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

APPROVAL OF MINUTES: Motion was made and seconded to approve the minutes for the 2022 Annual Meeting. Motion carried.

CALL COMMITTEE REPORT: Scott Keifer, Chair of the Call Committee, introduced the other members of the committee and provided an update on the process. Explained what the committee has accomplished in 2022 and addressed questions.

**NOMINATING COMMITTEE REPORTS**

ELECTION OF CHURCH COUNCIL MEMBERS: Jason Pauling, reporting for the Nominating Committee, presented the slate of candidates for election to the Church Council. The following members were elected: Brian Boesiger, Toni Goldenstein, Neal Lyons, Cullen Robbins, Carol Klaus (one-year term). Motion was made and seconded to approve the proposed slates. Motion carried.

ELECTION OF ENDOWMENT FUND TRUSTEES: Jason Pauling, reporting for the Nominating Committee, presented the slate of candidates for election for the Trustees for the Southwood Lutheran Endowment Fund. The following members were elected: Lori Buchmann and Sara Weyeneth. Motion was made and seconded to approve the proposed slate. Motion carried.

TREASURER'S REPORT: Linda Whitmire presented the Treasurer's Report. Motion was made and seconded to approve the 2022 Treasurer's report. Motion carried.

ADOPTION OF THE 2023 ANNUAL BUDGET: Linda Whitmire presented the 2023 Annual Budget. Linda fielded questions. Motion was made and seconded to approve the proposed 2023 Annual Budget. Motion carried.

ELECTION OF 2022 NOMINATING COMMITTEE: Denise Meyer, reporting for the Church Council, presented the slate of candidates for election to the Nominating Committee: Larry Buchmann, Melanie Crocker, Laura Leger, Matt Novosad, and Jason Pauling. Motion was made and seconded to approve the proposed slate. Motion carried.

PRESIDENT'S REPORT: Joel Barjenbruch commented on how 2022 has been one of change and uncertainty, but God continues to bless Southwood through the ups and downs. He encouraged members to keep Matthew 5:14-16 at the top of their minds and continue to be the light of the world. Joel was very grateful to have served as President over the past year.

ADJOURNMENT: A motion to adjourn the meeting was made and seconded. Motion carried.

CLOSING PRAYER: Pastor Eric Finsand delivered a closing prayer.

Respectfully submitted, Jenna Huttenmaier

## 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:

**Megan L. Guthrie**-HR Learning & Development Leader. Megan has been a member of Southwood for 10 years. Her service to Southwood Lutheran Church includes being a Team Leader, a member of the Ministry Advisory Board, Daily Devotion writer, Small Group Leader and a member of the Social Statements Committee. Megan's other church service includes being a member of Eastridge brass quintet at Eastridge Presbyterian Church. Her service in the community includes being a volunteer for RISE Prison Reentry Coaching and a volunteer at the Lincoln City Libraries. *"What do you see as the greatest challenges and opportunities for Southwood Lutheran?" "One of Southwood's greatest challenges is the selection of a quality senior pastor whose leadership will influence our path for many years. One of Southwood's greatest opportunities is creatively connecting with people who want to be involved with our church community at other times and places beyond Sunday mornings in our building."*

**Sharon L. Harms**-Director of Radiology & GI Specialties. Sharon has been a member of Southwood for 12+ years. Her service to Southwood Lutheran Church includes being a greeter, usher (captain), serving on the Church Council (Executive Team), participating in Giving Trees, donating food to the Lutheran Food Pantry, donating to the poinsettias and serving at The Gathering Place and Matt Talbot Kitchen & Outreach. Sharon's other church service includes being a greeter, a Deacon, serving on Church Council, providing food service, being a nursery attendant, a midweek class leader, a Sunday School Teacher and a leader of the Christmas program for children. Her service in the community includes serving on Legion Auxiliary Post 105, donating food and clothing to the People's City Mission and cooking and serving food at numerous community and Legion events. *"What do you see as the greatest challenges and opportunities for Southwood Lutheran?" "1. Recruiting a senior pastor and retaining our associate pastors. 2. Engaging more members in our in-person services. 3. Using the housing growth in our area as an opportunity for outreach and membership growth. 4. Maintaining a strong missions focus and funding."*

