

Salem Covenant Church

Semiannual Report

January 14, 2016

6:30 p.m.

HIS
Mercies
ARE
NEW
EVERY
MORNING
LAMENTATIONS 3:23

2016 SEMIANNUAL REPORT

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Semiannual Meeting

Agenda

January 14, 2016

6:30 p.m.

Call to Order

Karla Walker, Chair

Adoption of Agenda

Opening Song

Hymn 72 *To God Be the Glory*

Opening Thoughts and Prayer

Mark Pattie, Senior Pastor

Approve Minutes of 2015 Annual Meeting

New Business

New Member Vote

Financials

Marcy Toensing, Business Administrator

Election of Delegates to Northwest Conference and ECC Annual Meetings

Ministry Reflections

Shelli Streeper, Children and Family Activity Director
Connecting Ministries Team

Strategic Planning Task Force Update

Karla Walker

Closing Song and Prayer

Hymn 580 *God Bless Your Church With Strength*

Salem Covenant Church Annual Meeting Minutes July 14, 2015

Call to Order:

Church Chair Chris Gehrz called the meeting to order at 7:05 p.m.

Opening Song:

The meeting was opened with #580, *God Bless Your Church with Strength*, led by Cindy Reents.

Adoption of Agenda:

Motion to approve the agenda. MSC.

Devotions:

Pastor Mark shared thoughts from Psalm 118:24: This is the day that the Lord has made, let us rejoice and be glad in it. It is not easy for an established church to sustain and renew their vision and vitality. At each step, we need to keep our eyes on Jesus and our hearts on the mission of the church. Esther 4:14: Who knows, but that you have come to royal position for such a time as this. The world needs us to step up and live out His call for us in this day. This is the day. Pastor Mark led the group in prayer.

Approve Minutes of 2014 Semiannual Meeting:

Motion to approve the minutes from the 2015 Semiannual meeting on January 13, 2014, as printed. MSC.

Denominational Reports:

Chris Gehrz shared highlights from the Northwest Conference Annual Meeting, attended by Mark Pattie, Chris Gehrz, and Karla Walker. Salem was honored to host the 2015 Annual Meeting of the Northwest Conference in April 2015. This effort was coordinated by Denise Shannon. Jeff Olson, friend of Salem, was ordained. The 50 by '25 church planting initiative is off to a good start. See <http://www.northwestconference.org/northwest-conference-2015-annual-meeting-focused-on-increasing-congregational-vitality> for more information.

Mark Pattie shared highlights from the Evangelical Covenant Church Annual Meeting, attended by Mark Pattie, Dave Erickson, and Dean Erickson. The Covenant continues to see growth year over year. See covchurch.org/gather for additional information.

Ministry Reflections:

Cindy Reents "faced" the group and shared her thoughts on worship at Salem. Cindy has played the organ at Salem for 39 years. Her love for rich worship was born in a small South Dakota town and grew and matured at Salem. God accepts our worship offerings, then turns around and blesses us. Music is just one of the languages of worship; we can hear God's voice thundering through the organ in all its majesty. We desire to give God our best; God is the audience of our worship. We strive to be creative to honor the Creator. We strive to be truthful to the story. The miraculous thing is that God takes all of these little offerings and molds it into a blessing for us.

Norm Blagman thanked the Salem congregation for the blessing of their heart for worship. In worship, God is the attention getter, not the musicians. Norm is honored to serve as worship leader in the Contemporary Service.

Pastor Mark led the group in a prayer of thanks for Cindy and Norm.

Chris read an email from Pastor Ben from CHIC describing the arrival of our students, the opportunities available to them in teaching, and recreation. He expressed his confidence and hopes for the impact of Christ in the lives of all the young people attending CHIC in 2015.

Strategic Planning Task Force Update:

Karla Walker shared a status update for the Strategic Planning Task Force. A summary of internal and external survey results was shared. Two initiatives have been identified by the task force:

1. Salem will have a comprehensive, integrated ministry for children, youth, and families that will foster relationships among participants and in the north metro communities where Salem families reside.
2. Salem will have a lively ministry for older adults. A lively ministry will connect this growing population meaningfully with God, Salem, one another, and the surrounding community and equip them to encourage one another more fully to grow, serve, and make the most of their God-given life as they move forward through each and every stage of life. The ministry will leverage the gifts and relationships of older adult members to serve within and outside of Salem, especially in ways to serve across generations.

