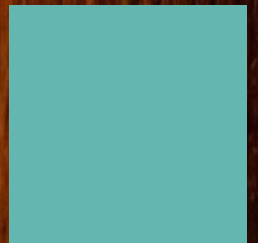
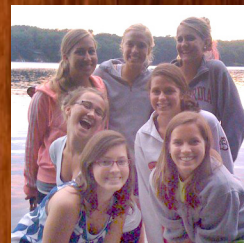
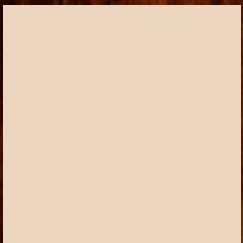
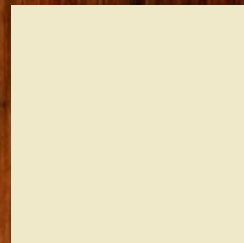
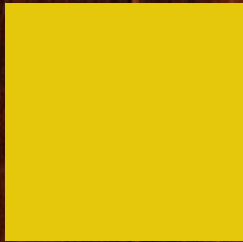
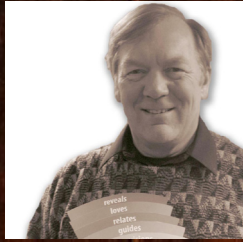
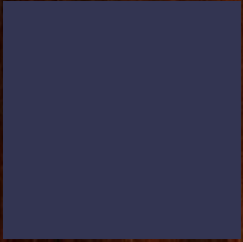


2011

ANNUAL REPORT



trinity

Love. Transform. Serve.



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Trinity Lutheran Church
Stillwater, Minnesota
Sunday, March 25, 2012
11:45 a.m.**

This Annual Report is submitted to you, the members of Trinity Lutheran Church, in the hope that it will be a valuable and informative tool for your use.

As you read through this report, it is our hope that you have an understanding of what has transpired at Trinity Lutheran Church during the year 2011.

It is also our hope that this will serve adequately to inform the future congregation about what transpired this year. Please read the report in its entirety before the meeting as the reports will not be read at the meeting.

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ANNUAL MEETING OF

TRINITY LUTHERAN CHURCH • STILLWATER, MN

141st ANNUAL MEETING OF TRINITY LUTHERAN CHURCH

Stillwater, Minnesota

MARCH 25, 2012, 11:45 a.m.

Meeting Agenda

1. Meeting Called to Order – President Eric Jackson
2. Opening Prayer
3. Approval of Agenda
4. Introduction of Parliamentarian
5. Approval of Procedures
6. Approval of Minutes of 2011 Annual Meeting and Oct. 30, 2011 Special Congregational Meeting
7. Introduction of Congregational Council Members
8. Report of the Nominating Committee
9. Election of 2013 Nominating Committee
10. Appointment of Tellers
11. Election of 2012 Congregational Council
12. Recommended motion for nomination of Synod Delegates
13. Reports of the Ministry Teams and Congregational Council
14. Report of the Church Treasurer for 2011
15. Approval of Proposed Budget for 2012
16. Discussion: Focus On 2020 Vision
17. Other Business
18. Adjournment

ANNUAL MEETING

Minutes of the 140th Annual Meeting of Trinity Lutheran Church held on March 6, 2011

Congregational Council President Eric Jackson called the meeting to order at 12 p.m. 86 congregational members were in attendance.

Pastor Dan Poffenberger opened the meeting with prayer.

The Annual Meeting agenda was presented to the Congregation. A motion was made and seconded to approve the agenda. The motion passed and the agenda was approved.

Gail Olson was introduced as the Parliamentarian for the Annual Meeting.

Gail Olson reviewed the procedures for the Annual Meeting. A motion was made and seconded to approve the procedures and the motion passed.

The Call Committee presented the candidate for Pastor of Care Ministries. A motion was made and seconded to approve the call of Candace Moser for the position of Pastor of Care Ministries.

The members of the Congregational Council were introduced and Terry Arnesen was thanked for his service of six years on the council.

The minutes of the 2010 Annual Meeting were presented for approval. A motion was made and seconded to approve the annual minutes as presented, and the motion passed.

Pastor Dan Poffenberger led a discussion around the question, "Given the gifts that God has given Trinity, and the needs of the world around us, what is God calling forth in Trinity?"

The Church Treasurer, Todd King, was introduced to present a Treasurer's report for 2010. Todd King highlighted the following; total contribution income ended the year at \$1.635 million dollars; most expenses were at or well below budgeted levels; the Worship Center improvements (sound system) originally budgeted for 2011, were completed in 2010; to bridge the gap between revenue and expense, unused portions of Capital Appeal money (primarily Worship Center and Trinity for Tomorrow allocations) were repurposed to mortgage expense, with the approval of Council.

Todd King presented the proposed budget for 2011 for approval. Todd King reviewed 2011 budget highlights. Following the presentation of the proposed 2011 annual

budget, a motion was made and seconded to approve the budget as proposed and the motion was opened for discussion. There were no questions and the motion was put to a vote to approve the 2011 budget as proposed and the motion passed.

Eric Jackson introduced the Nominating Committee Chair Jolene Patterson and she thanked Nominating Committee members John Weyrauch and Sheila-Marie Untiedt. The Nominating Committee was charged with providing two candidates for the Council. They used the guidelines that are identified in the Constitution.

A motion was made to elect Jolene Patterson, Sheila-Marie Untiedt and Terry Arnesen to serve as the Nominating Committee for 2012. The motion was seconded and passed.

Eric Jackson and Jeff Anderson were introduced as the candidates selected by the Nominating Committee for the Congregational Council positions. Eric and Jeff spoke briefly. There being no nominations from the floor, a motion was made and approved to approve the ballot as printed. Todd King introduced a motion to authorize a voice vote for the Congregational Council positions if no one from the floor was opposed. Under Trinity's Constitution a written ballot is required. A voice-vote motion was made and approved by the floor with no opposition.

The Congregation proceeded with the election. The following nominees were elected to these Congregational Council terms:

Eric Jackson – a second three-year term

Jeff Anderson – three-year term

A motion was made and seconded to delegate authority to the Congregational Council to select delegates to attend the Synod Assembly. The motion passed without discussion.

There being no further business, a motion was made and seconded to adjourn the Annual Meeting, and the motion passed.

Eric Jackson thanked all those attending the Annual Meeting. The annual meeting concluded at 1:15 p.m.

Respectfully submitted,

Sara L. Godfrey, Secretary

Minutes of the Special Congregational Meeting of Trinity Lutheran Church concerning the Myrtle Street Renovation held on October 30, 2011

Congregational Council President Eric Jackson called the meeting to order at 10:12 a.m. Approximately 200 congregational members were in attendance.

Pastor Dan Poffenberger opened the meeting with prayer.