**Jenna G. Huttenmaier**-Education & Outreach Coordinator, Nebraska Center for Materials and Nanoscience. Jenna has been a member of Southwood for 7 years. Her service to Southwood Lutheran Church includes being an usher, Church Council member, funeral team member, volunteer for VBS, Daily Devotion writer and a communion assistant. Jenna's other church service includes serving at The Gathering Place, Matt Talbot Kitchen & Outreach and participating in the church's special initiatives like Southwood Serves and the Giving Trees. Her service in the community includes being a former volunteer answering the phone for Resolve and at animal organizations, but unfortunately currently is too busy with work and kids to be more active. Someday she would like to more involved in the community. *"What do you see as the greatest challenges and opportunities for Southwood Lutheran?" "Finding a senior pastor to effectively lead and grow Southwood continues to be the council's number one priority. It's important that we continue to support our two associate pastors and the staff during this transition. We know they're taking on a lot of extra duties so anything the council can do to help prevent burnout should be presented. We also need a clear vision/mission going forward as the community grows around us. Inviting our new neighbors and stressing inclusivity should be prioritized. Our mission fund continues to shrink so a long-term solution is needed there. We are lucky to have a strong children's ministry and many young families so this demographic presents opportunities. We should continue to nurture these kids as they grow and find ways to get them back during/after college. Thankfully, our budget is stable and we have come out of the pandemic stronger than many churches. Southwood is a vibrant church with much to look forward to!"*

**Brad A. Johnson-Professor.** Brad has been a member of Southwood for 21 years. His service to Southwood Lutheran Church includes being a greeter, a Small Group Leader, Daily Devotion writer, garden volunteer, being a member of the Social Statements Committee, Justice in Action group and anti-racism small group. He has also sponsored three Tanzania students and one Honduran student through Pronino. Other church service that Brad has done includes being the Co-Chair of RARE (Racial Awareness Reconciliation and Engagement) Committee of the Nebraska Synod. He wrote a film study, hosted an online series and conducted anti-racism workshops in Nebraska congregations. Brad's community service through Southwood includes serving at Matt Talbot Kitchen and Outreach, Center for People in Need, Food Bank of Lincoln, being a City Impact reading tutor, serving at The Gathering Place, and delivering Meals on Wheels. He also has sponsored a family from Iraq through Lutheran Family Services. *"What do you see as the greatest challenges and opportunities for Southwood Lutheran?" "The initial challenge of hiring a senior pastor should be resolved as quickly as possible so that we can fully meet the opportunities of extending Southwood's impact in the community. In addition to preserving Southwood's tradition of vibrant worship, education and service, we have a great opportunity to reach out to young people and people who have historically felt marginalized from church."*

## **Nominating Committee Report for Endowment Fund Trustees**

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

**Charlie Francis**-Retired, UNL University Housing & Dining. Charlie has been a member of Southwood for 17 years. His service to Southwood includes serving on Church Council for 2 terms, and one year as Council President, being on the Capitol Campaign Committee, singing in the Mixed Choir and Men's Chorus and serving on the Worship Advisory Board. His other service to churches includes, at UNL Campus Lutheran Center, being on the Lutheran Center Intern Committee and serving on the Lutheran Center Capitol Campaign Committee. Charlie's service to the community includes being a participant in Leadership Lincoln Executive Leadership, serving on the Leadership Lincoln Board of Directors and participating in the NWU Unity Choir.

**Sharilyn (Shari) K. Rector**-Retired. Shari has been a member of Southwood for 22 years. Her service to Southwood includes serving on the Endowment Fund Board, volunteering at Southwood Central and Sunday School Education Station, being a communion assistant, participating in a small group, 2 mission trips to Tanzania, past member of the Tanzania Scholarship Committee, baking bread for communion, volunteer front office receptionist and volunteering at the LPS Food Pantry. Her service to the community includes being a member of Lincoln Southeast Kiwanis, Terrific Kids (a program where students are recognized for being good citizens), participating in Fleece Blanket project for Foster Care Closet and Be Brave, reading to preschoolers at Lincoln Action Program and helping pack 250 Back to School backpacks with school supplies and distributing them to four elementary schools in Lincoln.