Treasurer's Report:

Marcy Toensing presented the Treasurer's Report. Total income for fiscal year 2015 was \$1,600,000 which was \$42,000 above Salem's budget of \$1,558,000 a surplus of 3%. This year's income was approximately \$75,000 above last year's income, a 5% increase. Fiscal year 2015 income includes two generous and significant estate gifts. Expenses for fiscal year 2015 were \$1,504,000 compared to budgeted expenses of \$1,558,000 a favorable variance of \$54,000. The majority of the favorable variance is found in Salaries and Benefits (\$15,000), Properties (\$14,000), and Music, Children and Family, and CMJ Ministry Team (\$3,000-\$7,000 each). Fiscal year income exceeded expenditures resulting a net surplus of \$96,000. Additional details can be found in the Fiscal Year 2015 Annual Financial Report.

John Douglass led the group in a prayer of thankfulness for Salem's stewardship.

New Member Vote:

Chris Gehrz presented a motion to approve twelve new candidates for church membership: Katie Gehrz, Jane Hansen, Grace Hill, Benjamin Holsten, Joshua Holsten, Nathanael Holsten, Hannah Jacobson, Darlien Johnson, Mark Pattie IV, Ethan Scheibe, Zachary Sigler, Blake VanGuilder. MSC.

Budget for Fiscal Year 2013-2014:

Marcy Toensing presented the proposed budget for fiscal 2015-2016 of \$1,574,648. This represents a 1.5% decrease from projected fiscal year 2015 actual income, or a 4% increase over projected fiscal year 2015 actual income minus the estate gifts received this year. Motion to approve the proposed budget. MSC.

Mark Pattie prayed for God's empowerment and blessing of the budget.

Election of Leadership Team Members:

Nominations from the nominating committee were presented and additional nominations solicited from the congregation. Motion to cast ballot by acclamation for the following nominees as presented by the nominating committee:

Leadership Team: Karla Walker, Chairperson; Denise Shannon (second term), Erica Crone.

Nominating Committee: Terry Bjorklund.

MSC.

Pastor Mark Pattie prayed for the Leadership Team, new and retiring.

Recognition of Retiring Church Leadership:

Mark Pattie thanked Chris Gehrz for his service to the Leadership Team and Larry Babb for his service to the Nominating Committee as their terms come to an end.

Chris thanked the group for their prayers and the privilege and honor of praying for the congregation.

Closing Song and Prayer:

The gathering sang hymn #435, *Day by Day, and with Each Passing Moment*.

Pastor Alice Johnson closed in prayer. The meeting was adjourned at 8:57 p.m.

Respectfully submitted,
Karla Walker



The Evangelical Covenant Church

November 2015

To All Covenant Churches

Dear Friends in Christ,

As you gather for your congregational Annual Meeting, let me say I am so deeply grateful for the partnership we share in this movement we call the Evangelical Covenant Church (ECC).

You are one among 875 congregations within our 11 regional conferences here in the United States and Canada. We are a growing, multiethnic, multi-generational family of churches with lots of heart for making a difference together. And together, we impact over 2.5 million lives at home and in some 40 countries on five continents.

Our executive minister of Love Mercy and Do Justice, Cecilia Williams, likes to say that our call as believers is to *“move the needle for the kingdom of God every day.”* In the ECC, we seek to do this through our five mission priorities:

Start and Strengthen Churches,
Make and Deepen Disciples,
Develop Leaders,
Love Mercy and Do Justice, and
Serve Globally

We are humbled by what God is doing in each of these areas. Because of your support and God’s faithfulness, real lives in real places are being touched by the hope of Christ every single day Find out more on our website at covchurch.org. In particular, watch the video “Moving the Needle,” an informative and inspiring overview of how God is at work.

As you reflect on the many ways that God is using your congregation, remember that one way is through this important partnership, and your partnership with your regional conference.

I am grateful to serve with you. Together, may we go deeper in Christ and further in mission.

In Christ,



Gary Walter
President

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November 2015

Dear Friends,

On behalf of the Northwest Conference staff and executive board I send you warm greetings in the Name of our Lord Jesus Christ.

Another year is fast-approaching its end and it is time for many of our NWC churches to hold their annual congregational meetings at which time they will elect leaders, approve budgets, reflect on God's faithfulness throughout this past year, acknowledge challenges, and dream about the future.

This we know...that God is present in the midst of all of our deliberations even as He has been with us in our activities and service. Further, we believe that the Lord Jesus desires to live and reign in our hearts even as we earnestly desire to be led by the Holy Spirit.

And so, we are led though we follow imperfectly; acknowledging that even this drives us to a humble trust in the Lord and an even more humble distrust in our own capacity to "get it right" in every instance. Yet, our great God continues to be faithful in spite of our fecklessness. And so we give voice along with the hymn writers, "*Great is Thy faithfulness, O God my Father*" even as we also cry out, "*Dear Lord and Father of humankind, forgive our feverish ways.*" And He does!

This faithfulness has also been made manifest in your faithfulness to our shared mission through the mission and ministry of the Northwest Conference in 2015. Thank you for your support through your prayers, participation, and the faithful stewardship of your finances. Simply put, while we are here to serve and resource our churches, pastors and lay leaders, we would be unable to do so without the faithful generosity of our churches...yours included! As such you are a blessing beyond your own walls in ways that make a real difference in the lives of other Covenant churches in our region. On their behalf I want to thank you, as well.