The meeting agenda was presented to the Congregation. A motion was made and seconded to approve the agenda. The motion passed and the agenda was approved.

Dan Wilson was introduced as the Parliamentarian for the special meeting.

Todd King, Trinity Council Treasurer, gave a brief description of the renovation project proposal that was presented in greater detail during two informational meetings in the weeks preceding today's meeting. Why we are proposing this project:

The new USPS lease eliminates their option to purchase the current facility.

Trinity's property that currently houses the USPS will be freed up for its intended purpose – to support the ministry of Trinity.

Trinity will have an improved parking lot on 4th Street.

Trinity will have increased opportunities for rental income with an improved Croix Center and the USPS and others as tenants.

This project will improve the entire property and enhance the beauty of Trinity and a major intersection within Stillwater.

Eric Jackson presented the request to approve the Myrtle Street Renovation Project.

The Congregation of Trinity Lutheran Church, Stillwater, MN rescinds the motion passed at its Annual Meeting on March 29, 2009, that approved the development plan for the 3rd Street property and, now authorizes the Congregational Council to:

Borrow up to \$650K to renovate the Croix Center property to house a relocated Post Office and space for additional tenants.

Have the property re-organized into two separate Property IDs, per the requirements of Trinity's lenders.

Approve expenditures, not to exceed \$650K, necessary to renovate and construct said property.

A motion was made and seconded to approve the Myrtle Street Renovation Project. One member raised questions regarding the March 29, 2009 decision changes and financing thereof. These questions were addressed and then the motion passed by a 2/3 majority and the project was approved.

There being no further business, a motion was made and seconded to adjourn the special meeting, and the motion passed.

Eric Jackson thanked all those attending the meeting. The meeting concluded at 10:35 a.m.

Respectfully submitted,

Sara L. Godfrey, Secretary

As each has received a gift, employ it in serving one another, as good stewards of the grace of God in its various forms.
1 Peter 4:10



Eric Jackson
Congregational Council
President

Launch

I tend to view things through an entrepreneurial lens. Albert Einstein said, “Logic will get you from A to B. Imagination will take you everywhere.” Another quote I love is from James Cash Penney, “As a rule, we find what we look for; we achieve what we get ready for.”

Through Pastor Dan’s leadership we have spent eight years getting ready. Council governance is focused and transparent. All areas of ministry are healthy and thriving. The Trinity for Tomorrow team helped us organize our considerable assets, granted by prior generations through their wisdom and foresight. The Capital Appeal and Design teams are engaged and excited. The Vibrant Stewardship team is helping us make the connection between our financial lives and our spiritual lives.

The “Opening Doors” Capital Appeal is one measure of this financial-spiritual connection. The annual pledging and giving process is another. We all have different financial capacity to give in support of Trinity—but we all have some capacity. Your financial participation is important on many levels. “Where your treasure is there will be your heart also.” (Matthew 6:19-21)

We have come to be known by our mission statement, “Love. Transform. Serve,” and our promise that we are a community that welcomes you wherever you are in your faith journey. We live in

that promise through our programs and ministries, which in turn are enabled by our staff and volunteers. And it takes financial resources to make it all happen.

It feels like 2011 was a year of culmination and 2012 is a year of inauguration. The last eight years we have been preparing and now we are ready. With your input we will begin to prepare for 2020, the beginning of our 150th year. With your financial commitments we will create new space for future generations at Trinity. Through your participation we will meet people that we haven’t met before and welcome them to our faith community.

It is my hope that future generations will look back at 2012 as a watershed year in the life of the congregation. The year in which we set a course for the future. The year in which we created welcoming spaces that became a launching pad for our community into the world. The year in which we came to understand that all of our resources, when trickled together, form an amazing river of possibility.

“Now to the one who by the power at work within us is able to accomplish abundantly far more than all we can ask or image, to God be glory in the church and in Christ Jesus to all generations, forever and ever. Amen.”

Ephesians 3:20-21

Looking back

Recently, I told someone that I felt like I was at the end of the beginning of my time serving Trinity. Like I was turning over the last page of the first chapter. Not an ending, per se, but definitely not the beginning anymore, either. I have been serving Trinity for eight years (that seem like three – yikes!), and I think I have reached a point that affords me a new perspective. I can see back far enough now that there is a trail of where we have been together. I also know more of the distant history of the congregation, as my relationships with those who have been here for a long time have deepened, and their memories have informed my sense of what came before. A good sense of where we have been is healthy, and gives us more courage as we move into the future.

Looking Forward

From this vantage point, I feel the need more than ever to look forward – to train my eyes on a distant horizon in order to serve and lead well. Trinity’s Sesquicentennial will begin in 2020, and that seems like a good horizon to focus upon; I have invited the Congregational Council to begin to look with me into that distance. In turn, they have invited the congregation to join them at the 2012 Annual Meeting and have a conversation that will serve as the foundation for an emerging vision for 2020 and beyond.

I can tell I know the congregation better now than ever, and that my relationships here have deepened. That will serve Trinity well as we look toward the future together.

What I am learning

This is the second year of my doctoral program, and I find all sorts of connections between my learning and Trinity’s ministry. I am studying “Semiotics and Futures Studies” at George Fox Theological Seminary in Portland, OR under the direction of Len Sweet, an author and theologian. Semiotics is the studying of signs and symbols – cultural and religious – and, in this case, the study of the relationship between church and culture, as well as the signs and symbols of Jesus present in the world. It is a course on leadership and a course on “followership,” as we follow Jesus into the world.

For me, the heart of this study, and the reason I am pursuing it is the question of how we might best be a community of faith for the next 20 years. We need to find the tools to read this fast-changing culture around us and discover and use new metaphors and images to invite others into a life-giving relationship with Jesus.

What I am celebrating

This winter, I have celebrated the 25th anniversary of my ordination, the 25th reunion of my seminary class (Go, LutherNorthwestern, class of 1986) and Gretchen and I celebrated our 25th wedding anniversary. Along with other milestones this year – our son Andrew’s graduation from Gustavus, the passing of my father-in-law, Paul Ranum, Gretchen’s victory over cancer – it has been quite a year. I mention all of this to express my gratitude for God’s presence through all of life’s joys and sorrows, for family, for a wonderful congregation that I am but a part of, and a wonderful group of people that I get to work with every day. Life is real. It is hard. It is beautiful. It is full.

I am grateful to God for such a life and grateful to share it with this wonderful community of faith that is Trinity.



Pastor Dan Poffenberger
Lead Pastor
dpoffenberger@trinitylc.org

The congregation took a significant step forward on facilities enhancement in 2011, with the approval of a renovation of the Croix Center property as the new home for the Stillwater Post Office as well as space for additional tenants. The project also includes a facelift for the Fourth Street parking lot. The renovation work has begun with an anticipated building opening of April or May 2012.