## SOUTHWOOD LUTHERAN CHURCH

### REPORT ON INTERNAL FINANCIAL PROCEDURES

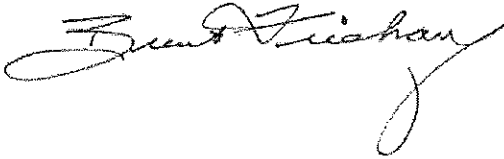
We reviewed certain internal financial procedures for 2022 for Southwood Lutheran Church. Procedures performed and any suggestions for the financial procedures are as follows:

- 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 contribution amounts were matched to the contributor record control sheets. There were no discrepancies noted. It was discussed with the Director of Administration/Finance that her computer is password protected and that she will contact Neal Lyons to have a plan in place if the Director of Administration/Finance is unable to complete duties.
- The deposit procedures were reviewed with the Director of Administration/Finance. Control procedures include dual controls and rotation of duties. Procedures were deemed adequate.
- Thirteen checks or withdrawals over several different months were 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. Any wire transfers are initiated by Director of Administration/Finance and then the treasurer needs to approve and release the transfer.
- 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. Review outstanding checks at year end and the oldest was May 23, 2022 so seems reasonable. In addition, it was noted on the October bank statement a transaction on the 10<sup>th</sup> for \$1,250.15, a wire transfer to Caliber Home Loan, which was from the Good Samaritan Fund and no issues noted.
- 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. April interest was not recorded until May but it was noted on the April statement that it was received after the month was closed. This also occurred in August so Director of Administration/Finance will go online to get statement if not received in the mail.
- The loan payment activity for 2022 was reviewed. The lender statement was compared to the monthly financial statements. Also traced debt payments to approved budget amounts, including an extra principal payment of \$30,000 in December as approved by the council. 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. In reconciling the Form W-3, it was discovered that 766.70 of employee vision care was inadvertently included in box 3 and therefore social security tax was paid on that amount. Due to being so minimal, amended returns will not be prepared. Director of Administration/Finance has corrected for 2023.
- The minutes of Church council were reviewed. Traced any financial matters noted with no exceptions.
- An adjustment was made for the increase in the valuation of the real estate to reconcile to the Lancaster County assessment of \$1,323,180.00 which was an increase of \$834,940.00 which we reviewed and is accurate. This journal entry also increased the Fund balance accordingly. The valuation increase is now shown as a separate account from the cost rather than adding to the original cost basis beginning in November 2022. In addition, part of the procedures

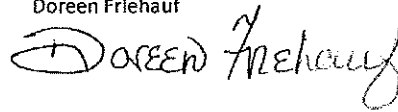
would be to review annually and make any necessary adjustment to the valuation. Director of Administration/Finance will review the assessor valuation and make an annual entry for any necessary adjustment.

- Five Nines Technology continues to be the independent IT consultant that performs a monthly review and provides a report on the current status. The Director of Administration/Finance stated that this continues to be a very good policy.
- The Miscellaneous Receivable on Statement of Financial Position starting in May was discussed with Director of Administration/Finance and due to being minimal is not an issue but will try to have it zero out as soon as possible.
- Discussed with the Director of Administration/Finance the need for a succession plan for the Office Staff as many of the employees are approaching retirement age.

Brent Frieauf

A handwritten signature in cursive script, appearing to read "Brent Frieauf".

Doreen Frieauf

A handwritten signature in cursive script, appearing to read "Doreen Frieauf".



**Southwood Lutheran Church**  
**Statement of Net Assets**  
**Sunday, December 31, 2023**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Missions Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 655,079		\$ 342,789
Miscellaneous Receivables	\$ -		
Contingency Fund		\$ 29,844	
Building/Grounds Repairs/Maintenance Fund		\$ 253,112	
Equipment Replacement Fund		\$ 27,457	
Other Dedicated Funds		\$ 264,381	
Furniture and equipment	1,387,826		
Land and buildings	8,823,180	-	
<b>Total Assets</b>	<u>\$ 10,866,085</u>	<u>\$ 574,794</u>	<u>\$ 342,789</u>
<b>Liabilities</b>			
American National Notes	\$ 314,188	\$ -	
Other	-		
<b>Total Liabilities</b>	<u>314,188</u>	<u>-</u>	
<b>Net Assets</b>			
Unrestricted	10,551,897	-	
Temporarily restricted	-	574,794	\$ 342,789
<b>Total Net Assets</b>	<u>10,551,897</u>	<u>574,794</u>	<u>342,789</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 10,866,085</u>	<u>\$ 574,794</u>	<u>\$ 342,789</u>