And know that the leadership of the NWC is cheering you on and praying that you would be found to be both faithful and fruitful for the sake of Jesus Christ and His Bride, the Church. Moreover, that your labors will be a blessing to those who have yet to name the Name that is above every name, so that every tongue might acknowledge that Jesus Christ is Lord, to the glory of God the Father.

And so in our service, we remember that God's mercy to us and to others as expressed through Jesus Christ is His provision arising out of His compassion. It is not our "commission" for a job well-done; unearned yet received through Christ our Lord.

May the reality and joy of this gospel message give you confidence to step out in faith and to seize the opportunities God will give to you in the coming year, even as you are making critical decisions that will affect your future endeavors.

Courage! And Peace.

Mark R. Stromberg, Superintendent

PASTORAL REPORT MARK PATTIE, SENIOR PASTOR

*The steadfast love of the Lord never ceases, his mercies never come to an end;
they are new every morning; great is your faithfulness!*

Lamentations 3:22-23

Walking my dog this New Year's Eve and Day, the verse above came to mind. It led me on New Year's Eve to reflect on God's blessed faithfulness through the past year and then, on New Year's Day, to look forward to his promised mercies each new day as we venture ahead.

Looking back as we come to our Semiannual Meeting, my heart overflows with thanksgiving—for the good, supportive spirit among us; for worship times in which we wholeheartedly bring the best we can offer to God; for our Children's, Youth, and Family Ministries that continue to grow and bear fruit; for Small Groups and Adult Sunday School classes in which attendance is high and encouragement, fellowship, biblical learning, and spiritual growth is taking place.

The following notes from staff members as we looked toward this meeting help illustrate some of our reasons for thanksgiving:

Ben Pease, our Pastor of Youth and Ministry Deployment, writes:

This past July, forty-five students and leaders from Salem traveled to the University of Tennessee in Knoxville to participate in CHIC 2015, the Covenant denomination's triennial youth conference. In addition to hearing amazing bands, engaging in powerful worship, meeting students from across the country, and being challenged by renowned speakers, our students had opportunities to connect in small groups for prayer and conversation, and to enjoy on-campus recreation opportunities and whitewater rafting in the Smokies. Students came home with stories of lives both challenged and changed, and many renewed their commitments to follow Jesus Christ. One common story was of the impact of the conference's emphasis on the global justice issues surrounding access to clean water. Students returned with a desire to make a difference both at home and abroad, and one student committed the tithe on the income from a new job to Covenant World Relief's work through the Project Blue clean water initiative. A huge THANK YOU goes out to all at Salem who supported our team in getting to CHIC!



Cindy Reents, our Organist and Music Ministries Coordinator, writes:

The things I am thankful for most recently include:

- the Christmas concert on Saturday, December 12, *Let No Tongue On Earth Be Silent*.
- premiere of the Men's Ensemble piece on November 22 commissioned by Cal Peterson.
- the amazing brass ensemble on All Saints' Sunday.
- the collaboration of Doxology and Sanctuary Choir on December 6.
- the Praise Singers leading the Psalter.
- the Wind Ensemble leading worship on November 15.
- the Joy Singers singing their hearts out, even with small numbers.
- the bell choirs leading in worship on December 13.

Jim Anderson, our Visitation Pastor, writes:

Having completed my first year as the Pastor of Visitation at Salem, I want to say what a privilege it is to work with such a caring and competent staff. It is a joy to serve alongside this group of servant-hearted people. And, it has been fulfilling for me to renew old friendships and make new ones as I have been visiting among you. I am honored to serve as your Pastor of Visitation.

As for me, Pastor Mark, all I can say is that I wholeheartedly agree with all the above and could add so much more. I'll limit my remarks, but the more includes gratitude for God's blessing and the prayerful, hard work, and often combined collaboration of so many evidenced in:

- Kickoff Sunday that offered a wonderful welcome on a beautiful day in early September.

- The World Vision Truck Experience later that month, an experience that was personally very meaningful to me and raised awareness and financial support to help people living on the margins around the world. Far beyond the numbers of people directly participating or the money donated, the event gave both our congregation and the surrounding community greater insight into our deep commitment to loving and serving our neighbors, especially those most in need, as Jesus has called us to do.



- Our first ever Trunk-or-Treat event at the end of October. Well over 500 children and adults from our surrounding community came and enjoyed the occasion. It was a great outreach.