In 2011, we continued our “do-it ourselves” approach by implementing the Drive-in Design team’s plans for new and expanded uses of the Drive-In property. This included energizing the property with new electrical service and bringing the water well back into service. The old concession stand was cleaned up for the purpose of housing the well pump and some auxiliary storage. New signage, installation of a rain garden, tree planting, removal of scrub trees and buckthorn, and other cosmetic changes were completed. Helping Hands, Trinity’s Facilities Maintenance team, under the leadership of Lowell Saterbak, made substantial contributions to this effort. They continue to share their gifts at Bethlehem Lutheran-Midway, Global Health Missions and Valley Outreach, as well as completing a multitude of repairs and projects within Trinity. This team invested over 420 project hours at the Drive-In property and in excess of 500 hours of project labor on the Croix Center, saving Trinity an estimated \$13,000. A big thank you to this team for their generous donation of time and expertise to Trinity and its ministries.

Insurance proceeds provided for a replacement roof on substantially all of Trinity’s main facility in 2011, due to hail and wind damage that occurred in late 2010. All shingled roof surfaces, including the steeple, were replaced.

We were blessed with new additions to our staff in 2011, welcoming Sara Bane, Seminary Intern as Junior High Ministries Coordinator; Kari Kahl, Youth Administrative Support; Monte Lysne, Confirmation Specialist; Pastor Candace Moser, Pastor of Care Ministries; Cheryl White, Hearts of Home Childcare and Melissa Lopez-Worm, Little Tots & Polka Dots Childcare. It is exciting to watch these new staff fully engaged in ministry, working alongside the multitude of unpaid ministry leaders involved in the many and varied ministries here at Trinity. We also bid a warm farewell to: Cassie Anderson, Ron Hosek, Susan Johnson, Michael Lindsay, Jennifer Tuma and Denise Voran. We thank them for their many contributions to Trinity’s ministries and wish them well.

Endowment Fund

Since its inception in 1997, Trinity’s Endowment Fund has been a useful addition to the financial resources that make it possible for many and varied ministries to happen at Trinity. The Endowment Fund is made up of endearing and enduring gifts from dear, departed and living people supporting Trinity. These gifts are invested with the ELCA Endowment Fund and earnings from these gifts are distributed back to Trinity for use in the areas designated by the donors. In 2011, we were especially blessed to receive a gift of \$473,750 from the estate of Ruth Steinmetz, a dear, departed, long-time member of Trinity. Ruth’s generous gift was designated to the Trinity Endowment Fund for general use. Earnings from this gift will benefit Trinity ministries for generations to come. As of Dec. 31, 2011, the market value of Trinity’s Endowment Fund stood at \$800,960. Earnings from the fund of just under \$19,000 were distributed back to Trinity in 2011. The earnings were used to fund Mutual Care, Worship & Music and Children & Youth ministries activities and programs. Thank you to those whose many and generous gifts have made this financial tool a valuable asset for Trinity.

2011 REPORTS



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Phil Kadidlo
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We are living in a time and a culture that increasingly struggles to see the relevance of worshipping God in our daily lives. Overall in the U.S., worship attendance continues to drop. Yet many congregations, including Trinity, are taking time to notice the positive trends happening within people's faith practices, including when people do attend church activities such as worship and learning.

As we work to understand the needs of individuals and families and how we the Church can become best suited to meet those needs, we can celebrate the participation and commitment we see from the people of Trinity toward sustaining the tradition of gathering for corporate worship, preaching and hearing the gospel of Jesus, and sending all people to fulfill their unique missions in the world. We are happy to note the increased involvement we are seeing in several areas.

A few examples of growing participation include:

- Renewed integration between Worship and Children's Ministries, including new music leadership for Wednesday nights and collaborative planning of the Spark Message at the 10:30 a.m. WALK service
- Continued welcoming of new members to all of Trinity's growing choirs, bell ensemble, WALK band and Fine Arts team
- A marked increase in congregational participation in new hospitality service opportunities through the SummerShare initiative at the Drive-In

- Commissioned eight young women from Trinity's Sine Nomine choir, along with staff leaders Carol Carver, Zanny Johnson, Phil Kadidlo and Tom Thiets and several other adults, to travel to Tanzania in June 2011 to assist with constructing the headmaster's quarters at the Bomalang'ombe Secondary School as well as exchange the gift of music with the students and villagers
- Increased number of recording sessions booked at our in-house Lift Bridge Studios, plus a nine-month internship in AV technical arts for a local high school student, developed and led by AV Coordinator Jake McBroom

As we look to 2012 and beyond, to new spaces that may be used to enhance and expand worship and the arts, we are thankful for our staff, including Craig, Dave, Debi, Jackson, Jake, Jane, Jordan, Martha, Sonia & Zanny, plus all of our devoted and wonderful volunteers in the Altar Guild (with special gratitude for Miriam Madsen who "retired" as its leader after many years of service), the choirs, bands and the Fine Arts team.

Through clear mission and purpose, and continued hard work, Trinity's Worship Ministries and all our collaborative partners will endeavor to be an exception to the downward trends in church involvement. May we all embrace the joy of celebrating God on the move in the world and in our lives.



Carol Carver
Director of Worship &
Fine Arts Ministries
 ccarver@trinitylc.org

I am filled with gratitude when I think about 2011. As many of you know, I had the opportunity to take a three month sabbatical during the summer of 2011. My sabbatical was a time of true Sabbath – resting and praying, laughing and playing, reading and traveling, writing and swimming, and connecting with God, creation, friends and family in deep and profound ways. I would wish a sabbatical upon anyone and would hope it for everyone. I have been excited to learn that the opportunity to take a sabbatical is becoming more widespread across various professions and sectors of the workforce.

My sabbatical was inspired by a TEDTalk I watched by Stefan Sagmeister, a New York designer, who takes one year off every seven years to renew his creativity. Like Stefan, I found that taking time away after seven years of engagement in my normal working activities – emails, meetings, projects, teaching, and leadership – gave me the space I needed to clear and refocus my mind, reevaluate priorities and values, and give birth to some new ideas and dreams.

Since returning from sabbatical, my work has been more fruitful and more fulfilling, and I spent the second half of 2011 laying the groundwork for some exciting new collaborations. The Theology Project continues to flourish. The project continues to have two major areas of focus: building our congregational theology and building your personal theology. Our vision to ignite theological reflection and conversation throughout the congregation is expanding beyond the walls of Trinity.

At the start of 2012, we began a pilot with six other congregations to test how our Building your Personal Theology: God class works in other congregations. As I write this report, one congregation has completed their pilot, two more have just started, and three more will begin in April. Trinity will learn and benefit from sharing our work with other congregations, and more people around the country will have the opportunity to engage in

the work of building their personal theologies. We are also working on adapting this approach to theological development for use in our confirmation program. Currently, over 75 ninth-graders are engaged in building their personal theologies. I see an incredible amount of potential for this ministry to grow far beyond the Trinity community and touch the lives of many more people and congregations.