**Southwood Lutheran Church**  
**Statement of Revenue and Expenses, Actual and Budget, General Fund**  
**For the Year Ended December 31, 2023**

	<u>Annual Budget</u>	<u>Y-T-D Actual</u>	Percentage of Actual to Budget
<b>Revenues</b>			
Plate offerings and other giving	\$ 2,760,000	\$ 2,840,483	102.92%
<b>Expenses</b>			
<b>Exec Committee/Council</b>			
Personnel Costs	1,960,750	1,705,457	86.98%
ELCA/Synod support	110,000	110,000	100.00%
<b>Total Exec Committee/Council</b>	<u>2,070,750</u>	<u>1,815,457</u>	87.67%
<b>Ministry Board</b>			
Hospitality	30,900	30,368	98.28%
Youth	44,900	35,587	79.26%
Children & Family	32,500	31,752	97.70%
Adult Education	3,500	5,222	149.20%
<b>Total Ministry Board</b>	<u>111,800</u>	<u>102,929</u>	92.07%
<b>Worship Board</b>	<u>69,400</u>	<u>59,847</u>	86.23%
<b>Mission Board</b>	<u>110,000</u>	<u>222,976</u>	202.71%
<b>Care Board</b>	<u>7,675</u>	<u>4,900</u>	63.84%
<b>Finance &amp; Facilities Board</b>			
Administration/Office	135,700	121,382	89.45%
Building & Grounds	327,000	312,992	95.72%
Debt Service	200,000	200,000	100.00%
<b>Total Finance &amp; Facilities Board</b>	<u>662,700</u>	<u>634,374</u>	95.73%
<b>Total Expenses</b>	<u>3,032,325</u>	<u>2,840,483</u>	93.67%
<b>Net Revenues Over (Under) Expenses</b>	<u>\$ (272,325)</u>	<u>\$ -</u>	

**Southwood Lutheran Church  
Dedicated Mission Fund Activity  
For the month ended December 31, 2023**

Mission Fund	Beginning Balance 1/1/2023	2023 Income	2023 Expenses	Ending Balance 12/31/2023
Mission	126,749	173,857	122,834	177,772
Disaster Relief Rund	37,940		10,000	27,940
Community Mission	24,877	31,347	26,178	30,046
Hunger	2,967	7,005	5,649	4,323
Global Mission	6,617	30,133	36,750	-
Honduras	7,140	3,350	7,500	2,990
Honduras Agriculture	1,892			1,892
Tanzania	17,957	24,390	37,850	4,497
Tanzania School	3,280	2,000		5,280
Tanzania Scholarships	82,182	42,741	48,005	76,918
Travel	202	70,272	59,338	11,136
<b>Total Fund Balances</b>	<b>311,803</b>	<b>385,095</b>	<b>354,104</b>	<b>342,794</b>

## 2024 Budget Narrative

The Church Council proposes that the Congregation approve the 2024 Budget as presented. General fund giving is projected to remain about the same in 2024 as compared to 2023 giving.

- **Staff** – Southwood could not keep the high quality of worship, ministry, mission and care without our dedicated staff. This budget includes money for staff raises and also includes money for our call committee and a future senior pastor.
- **Building** – As our building gets older, building repair costs continue to increase. We continue to set aside money for more costly repairs and some building and grounds improvements. We will continue to need to put money aside, as some bigger ticket repairs may be coming up in the next few years. We also saw increased insurance costs on our building and anticipate that those will increase this year as well.
- **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. The general fund budget for Mission remains the same as in 2023. However, the overall surplus from 2023 (\$116,000) was transferred to the Mission Dedicated Fund.
- **Debt Payments** – We continue to pay down our debt. We currently owe about \$314,000. This year’s budget proposal includes only the minimum debt payments. If we pay the minimum amount, our debt will be paid off in mid-2025.
- **Deficit Budget** – The proposed budget shows a deficit of \$270,000. We currently have available cash of \$650,000.