- Our first ever Fika Christmas celebration in early December. Change is often difficult and can elicit mixed feelings, and this was undoubtedly true for some who have enjoyed our long and wonderful tradition of hosting a full blown Swedish Smörgåsbord. Yet, I cannot tell you how impressed I was and thankful I am for the many who stepped up to make the Fika so successful, celebrative, well done, and fun, Far from a step backward, it was a step forward given some of the realities of our current society including schedules, demographics, and health codes. No lutefisk, I know, but apart from that, the music, treats, decorations, and spirit of the event were tremendous, as was the attendance.



- Funeral and funeral receptions, of which there have been many. I feel I must state publicly how deeply grateful I am and I know the families of those who have lost loved ones are for the support and wonderful times of fellowship and food that our people have extended. The past year has been one in which the need for your support and service to those who are grieving has been huge. Thank you. Even while grieving yourself, there has been no hesitation, no lowering of standards, no lessening of the willing, humble, generous spirit of care and service that is the hallmark of our Christian faith. "By your love for one another they will know that you are my disciples." Thank you for witnessing to Christ and to who you are and who we are as a community by his grace.

- Baptisms and dedications. We continue to welcome more and more children and adults into the family of God through baptisms and dedications, which is a real joy for me and our church, and I'm sure brings joy to the heart of God. Thank you for being such a welcoming community for so many.

Of course, we come to this meeting looking ahead, too. So many of the things listed above will be continuing and the coming year will be about developing and expanding our ministries in ways small and large. In particular, though, as we look to the future, there are two strategic initiatives we have identified as key to moving Salem forward with vitality. The precise wording of the initiatives can be found in our chairperson, Karla Walker's report, but the steps we have been taking over the past few months have focused on:

- Developing a more comprehensive older adult ministry program targeting ages 50 and above, a ministry both for and with older adults (we haven't landed on a better title for the ministry yet than "older adults"). A Ministry Team is in the process of forming now with Sue Poston as chair, Pastor Jonna Fantz giving pastoral leadership, and two consultants from our denomination, Alan Forsman and Evelyn Johnson, offering guidance and support.
- Aligning our children's, youth, family, and adult ministries (staff and ministry teams) so that our spiritual formation ministries operate in an increasingly collaborative, strategic way with a united vision working together to help people of all ages connect, grow, and go forward into life and ministry as devoted disciples of Jesus.

In closing, I want to express my deep appreciation for our staff, our Leadership Team led by our new and wonderfully competent Church Chair, Karla Walker, our Ministry Teams, and our entire congregation. I am grateful for the addition of some incredibly gifted, good-spirited new staff members—Katie Gehrz, Shelli Streeper, and Kathy Welte. And, I am grateful for you, each person God has called to join in as a part of his Body here at Salem. As Pastor Jim stated above, it is truly an honor to serve as your pastor. I am thankful for your prayers, encouragement, support, and partnership in the mission God has called us to. Knowing that God's mercies are new every morning, I can't wait to see what he has in store for us and through us in the next six months and beyond!

Grace, peace, and thanks,

A handwritten signature in cursive script that reads "Pastor Mark". The signature is written in black ink and is positioned below the text "Grace, peace, and thanks,".

LEADERSHIP TEAM (LT) KARLA WALKER, CHAIRPERSON

Grace to you and peace from God our Father and the Lord Jesus Christ. Philippians 1:2

First of all, thank you, friends, for your words of support and encouragement as I stepped into the role of Church Chair. I covet your prayers for the Leadership Team, staff, and myself as we seek to ably represent you and to follow God's will for our congregation.

Last year at this time, the Strategic Planning Task Force was just getting started on the process which culminated this fall in a recommendation of two strategic initiatives to the Leadership Team:

Strategic Initiative: Children, Youth, and Family Ministry

Salem will have a comprehensive, integrated, visible ministry for children, youth, and families that will foster relationships among participants and in the communities where Salem families reside.

Strategic Initiative: Older Adult Ministry

Salem will have a vibrant ministry for older adults. A vibrant ministry will connect this growing population meaningfully with God, Salem, one another, and the surrounding community. This ministry will equip them to encourage one another more fully to grow, serve, and make the most of their God-given life as they move forward through each and every stage of life. The ministry will leverage the gifts and relationships of older adult members to serve within and outside of Salem, with special attention given to ways to serve across generations.

The Leadership Team formally approved these initiatives this fall, and work towards achieving the identified objectives has begun. It is exciting to see significant progress on what seemed (to me, anyway!) a somewhat intimidating task just one year ago. Many, many thanks to the Strategic Planning Task Force members: Siv Dobrovolny, Dave Erickson, Chris Gehrz, Janell Giesler, Alice Johnson, Will O'Brien, and Mark Pattie; and to our consultant, Al Forsman. It was a privilege to work with this team as we strived to better understand our congregation, the surrounding community, and God's ongoing plan for Salem.