Learning at Trinity continues to happen in all kinds of settings: worship, classes, lectures, films, small groups, casual conversations, informal sharing of knowledge and information online. It is my joy to keep an eye on all of these facets of learning. In particular, I coach, lead, advise, and am present with many women and women's groups at Trinity. Hearts of the Homes Moms continues to flourish with a strong leadership team and over 80 moms participated in learning, friendship and support. Working Moms with young children are also coming together twice a month for friendship, laughter, learning and support. GLOW continues to provide wonderful experiences for women to find adventure, friendship and spiritual renewal. Women's book groups and Bible studies continue to provide a way for women to learn and build strong friendships.

In all that I do, I am grateful to work with so many wonderful partners and team leaders who have such a strong sense of call and passion for the ministries they lead in this community. I see everyday how the practice of lifelong learning builds community, helps people experience God, and enriches peoples' lives. For the work that we all do, I give thanks to God who inspires and guides our life together in this time and place.

2011 REPORTS



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Julie Jolivet
Director of
Group & Team Ministries
& New Member
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“God handed out gifts above and below, filled heaven with God’s gifts, filled earth with God’s gifts... Working within Christ’s body the church, until we’re all moving rhythmically and easily with each other, efficient and graceful in response to Jesus, fully mature adults, fully developed within and without, fully alive like Christ...”

God wants us to grow up, to know the whole truth and tell it in love – like Christ in everything. We take our lead from Christ, who is the source of everything we do. He keeps us in step with each other. His very breath and blood flow through us, nourishing us so that we will grow up healthy in God, robust in love.”

Ephesians 4:7-16 (Message Bible)

In my role at Trinity with Group & Team Ministries and New Member Development, I am grateful and proud to report I observed the living out of this scripture in healthy and robust actions this past year.

Leadership teams worked together gracefully and efficiently – members contributed their unique strengths/gifts in synergy with one another.

People in our membership process discovered places to connect with the Trinity community that match their passions, life-stage and call.

Ministries collaborated and integrated better which resulted in newfound rhythm and opportunity by staff and volunteers.

When members of groups/teams experienced personal challenges (health, life circumstances. etc), they received help and extra love and care from teammates.

Through communion with God and community with one another, many Trinity-connected people matured in their faith, grew in confidence and trust, and responded with increased gratitude and generosity.

Group/Team leaders and members grew individually and collectively in gratitude and Christ-modeled actions as they added Spiritual Practice CARE to their everyday lives.

- C – connects me to the presence of God
- A – grounds me in awareness of what’s happening right now
- R – is practiced regularly
- E – gives me energy and reminds me what matters most

“I pray that we all will have the power to understand the greatness of Christ’s love – how wide and how long and how high and how deep that love is. Christ’s love is greater than anyone can ever know, but I pray that we will be able to know that love. Then we can be filled with the fullness of God. With God’s power working in us, God can do much, much more than anything we can ask or imagine. To God be glory in the church and in Christ Jesus for all time, forever and ever. Amen.”

Ephesians 3:18-20

Integration & Collaboration

Growing Impact with Children, Youth & Families

This past year Trinity's On Purpose Ministries focused on integration and collaboration with Children, Youth and Family Ministries. We developed a new ninth-grade confirmation curriculum, worked with the small group leaders to develop their understanding of strengths, unique design and purpose, and led ninth-grade students in exploring their unique way of being Jesus in the world.

A team of energetic leaders including Amy Karlstad, Tracy Lysne, Jackie Peterson and myself, also developed a new product, *Unique Me Family Conversation Cards* and distributed over 200 sets for families to use at home to foster conversation about each family member's unique strengths and way of making a difference.

Cultivating Communities of Spiritual Practice

As part of our continued focus on spiritual practices, On Purpose Ministries also developed a Spiritual Practice Tree, one designed specifically for children and another for adults, that will be used in 2012 to introduce the many ways we connect and build our relationship with God.

The On Purpose Contemplative Practice group will soon complete its third year of contemplative spiritual practice held every Thursday morning from 7:30-8:30 a.m. at Trinity. The group welcomes new members and encourages practices for presence in our everyday life.



Core Programming Growth

Trinity's On Purpose Ministries continues to offer *Living Your Strengths* workshops with our team of valued facilitators – Amy Karlstad, Walt Ogburn, and Jackie Peterson.

We increased the number of Enneagram learning retreats this past year and designed a new Enneagram Toolkit Series which was led by On Purpose team member, Tim Gillis and myself.

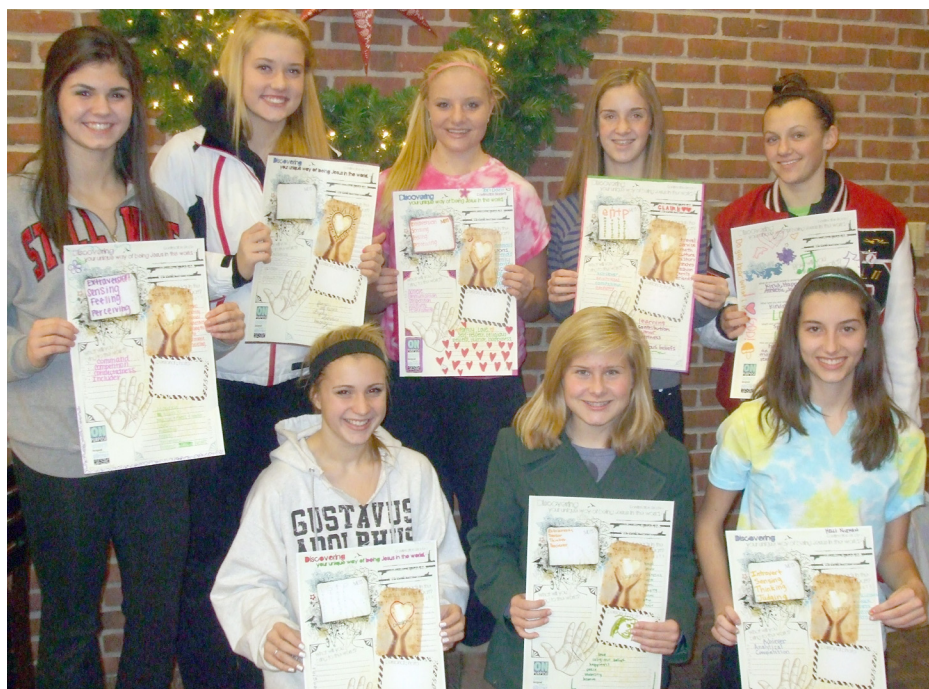
In 2011 we continued to provide individual coaching for those who were in transition or discerning career & life paths. We added services with our On Purpose: Ask Gene Ministry. Gene Ecker provides interview and resumé coaching services at Trinity. We are thankful for Gene's leadership and service to our community.