**Southwood Lutheran Church  
Statement of Budget Revenue and Expense  
For the Year 2024**

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2024 Budget</u>	<b>Percentage Change 2023 Actual verses 2024 Budget</b>
<b>Revenues</b>				
<b>Total Income</b>	<u>2,760,000</u>	<u>2,840,481</u>	<u>2,760,000</u>	<u>-2.8%</u>
<b>Expense</b>				
<b>Executive Committee/Council</b>				
Staff	1,960,750	1,705,457	1,926,385	13.0%
ELCA Support	110,000	110,000	110,000	0.0%
<b>Ministry</b>				
Hospitality	30,900	30,367	31,900	5.0%
Youth	44,900	35,588	44,900	26.2%
Children and Family	32,500	31,753	33,800	6.4%
Adult Education	3,500	5,222	3,500	-33.0%
<b>Worship</b>	69,400	59,848	69,400	16.0%
<b>Mission</b>	110,000	222,972	110,000	-50.7%
<b>Pastoral Care</b>	7,675	4,902	7,675	56.6%
<b>Finance and Facilities</b>				
Building and grounds	327,000	312,991	373,500	19.3%
Administration and office	135,700	121,381	135,200	11.4%
Mortgage payment	200,000	200,000	200,000	0.0%
<b>Total Expense</b>	<u>3,032,325</u>	<u>2,840,481</u>	<u>3,046,260</u>	<u>7.2%</u>
<b>Income Less Expense</b>	<u>\$ (272,325)</u>	<u>\$ -</u>	<u>\$ (286,260)</u>	

**Mission Dedicated Funds  
2024 Income and Spending Plan**

Total of Dedicated Mission Funds 12/31/2023

225,800 \*\*

2024 Special offerings  
Estimated income:

Lent/Easter Offering	30,000
Thanksgiving Offering	5,000
Christmas Offering	30,000
Mission Sunday	10,000
Miscellaneous Donations	35,000

Total 110,000

Total funds available

336,800

Planned Spending

Community Mission

Tabitha MOW/Food Box	16,000
Garden	1,000
Food Bank - Backpacks, Food Markets	50,000
Matt Talbot Kitchen & Outreach	8,500

75,500

Global Mission

Tanzania Sister Church	45,000
Honduras Sister Church	28,000
The Children's Home Project	45,000
Global Team Support	2,400

120,400

Total Planned Spending

195,900

Estimated 2024 year-end balance

140,900 \*\*

\*\* Balances in other dedicated Mission funds:

Disaster Relief Fund	27,940
Tanzania Scholarship Fund	76,918
Travel for Mission Trips	11,136

## **Resolution – Transfer of funds from Church Sign to Mission**

**Whereas**, at the 2021 annual meeting, Southwood voted to put \$50,000 into a fund to build a sign; and,

**Whereas**, the sign has now been built and paid for; and

**Whereas**, the fund for the sign has \$38,956 remaining.

**Now, therefore, be it resolved**, that the money remaining from the sign fund be transferred into the dedicated Mission fund.

**SOUTHWOOD LUTHERAN  
CHURCH ENDOWMENT FUND  
2023 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, 2023, the balance in the Endowment Fund was \$587,843. As of 12/31/2023, the Endowment assets are allocated 61.28% Stock, 32.14% to bonds and 6.58% in money markets.

The Endowment Fund had a return of 11% for 2023. The Endowment Fund produced income of \$14,557, of which approximately \$13,101 will be available for distribution in 2024. We also have a carryover of \$16,537 available from prior years, for a total of \$31,094 available to distribute. (Per guidelines, 10% of the annual income must be reinvested back into the fund balance).

The Trustees reviewed and approved the following requests for funding in 2023:

1. Annual gift for Tanzania Scholarships - \$703
2. Holden spiritual retreat - \$2,000
3. Support for Mission Sunday - \$3,500

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,  
Lori Changstrom