Other Church Business Highlights:

- The Leadership Team welcomed one new member, Erica Crone.
- The Leadership Team elected officers: Denise Shannon, Vice-Chair; Martin Anderson, Corporate Secretary and Financial Liaison; and Kirsten Babb, Recording Secretary.
- Salem's new website and logo were launched on September 13.
- Pastor Mark shared his professional goals for 2015-2016 with the Leadership Team and provided regular updates of progress.
- The Leadership Team affirmed a written Behavioral Covenant to guide interactions of team members.
- The Sanctuary saw several improvements, including the installation and dedication of the hearing loop, additional wheelchair access, and new pew cushions.
- Improvements were made to the Contemporary Worship space, "flipping" the orientation to improve seating capacity, traffic flow, and visual and lighting quality.
- The Leadership Team conducted our annual review of individual and collective performance of the team.
- Salem Employee Handbook was updated, approved by the Leadership Team, and distributed to employees.
- The Connecting Ministries Team sponsored two very successful new ministry events, Trunk-or-Treat and Fika.

In closing, I want to thank our pastoral staff for their able leadership and shepherding of this congregation. Thank you, also, to all of Salem's staff members and many volunteers for all you do to serve the Leadership Team, the congregation, and those beyond our doors.

Grace to you, and peace,
Karla Walker

Vital Signs at Salem

(July-December 2015)

Membership on July 1, 2015	957
Members received	12
Members transferred or resigned	0
Members lost through death	11
Membership on December 31, 2015	958

12 New Members

Katie Gehrz
 Jane Hansen
 Grace Hill
 Benjamin Holsten
 Joshua Holsten
 Nathanael Holsten
 Hannah Jacobson
 Darlien Johnson
 Mark Pattie IV
 Ethan Scheibe
 Zachary Sigler
 Blake VanGuilder

Average Sunday Attendance July-December 2015

	1st Trad	2nd Trad	Contemp
July	275		174
August	269		197
September	146	228	188
October	160	229	169
November	160	283	193
December	170	276	182

11 Members passed on to their Eternal Home

June Abrahamson
 B. Niles Batdorf
 Joan Brandt
 Lloyd Collings
 Edna Georgius
 Jeanette Janecek
 Harriet Johnson
 Robert Maxton
 Grace Nelson
 Mark Sjoblom
 Richard Sjoblom

3 Baptisms

Molly Sue Campbell
 Norah Joe Campbell
 Desirae Ann Ferguson

4 Dedications

Kensington Marie Bros
 Mason Robert Bros
 Teagan Michelle Bros
 Eleanor Jean Hill

2 Children Born to Members

Tyler Tobias Crone
 Finley Paul Joseph Dolan

1 Adoption to Members

Maddalyn Leslie Lamprecht

2 Marriages of Members

Joseph Collins and Cheryl Erickson
 Thomas and Noelle (Topitzhofer) Fields

**SALEM COVENANT CHURCH
FISCAL YEAR 2016 SEMI ANNUAL REPORT
JULY 2015 through DECEMBER 2015
FINANCIAL REPORT**

Income

Our year-to-date (YTD) income is \$775,000, which is \$49,000 below our budgeted income YTD of \$824,000, about 6%. This level of giving is behind last year's giving YTD by \$2,000.

Expenses

Expenses YTD are \$733,000 compared to budgeted YTD expenses of \$777,000, which represents a favorable variance of \$44,000. The favorable variance in expenses is found primarily in the following ministry teams:

- Salaries & Benefits has an \$18,000 favorable variance due to the open Faith Community Nurse position early this year, in addition to timing of staff expenses such as Conferences and Continuing Education.
- The Properties Ministry Team has a \$9,000 favorable variance primarily in Utilities, Snow Removal and Insurance.
- The Youth, Children & Family, and Missions Ministry Teams each have \$3,000 favorable variances due to timing of expenses.

As expenses are favorable to budget YTD, spending is also \$14,000 less than last year's YTD spending.

Net Income

As of 12/31/15, income exceeded expenditures resulting in net income of \$42,000. This is compared to a budgeted net income of \$47,000 YTD. The \$5,000 unfavorable variance is a result of income behind budget \$49,000 partially offset by expenditures under budget by \$44,000. Fiscal year 2016 is budgeted such that income inflows will match expense outflows by the end of the fiscal year.

Temporarily Restricted Income

In addition to our General Fund Income, Salem regularly receives gifts that are restricted to a specific purpose. Salem received Temporarily Restricted Income for the first half of FY 2016 of \$123,000.