Thanks to the incredible Trinity community, my colleagues, and the whole On Purpose team for a fantastic year in 2011 and for the ongoing support that will make 2012 another year of making a difference in people's lives.

Blessings to you all.



Jody Thone
Director of On Purpose Ministries
jthone@trinitylc.org





Pastor TJ Anderson
Family Ministries
 tanderson@trinitylc.org

"I pray that Christ will be more and more at home in your hearts, living within you as you trust in him. Now glory be to God who is able to work through us and able to do far more than we would ever dare to ask or even dream of, infinitely beyond our highest prayers, desires, thoughts or hopes."

—Ephesians 3:17, 20; The Living Bible

The goals of Children, Youth and Family (CYF) Ministries are centered on young people and their families knowing Jesus Christ and living life with a purpose. We call this "MISSIONAL LIVING" or Living On Purpose. We are passionate about young people and families experiencing the transformational love of Jesus Christ and we want them to use that love out in the world. As we all begin to know and connect to the love of Jesus, our lives become more and more a part of what God is doing to make the world a better place.

The CYF team has the advantage of watching many people in the process of living On Purpose.

Important Missional Living strategies:

- CYF Ministries is about faith formation, not youth programs.
- Home is the number one place faith formation takes place.
- We partner with the whole family.
- We need hundreds of faith mentors.

- We need discipleship so we all can learn to trust Jesus more.
- It takes the whole congregation to help make faith formation happen.
- There are many accessible ways for each of us to serve in the world.
- All ages need to worship together as a community.

Through children's camps, confirmation camps, Mexico Mission, and high school camps, young people are learning to worship, growing in their relationship with Jesus, and having a lot of fun. Trinity is becoming more and more a place where young people can learn about life, make great friends, and connect with God in the process of faith formation.

As a team we want to be an intimate and valuable partner with parents in the efforts to raise the coming generation of children to be followers of Jesus Christ and leaders in the church.

An exciting adventure:

Research indicates that the primary place where faith is nurtured is in the home, so our goal is to equip families to be the faith formation center. This partnership will need all of us working together in our community. We want all young people to have a personal lifelong faith in Jesus they can live out every day of their lives.

Jody Nyenhuis
 Children's Ministries
 Team Leader



Cory Jones
 Senior High
 Ministries Director



Sarah Bane
 Junior High
 Ministries Coordinator



My goal as Communications Director is to let our community and the world know that Trinity's ministry and mission is all about the teachings of Jesus. This involves a delicate dance through all sorts of media – website, emails, enewsletter, Facebook postings, posters, brochures, postcards...the list goes on. For many people, email, texts and social media are their primary means of communication – taking information in and sending out. We strive to make communicating easy for the more technically savvy, as well as those who still want paper. Below is a summary of what the past year looked like; I can only dream and imagine what this page will look like next year!

2011 REPORTS

REACHING OUT COMMUNICATION & SOCIAL MEDIA

WEBSITE
164,763
Hits

SERMONS
672
times viewed online

TRINITYTODAYS
21,900
printed & mailed



FACEBOOK
622
"Likes"

FACEBOOK
592
"Friends"

FACEBOOK
252
posts by Trinity

EMAIL COMMUNICATION

192
targeted
emails sent for
ministry

we communicate via email to:

65%
of members
18 & under

30%
of households
of entire
congregation



Mary Steffl
Director of Communications
msteffl@trinitylc.org



Pastor Candace Moser
Care Ministries
 cmoser@trinitylc.org

It has been a year of transition for you, the congregation of Trinity Lutheran Church and for me, the new Pastor of Care Ministries. I thank each and every one of you – staff, council and congregational members for the patience, love and acceptance you have extended to me as one of your ordained and called leaders. It is an incredible honor and privilege to worship, serve and lead at Trinity Lutheran Church.

In the past ten months my focus has been on:

- Getting to know the people who call Trinity home
- Building trust and relationships among members and staff
- Becoming visible through presiding and preaching at worship, funerals and weddings and by participating in small groups
- Gaining a clear understanding of how Care Ministries fits into the whole, unique structure at Trinity Lutheran.

I'm pleased at the love and care I've seen offered through Celebrating Seniors, the Knitters, the Funeral Hospitality team, the Prayer team and to those who visit and bring Holy Communion to the homebound and to those in nursing homes, hospitals and care facilities. I'm thankful for all who share their gifts, talents and strengths in so many ways with others inside and outside the walls of Trinity.

In the coming year, I will be instituting

BeFriender Ministry at Trinity.

BeFriender Ministry is a lay pastoral care program. In it, specially-trained lay people enter into caring relationships with others by visiting with them, being with them and bringing emotional and spiritual support to them. BeFrienders participate in on-going, monthly supervision. This provides accountability and growth, that in turn, assists BeFrienders in their ability to listen.

BeFriender Ministry will provide a framework for me to organize, educate, plan, implement and assess pastoral needs and care at Trinity Lutheran Church. I envision BeFriender Ministers providing care to those who are home bound, hospitalized, ill or in care facilities and to those who are grieving. In the future, I would like to see BeFrienders involved in helping people create spiritual autobiographies, facilitating grief support groups and other groups as the needs/ interests arise.

As I conclude my first year of ministry at Trinity, I look forward with great anticipation and excitement to future possibilities in care ministry. Please do not hesitate to share your visions with me. Together, we will share the love of Jesus Christ.

"This is my commandment that you love one another as I have loved you."

John 15:12

As I write this article, the flurry and excitement of the 5th Annual Community Meal Packing event in partnership with Kids Against Hunger begins in ten hours. Almost 2000 volunteers from across our community will gather to serve as part of the solution to end the problem of hunger. The 500,000-plus meals will feed the hungry in the horn of Africa and here in the Valley. This wonderful act of service will once again be kicked off by the Senior High Mexico Mission team. On March 4 Trinity commissioned 75 missionaries to serve alongside our brothers and sisters in Christ in the Yucatan Peninsula. The team will help families in their struggle to build secure homes, and assist a community in building a school.

While spring is marked with these annual events, many other vital ministries continue as Christ's hands and feet throughout the year. Every month of the year Trinity teams are serving in a variety of ministries through the Helping Hands crew, Loaves & Fishes, Last Sunday Supper, (in St. Paul in the Midway Area), Second Harvest Commodity Food Program, Two Rivers Community Land Trust, and Valley Outreach Food Shelf. Month after month the love of Christ is expressed through a meal, gifts of clothing and school supplies, a new coat of paint, or the delivery of a kitchen table and chairs.

Mission takes place here within the walls of Trinity as ushers, greeters, gardeners, communion assistants, altar guild, and many others nurture us in worship every week. Their mission provides us an inviting and meaningful place of worship that welcomes all.

Trinity's reach around the world begins as close as our support of the mission at Global Health Ministries in Fridley, MN as Trinity volunteers prepare items for shipment to mission hospitals around the world. Two of the hospitals that are served by this partnership have been started by our sponsored missionary in northern Tanzania, Dr. Mark Jacobson. Over the last 30 years Trinity has assisted in the development of both the Arusha Lutheran Medical Center and Selian Hospitals. Through

our partnership at Global Health Ministries we hope to assist with the needs at the Hospitalito Atitlan in Santiago Atitlan, Guatemala. While this new hospital is now operational, they continue to have need for assistance with construction, organization, and medical projects.

Trinity's Mission Tanzania effort in south central Tanzania continues to serve in a wide variety of vibrant ministry areas. While the water system is complete, we continue to support the community as needed with their village water system. One of the beautiful parts of this partnership project is that the system is theirs, and they have fully accepted the responsibility of maintaining and operating the system. That's not to say they don't have challenges. As in the previous five years, we worked with village leaders on both trips in 2011 to help complete the system and assist in repairs. Our current challenge is to secure funding to purchase new generators for both pump-houses from a Tanzanian distributor, so the village can purchase any repair parts locally.

Alongside our partners at the Bomalang'ombe Secondary School we have made tremendous strides to improve the quality of the facility and educational experience. I learned recently that the power and water system at the school is currently not operating because of a breakdown at the local dam and power plant. Repairs are underway; unfortunately, it will take about three-to-four months to repair. One of our projects for 2012 Tanzania missions is to purchase and install a generator and water storage tank for the new well that was drilled onsite at the school in 2011. Also in 2011, the first onsite staff living quarters was completed, and foundations for three new classroom buildings were installed as well as walls for one of the buildings. Through your support of the Education & Scholarship Fund, Trinity is able to sponsor 15 students at the high school level in 2012.

In April of 2011 a Trinity mission leadership team led a collaborative effort of over a dozen non-profits from three states and three countries

2011 REPORTS



Tom Thiets
Director of Missions
tthiets@trinitylc.org

to supply a school of 311 students in Haiti with a hot lunch every school day. The second project for this partnership takes place again this April in New York. I feel this effort reflects the foundational principles of Trinity's Mission Ministries in that we proactively seek to serve together in partnerships that honor all, with an emphasis on long-term sustainability.

As partners we don't always agree on every theological point of discussion; we do agree that we need to love and support those in need in a respectful manner that honors all involved. Through the love of Christ we are able to set aside egos and differences to feed the hungry, clothe the naked, provide shelter for the homeless, and to comfort those who mourn. I am grateful for Trinity's willingness to take the risk of leadership in serving the world.

2011-2012

CONGREGATIONAL COUNCIL at TRINITY

Eric Jackson, *President*

Julie Schmidt, *Vice President*

Sara Godfrey, *Secretary*

Todd King, *Treasurer*

Jeff Anderson

Dana Miller

**Council reports
are posted on
Trinity's website at
www.trinitylc.org**

2011 Statistics

Total number of baptized members at the beginning of 2011	4015
Number of members received through baptism	47
Number of members received through confirmation.....	23
Number of members received through transfer/affirmation of faith	41
Number of members removed through death	15
Number of members removed through transfer, request, etc.	156
Total adjusted number of baptized members at the end of 2011	3955
Non-member funeral services conducted by Trinity pastors	11
Weddings conducted by Trinity pastors	14

Average Worship Attendance

5 p.m.	89
9 a.m.	312
10:30 a.m.	279
5 p.m. (Summer)	45
Drive-In	424
10 a.m. (Summer).....	110

Easter

5 p.m. - Easter Eve	189
8 a.m.	421
9:30 a.m.	1060
11 a.m.	676
TOTAL	2346

Christmas Eve

1:30 p.m.	491
3 p.m.	593
4:30 p.m.	665
9 p.m.	308
10:30 p.m.	245
TOTAL	2302

Trinity Staff

Core Leadership Team

Pastor TJ Anderson	Director of Family Ministries
Bob Eiselt.....	Parish Administrator
Pastor Siri Erickson	Pastor of Lifelong Learning
Julie Jolivet	Director of Group & Team Ministries & New Member Development
Phil Kadidlo	Director of Worship and Music Ministries
Candace Moser	Pastor of Care Ministries
Pastor Dan Poffenberger	Lead Pastor
Mary Steffl	Director of Communications
Tom Thiets	Director of Mission Ministries
Jody Thone.....	Director of On Purpose Ministries

Staff Members

Rebecca Arco	Children's Ministries Coordination Specialist
Sarah Bane	Junior High Ministries Coordinator
Johanna Carlson	Childcare Coordinator
Susan Carr	Food Service Manager
Carol Carver.....	Director of Worship, Adult Choir Director
Maren Coltvet	Children's Ministries Coordination Specialist
Sonia Esch	Lead Children's Choir Director
Stacy Gilles.....	Hearts of the Home Childcare
Dave Goulette	Organist
Jennifer Goulette	Hearts of the Home Childcare
Thomas Hosek.....	Lead Custodian
Zanny Johnson.....	Worship Leader
	Worship Support Coordinator
Cory Jones	Senior High Ministries Director
Kari Kahl.....	Youth Administrative Support
Craig Koehnen	5 p.m. & Drive-In Worship Leader
Christine Lande.....	Children's Ministries Admin. Support
Jessica Leach	Children's Ministries Coordination Specialist
Melissa Lopez-Worm	Little Tots and Polka Dots Staff
Larry Loyer	Hospitality Ministries
Monty Lysne	Confirmation Specialist
Tracy Lysne	Children's Ministries Coordination Specialist
Jake McBroom.....	Audio/Visual Technical Coordinator
Anne Mikesh	Custodian
Ruthie Milker	Little Tots and Polka Dots Staff
Rick Minichillo	Custodian
Ellen Neseth.....	Accounting Coordinator
Jody Nyenhuis.....	Children's Ministries Team Leader
Debi Orff	Bell Choir
Charlene Parayno	Hearts of the Home Childcare
Karen Remington	Receptionist, Weddings
Diane Rollie	Receptionist, Adult Ministries Coordinator
Martha Sather	Children's Choirs
Kim Scherber	Little Tots and Polka Dots Staff
Amy Shalles	Publications Specialist
Jane Strauman.....	Children's Choirs
Eric Trosdahl.....	Financial Secretary
Jordan Twining	Audio/Visual Technician
Angela Watt	Little Tots and Polka Dots Staff
Jeannie Wendorf.....	Office Manager
Jackson Weyrauch	Audio/Visual Technician
Sheryl White	Hearts of the Home Childcare