Respectfully submitted,

Marcy Toensing, Business Administrator

Salem Covenant Church
Statement of Income Over Expenditures
For the Six Months Ending Thursday, December 31, 2015

	Dec ACTUAL	Dec YTD ACTUAL	Dec YTD BUDGET	Variance \$	Variance %
Income					
General Fund Giving	\$182,865	\$769,775	\$824,048	(\$54,273)	-7%
Use of Church	1,806	3,482	0	3,482	0%
Interest Income	1,522	1,572	0	1,572	0%
Total Income	\$186,193	\$774,829	\$824,048	(\$49,219)	-6%
Expenditures					
Worship Support	\$571	\$1,289	\$1,485	\$196	13%
Contemporary Worship	429	872	2,100	1,228	58%
Music	1,865	4,408	6,794	2,386	35%
Connecting Ministries	504	6,494	6,740	246	4%
Total Drawing	\$3,369	\$13,063	\$17,119	\$4,056	24%
Prayer	\$0	\$54	\$118	\$64	54%
Small Groups	14	(37)	650	687	106%
Adults	100	350	400	50	13%
Youth	1,367	4,010	7,019	3,009	43%
Children & Family	2,610	8,605	12,050	3,445	29%
Whole Life Stewardship	0	0	1,000	1,000	100%
Total Developing	\$4,091	\$12,982	\$21,237	\$8,255	39%
Health Ministries	46	213	700	487	70%
Service	886	3,828	3,183	(645)	-20%
Missions	(1,137)	28,284	31,080	2,796	9%
Covenant/Denominational Giving	13,300	60,757	62,580	1,823	3%
Total Deploying	\$13,095	\$93,082	\$97,543	\$4,461	5%
Finance	\$1,203	\$12,861	\$12,450	(\$411)	-3%
Properties	12,898	63,556	72,560	9,004	12%
Mortgage Payments	4,975	29,850	29,850	0	0%
Administrative Services	7,823	30,197	30,235	38	0%
Leadership Team	872	1,939	2,750	811	29%
Total Administration	\$27,771	\$138,403	\$147,845	\$9,442	6%
Salem Salaries & Benefits	\$85,881	\$475,402	\$493,351	\$17,949	4%
Total Expenditures	\$134,207	\$732,932	\$777,095	\$44,163	6%
Income in Excess of Expenditures	\$51,986	\$41,897	\$46,953	(\$5,056)	-11%

Salem Covenant Church
Statement of Income Over Expenditures
For the Six Months Ending Thursday, December 31, 2015

	<u>Dec ACTUAL</u>	<u>Dec YTD THIS YEAR</u>	<u>Dec YTD LAST YEAR</u>	<u>Variance \$</u>	<u>Variance %</u>
Income					
General Fund Giving	\$182,865	\$769,775	\$772,859	(\$3,084)	0%
Use of Church	1,806	3,482	2,878	604	21%
Interest Income	1,522	1,572	1,572	0	0%
Total Income	\$186,193	\$774,829	\$777,309	(\$2,480)	0%
Expenditures					
Worship Support	\$571	\$1,289	\$1,824	\$535	29%
Contemporary Worship	429	872	2,106	1,234	59%
Music	1,865	4,408	4,238	(170)	-4%
Connecting Ministries	504	6,494	9,655	3,161	33%
Total Drawing	\$3,369	\$13,063	\$17,823	\$4,760	27%
Prayer	\$0	\$54	\$0	(\$54)	0%
Small Groups	14	(37)	0	37	0%
Adults	100	350	300	(50)	-17%
Youth	1,367	4,010	5,390	1,380	26%
Children & Family	2,610	8,605	11,466	2,861	25%
Total Developing	\$4,091	\$12,982	\$17,156	\$4,174	24%
Health Ministries	46	213	405	192	47%
Service	886	3,828	3,100	(728)	-23%
Compassion, Mercy & Justice	0	0	500	500	100%
Missions	(1,137)	28,284	37,480	9,196	25%
Covenant/Denominational Giving	13,300	60,757	60,534	(223)	0%
Total Deploying	\$13,095	\$93,082	\$102,019	\$8,937	9%
Finance	\$1,203	\$12,861	\$13,000	\$139	1%
Properties	12,898	63,556	70,683	7,127	10%
Mortgage Payments	4,975	29,850	29,850	0	0%
Administrative Services	7,823	30,197	37,076	6,879	19%
Leadership Team	872	1,939	2,738	799	29%
Total Administration	\$27,771	\$138,403	\$153,347	\$14,944	10%
Salem Salaries & Benefits	\$85,881	\$475,402	\$456,448	(\$18,954)	-4%
Total Expenditures	\$134,207	\$732,932	\$746,793	\$13,861	2%
Income in Excess of Expenditures	\$51,986	\$41,897	\$30,516	\$11,381	37%

Salem Covenant Church
Statement of Income Over Expenditures
For the Six Months Ending Thursday, December 31, 2015