BAPTIZED

Anna Mary Wescott
Jaeyda Skye Spaise
Arianna Faith Terwey
Averie Helaina Charpentier
Soren Nicholas Sanchez
Jackson David Haase
Kane Cort Wandschneider
Hayden Davis Majchrzak
Derek Delaney Mork
Hudson Joel Jordan
Parker Samuel Schmidt
Maren Ann Gossai
Olivia Faith Story
Ashlyn Judith Olson
Tavin Timothy Anderson
Parker Wesley Jonnes
Emma Marie Parsons
Avery Grace Christensen
Sophia Lynn Christoffersen
Alexander Joe Christoffersen
Avery Barbara Wilk
Benjamin Tyler Slagle
Mackenna Alicyn Feustel
Madeline Claire Schoeller
Lucy Evelyn Axel
Sarah Isabel Shaw
Lily Michele Nelson
Lauren Adele Sebo
Maxwell William Wendel
Abigail Emma Bates
Liam Anthony Dries
Oliver Emmet Bruce
Morgen Anne Dannhoff
Reese Elizabeth Thompson
Elliott Robert Koenen
Arianna Christine Dahl
George Jonathan Lindstrom
Blake Walter Karnuth
Alexandra Grace Utin
Trevor Mark Larson
Maverik Landon Rousu
Britta Bennett Sandell
Leo Anton Sandell
Olivia Lauren Sandell
Zachary Alan Pettee
Maysa Lee Parent
Mya Marie Kensler

TOTAL = 47

CONFIRMED

Taylor Eric Aarness
Stephen Lloyd Albertson
Rachel Elizabeth Amos
Cole Robert Anderson
Anthony Carl Baglio
Vanessa Rose Berglund
Drew William Bergstrom
Rachel Jo Birkholz
Hunter Karl Boleman
Brian James Branch
Jake Robert Brand
Nathaniel Isaac Branwall
Eric Daniel Bromback
Paul Erick Brynstad
Michaela Lillian Carter
Jake Edward Cass
Kathryn Christine Clark
Aliza Byhre Deming
Hunter Charles Dickman
Olivia Jean Donovan
John Jeffrey Ehret
Kaitlin Marie Ehret
Sydney Pearl Evensen
Jadyn Rose Fischer
Max Henry Franz
Scallia Marie Fuhr
Ben Vincent Gualtieri
Madeline Stratte Hall
Jack Faulhaber Hamel
Lauren Christine Hanson
Matthew John Harty
Madison Rachael Harvieux
Emma Beth Holmes
Blake Stephen Horwath
Brandon Joseph Hughes
Clara Glen Ilkka
Chase Edward Johnson
Emily Lauren Johnson
Brandon James Jungmann
Brian Troy Kammuelier
Aaron Thomas Kasinak
Anna Othelia Kaul
Sara Bea Klein
Ellen Elizabeth Kneeskern
Lauren Leigh Kuss
Carter Lee Lewis
Ryan Judd Longnecker
Madeline Ruth Luoma
Conor Thomas Murphy
Stefan Donald Nelson
Elizabeth Rose Olson
Jacob Eric Olson
Henry Edward Parker
Troy Michael Patterson
John Nelson Perkins
David Patrick Peterson
Robert Maki Phipps
Austin Mitchell Reed
Mitchell Jon Reinke
Robert Milton Ross
Laura Anne Serier

Glen Charles Skelman
Sarah Ashley Snow
Savannah Mae Sprenger
Grace Kathryn Stoebner
Chandler Nicole Stormo
Sarah Ashely Sundberg
Tyler Scott Werner
Terra Christine Weyer
Christian Isiah White
Joseph Arnold Willert
Amanda Marie Wolf
Elijah Benjamin Wood
TOTAL = 73
New Members through
Confirmation = 23

MARRIED

Jacci Hermansen &
Ryan Fedeler

Jennifer Neely &
Aaron Mills

Kelly Greer &
Matthew Brochardt

Katharine Hoefler &
Drew Thurlow

Megan Southerling &
Thomas McCarthy

Melissa Wells &
Steven Kokaisel

Alison Schmoeckel &
Greg Graske

Jennifer Boentje &
Jon Severson

Jessica Schultz &
Nicholas Schleder

Karen Merry &
Chad Wasmundt

Kimberly Young &
Gerald Dietmeier

Stephanie Van Pelt &
Jordan Bagley

Melissa Davidson &
Todd Schindeldecker

Margaret Weber &
Joel Lombard

TOTAL = 14

FUNERALS

Constance Strohkirch
Arlan Reberk
John (Jack) Frederick
Thoreen
Allan Hugh Palmer
Donald J. Valsvik
Lawrence "Buddo" Proesch
Evelyn Elizabeth Nordeen
Mason Richert
William David Bowell
Wayne Harold Sorenson
Russell Raymond Richert
Vergil R. Plattner
David Charles Walsh
Lynn Louise Plankers
Ida Reier Elmquist Carter
Derrick Robin Amos
Mary Joanne Swenson
Donna Vertine Monahan
Edward Cain Baisden Jr.
Robert O. Mulhausen
David Yingling
James Richard Smith
ArmaJane Cote
Joan Patricia Thorbus
David Sargent Parkhurst
William Potthast
Linda Gail Klosowsky

TOTAL = 26

MEMBERS = 15 (BOLD)



Saint Paul Area Synod

105 West University Avenue St. Paul, MN 55103-2094

651.224.4313 Fax 651.224.5646 www.spas-elca.org

A synod of the Evangelical Lutheran Church in America

January 2012

Dear Partners in Ministry,

Earlier this month, Pastor Tom Hansen left for Tanzania to coordinate a new initiative to broaden our support for our global partners in the Iringa Diocese. “Day of Grace” focuses on caring for pastors and their families and will provide a respite from the daily demands of parish ministry. Pastors in the Iringa Diocese care for hundreds of parishioners in multiple parishes, working with limited resources, inadequate infrastructure, disease, and other challenging conditions. “Day of Grace” calls pastors together to simply be present and receive the gift of grace through others. For two days, synod volunteers and others will provide health assessments, lead worship, and offer programmatic opportunities for 185 pastors with all costs paid for. A gift of time, spiritual renewal, and fellowship with others in ministry who face similar experiences and concerns.

“Day of Grace” mirrors the gifts and grace-filled ministry that occur in congregations throughout this synod and in partnership and collaboration with the Saint Paul Area Synod and with other partners in the national church. From First in Rush City to St. Mark’s in Randolph, and from Bethlehem in Bayport to St. James in Burnsville, you have shaped the lives of others through your financial support and your gifts of time and resources.

Your work as a congregation of the ELCA extends into 50 countries around the world, in churches, seminaries, hospitals, and other institutions. Through your efforts in Sunday school, camping ministry, youth gatherings, and confirmation, you help launch students into the world to become citizens and leaders whose faith informs the difficult decisions our world faces and who proclaim the gospel to a world too centered on itself. In the ministries within your congregations—Shobi’s Table at First, St. Paul; Open Hands Midway at Bethlehem, St. Paul; and Mission Outpost at Prince of Peace, Burnsville, are a smattering of such ministries—you reach out to those whose live in desperation, who struggle each day to gather the essentials to flourish, and who need a listening presence in the midst of their misfortune.