	Dec <u>ACTUAL</u>	Dec YTD <u>ACTUAL</u>	FY 2016 <u>BUDGET</u>	Variance	% of Total Budget
Income					
General Fund Giving	\$182,865	\$769,775	\$1,574,648	(\$804,873)	49%
Use of Church	1,806	3,482	0	3,482	0%
Interest Income	1,522	1,572	0	1,572	0%
Total Income	\$186,193	\$774,829	\$1,574,648	(\$799,819)	49%
Expenditures					
Worship Support	\$571	\$1,289	\$2,970	\$1,681	43%
Contemporary Worship	429	872	4,200	3,328	21%
Music	1,865	4,408	14,700	10,292	30%
Connecting Ministries	504	6,494	8,980	2,486	72%
Total Drawing	\$3,369	\$13,063	\$30,850	\$17,787	42%
Prayer	\$0	\$54	\$190	\$136	28%
Small Groups	14	(37)	1,300	1,337	-3%
Adults	100	350	1,100	750	32%
Youth	1,367	4,010	13,950	9,940	29%
Children & Family	2,610	8,605	26,625	18,020	32%
Whole Life Stewardship	0	0	2,000	2,000	0%
Total Developing	\$4,091	\$12,982	\$45,165	\$32,183	29%
Health Ministries	46	213	1,401	1,188	15%
Service	886	3,828	6,365	2,537	60%
Missions	(1,137)	28,284	68,785	40,501	41%
Covenant/Denominational Giving	13,300	60,757	119,375	58,618	51%
Total Deploying	\$13,095	\$93,082	\$195,926	\$102,844	48%
Finance	\$1,203	\$12,861	\$18,550	\$5,689	69%
Properties	12,898	63,556	158,075	94,519	40%
Mortgage Payments	4,975	29,850	59,700	29,850	50%
Administrative Services	7,823	30,197	60,470	30,273	50%
Leadership Team	872	1,939	12,700	10,761	15%
Total Administration	\$27,771	\$138,403	\$309,495	\$171,092	45%
Salem Salaries & Benefits	\$85,881	\$475,402	\$993,212	\$517,810	48%
Total Expenditures	\$134,207	\$732,932	\$1,574,648	\$841,716	47%
Income in Excess of Expenditures	\$51,986	\$41,897	\$0	\$41,897	0%

**Salem Covenant Church
Balance Sheet**

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>Variance</u>
ASSETS			
CURRENT ASSETS			
Cash	\$571,535	\$591,466	(\$19,931)
Prepaid Expense	5,797	11,968	(6,171)
Accounts Receivable	20,836	12,032	8,804
Total Current Assets	<u>598,168</u>	<u>615,466</u>	<u>(17,298)</u>
PROPERTY AND EQUIPMENT	11,695,310	11,576,734	118,576
OTHER ASSETS			
Certificates of Deposit	333,928	354,068	(20,141)
Notes Receivable	13,500	15,000	(1,500)
Total Other Assets	<u>347,428</u>	<u>369,068</u>	<u>(21,641)</u>
Total Assets	<u><u>\$12,640,906</u></u>	<u><u>\$12,561,269</u></u>	<u><u>\$79,637</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$37,583	\$36,254	\$1,328
Accrued Expenses	35,189	30,004	5,186
Total Current Liabilities	<u>72,772</u>	<u>66,258</u>	<u>6,514</u>
MORTGAGE PAYABLE	<u>571,216</u>	<u>608,694</u>	<u>(37,478)</u>
Total Liabilities	643,988	674,952	(30,964)
NET ASSETS			
Unrestricted:			
Undesignated General Fund	162,283	67,910	94,373
Undesignated Memorial Fund	49,585	42,711	6,874
Undesignated	211,868	110,621	101,247
Board Designated	135,866	149,208	(13,343)
Investment in Property and Equipment	11,124,095	10,968,040	156,054
Total Unrestricted	<u>11,471,828</u>	<u>11,227,870</u>	<u>243,959</u>
Temporarily Restricted	492,448	625,806	(133,358)
Permanently Restricted	32,642	32,642	0
Total Net Assets	<u>11,996,918</u>	<u>11,886,317</u>	<u>110,601</u>
Total Liabilities and Net Assets	<u><u>\$12,640,906</u></u>	<u><u>\$12,561,269</u></u>	<u><u>\$79,637</u></u>

**Salem Covenant Church
Balance Sheet - Net Asset Detail**

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>Variance</u>
Board Designated Net Assets			
Debt Service	\$0	\$27,465	(\$27,465)
Instrument Repair	2,252	4,121	(1,869)
Building Reserve	110,449	105,449	5,000
Care and Visitation	3,591	3,665	(74)
Benevolence	5,000	0	5,000
Strategic Plan Initiatives	9,952	0	9,952
Business Administrator	4,350	5,000	(650)
Other	272	3,509	(3,237)
Total	<u>\$135,866</u>	<u>\$149,208</u>	<u>(\$13,343)</u>
Temporarily Restricted Net Assets			
Sunday School	\$11,003	\$8,076	\$2,927
Missions Projects	31,913	28,738	3,175
Mission Outreach Fund	72,517	76,002	(3,485)
Benevolence	19,193	19,492	(299)
Chaplaincy Ministry	14,212	14,062	150
Youth	16,113	28,820	(12,707)
Covenant Pines Camp Scholarships	36,130	25,000	11,130
Children & Family	28,434	12,746	15,688
Music	22,654	12,409	10,245
Faith Community Nurse	3,923	2,903	1,020
Archives	21,482	22,045	(563)
Smorgasbord	4,010	5,727	(1,717)
Women Ministries	1,098	15,828	(14,730)
MOPS	5,832	3,457	2,374
Funeral Luncheons	3,254	2,312	942
Senior Fellowship	3,690	3,503	187
Leadership Development	51,391	57,012	(5,621)
Capital Improvements	136,876	276,264	(139,388)
Other	5,568	8,652	(3,084)
Memorials	3,157	2,757	400
Total	<u>\$492,448</u>	<u>\$625,806</u>	<u>(\$133,358)</u>
Permanently Restricted Net Assets			
Youth Scholarship Endowment	\$22,642	\$22,642	\$0
Marion Hagman Memorial Fund	10,000	10,000	0
Total	<u>\$32,642</u>	<u>\$32,642</u>	<u>\$0</u>

**Salem Covenant Church
Temporarily Restricted Income (Dedicated Gifts)
For the Six Months Ending December 31, 2015**

Adult Sunday School Offering	\$ 6,259
Alaska Christian College	1,420
Capital Improvements	36,788
CHIC	6,760
Children's Ministries	7,795
Covenant World Relief	6,207
Czech Mission Trip	2,010
Devotional Subscriptions	1,004
Faith Community Nurse Ministry	1,020
Food Shelf	4,722
Funeral	4,138
Living Hope (including FIKA donations)	2,487
Missions	11,821
MOPS	3,384
Music	2,190
P.E.T. - rummage sale proceeds	2,257
Salem Benevolence Fund	3,554
Senior Fellowship	1,683
Staff Christmas Gift Offering	7,470
Wednesday Night Suppers	2,159
World Vision - CongoKids	3,904
Youth Mission Trip	1,679
Others (less than \$1,000 each)	2,736
Total Temporarily Restricted Income	\$ 123,447

Memorial gifts were received by Salem Covenant Church during the first six months of fiscal year 2016 in memory of the following members and friends:

June Abrahamson
Glen Bjorklund
Joan Brandt
Roger & Mildred Carlson
Lloyd Collings
Edna Georgius
Brycen IntVeld
Harriet Johnson
Robert Maxton
Mark Sjoblom
Richard Sjoblom
Gracelyn VanGorden
Virginia Wicklund

Total Memorial Fund Gifts July 1 - December 31, 2015 \$ 15,450

125TH ANNIVERSARY CAPITAL CAMPAIGN

Update as of December 31, 2015

Total Capital Projects Planned	\$1,160,000
Commitments to Capital Campaign	\$ 680,000
Gifts received designated to Capital Campaign as of 12/31/15	\$ 692,804
Disbursements made from Capital Campaign funds through 12/31/15	<u>\$ 555,928</u>
Capital Improvements Fund Balance as of 12/31/15	<u>\$ 136,876</u>

Borrowed funds from National Covenant Properties for Capital Projects (Kitchen renovation, Gym roof, parking lot lights, security cameras)	\$ 494,863
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Capital Projects completed as of December 31, 2015:

- Kitchen renovation
- Organ refurbishment in Sanctuary
- Air conditioning in Gym, Kitchen, and lower level
- Roof replacement over Gym
- Purchase of new bus for transportation needs
- Parking lot lighting improvements
- Security system upgrade and additional cameras throughout building and parking lot
- Nursery remodel
- Speakers, projector, sound equipment, screen and lighting upgrades in Gym for Contemporary Worship
- Carpet in lower level (preschool rooms and hallway) and upper level offices
- Upgraded Wi-Fi access throughout building
- Parking lot asphalt repairs and concrete exit
- Safety rails installed in parking lot and Sanctuary
- New furniture and technology upgrades in Hermundslie Lounge
- Narthex improvements
- Purchase of new chairs for Choir Loft in Sanctuary
- Lighting Upgrade in Sanctuary
- Purchase of chairs and tables for use around building
- Painting of rooms and hallways in lower level
- Website re-design and brand refresh
- Hearing Loop in Sanctuary
- Replacement of pew cushions and tile floor in Sanctuary

Projects yet to complete:

- Building emergency systems
- Christian education equipment and technology purchases
- Signage for Narthex
- Contemporary Worship Space – remaining upgrades
- Wood platform replacement in Sanctuary



salem
COVENANT CHURCH

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