Your voice joins all our voices in the Saint Paul Area Synod to become one in a chorus heard in your community, this state, this nation, this world. In an age when individuals and congregations are tempted to go their own way unattached, we find strength, hope, and confidence in being in ministry together!

Annual meetings are often routine and focused on elections, budgets, and reports. But in the routine of doing your work, please recognize the larger church of which you are a part and celebrate the ministry you do! For the people in your family of faith and for your community, you are the face of Christ. You may be the source of the good news spoken to those who know little of it. You may be a touch of love and provide a day of grace yourself in a world in which people feel increasingly abandoned and isolated.

I have the privilege of seeing much of this happen. On behalf of countless thousands whose lives are changed because of who we are together, I thank you!

Grace and peace,

Peter Rogness



FINANCIAL

REPORTS

Welcome to the Financial Section of this year's Annual Report! As Trinity Lutheran Church embraces a vision for the future according to our mission statement, we recognize the need for strong financial support for our ministries and also for faithful stewardship of the resources placed in our care.

We pray our ministries continue to reflect our commitment to reach out to our community and the world beyond.

Part One of the Financial Section includes a letter from the CPA firm retained to review our financial data and their reports on Trinity's financial activity for the past two years.

Part Two of the Financial Section includes a recap of the past year's budget, a breakdown of actual income and expense, a Treasurer's Report and Balance Sheet summary.

The proposed budgets to support our ministries concludes the report.



foley kalseim
and company, ltd.
certified public accountants
and consultants

Jami J. Kalseim, CPA
Kathleen T. Rolf, CPA
Dustin J. Moeller, CPA

Robert M. Foley (1943 - 2008)

Mary K. Balder, CPA
Jason L. Fredrickson, CPA
Martha A. Kalmon, CPA
Katrina R. Sweeney, CPA
Deborah D. LeRoux, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Church Council
Trinity Lutheran Church
Stillwater, Minnesota

We have reviewed the accompanying statements of financial position – modified cash basis of Trinity Lutheran Church as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and cash flows – all on the modified cash basis, for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Church management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note B.

As disclosed in Note B to the financial statements, the capitalization of property and the recording of depreciation over the estimated useful lives of the assets is a generally accepted modification of the cash basis of accounting. Management has informed us, however, that the Church has stated property and equipment in the accompanying financial statements at the November 1, 1995 replacement cost, which is not a generally accepted modification of the modified cash basis of accounting. Capital additions after that date are being recorded at cost or fair market value if received as donations. The effect of these accounting departures from the modified cash basis of accounting on the financial statements has not been determined.

Foley Kalseim & Company Ltd.

February 28, 2012

1751 tower drive west, suite 200 • stillwater, mn 55082
phone: 651-430-3635 • fax: 651-430-9326 • www.foleykalseim.com

TRINITY LUTHERAN CHURCH
Statements of Financial Position - Modified Cash Basis
December 31, 2011 and 2010

	2011	2010
ASSETS		
Cash	\$ 397,256	\$ 353,194
Investments	800,961	362,017
Prepaid expenses	2,455	922
Trinity for Tomorrow work in process	275,416	236,124
Opening Doors work in process	17,442	-
Construction work in process	105,497	-
Property and equipment, net of accumulated depreciation	<u>5,096,586</u>	<u>5,343,453</u>
Total assets	<u>\$ 6,695,613</u>	<u>\$ 6,295,710</u>
LIABILITIES AND NET ASSETS		
Payroll liabilities	\$ 16,055	\$ 8,741
Program deposits	359	1,685
Drive in escrow	8,600	8,600
Security deposits	-	920
Funds held for others	91,961	90,066
Mwatasi water project	2,504	3,083
Refundable advances	7,593	3,503
Contingent liability note payable	-	5,865
Construction loan	105,497	-
Long-term debt	<u>3,553,630</u>	<u>3,465,232</u>
Total liabilities	<u>3,786,199</u>	<u>3,587,695</u>
Net assets:		
Unrestricted	1,909,073	2,047,205
Temporarily restricted	199,381	298,793
Permanently restricted	<u>800,960</u>	<u>362,017</u>
Total net assets	<u>2,909,414</u>	<u>2,708,015</u>
Total liabilities and net assets	<u>\$ 6,695,613</u>	<u>\$ 6,295,710</u>

See accountants's review report and notes to financial statements.

TRINITY LUTHERAN CHURCH
Statements of Activities and Changes in Net Assets - Modified Cash Basis
For the Years Ended December 31, 2011 and 2010

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:				
Contributions	\$ 1,626,229	\$ 639,835	\$ 473,750	\$ 2,739,814
Rental income - church property	31,057	-	-	31,057
Rental income - post office building	20,563	-	-	20,563
Rental income - Croix Center	5,100	-	-	5,100
Fees and other payments for program activities	198,759	-	-	198,759
Interest income	-	18,124	-	18,124
Miscellaneous income	3,519	-	-	3,519
Gain/(loss) on disposed assets	(1,731)	-	-	(1,731)
Unrealized gain/(loss) on investment	-	-	(34,807)	(34,807)
Net assets released from restrictions upon expiration of proposed restrictions	757,371	(757,371)	-	-
Total revenue and support	<u>2,640,867</u>	<u>(99,412)</u>	<u>438,943</u>	<u>2,980,398</u>
EXPENSES:				
Staff salaries and benefits	1,482,903	-	-	1,482,903
General operating expense	289,866	-	-	289,866
Building maintenance expense	9,712	-	-	9,712
Interest expenses and other borrowing costs	202,498	-	-	202,498
Missions and benevolence	357,755	-	-	357,755
Children, youth & family ministries	117,607	-	-	117,607
Lifelong learning ministries	9,897	-	-	9,897
On purpose ministries	2,204	-	-	2,204
Worship and music	35,019	-	-	35,019
Mutual care/small groups	16,149	-	-	16,149
Depreciation expense	255,389	-	-	255,389
Total expenses	<u>2,778,999</u>	<u>-</u>	<u>-</u>	<u>2,778,999</u>
CHANGE IN NET ASSETS	(138,132)	(99,412)	438,943	201,399
NET ASSETS, BEGINNING OF YEAR	<u>2,047,205</u>	<u>298,793</u>	<u>362,017</u>	<u>2,708,015</u>
NET ASSETS, END OF YEAR	<u>\$ 1,909,073</u>	<u>\$ 199,381</u>	<u>\$ 800,960</u>	<u>\$ 2,909,414</u>

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:				
Contributions	\$ 1,635,185	\$ 760,900	\$ -	\$ 2,396,085
Rental income - church property	24,027	-	-	24,027
Rental income - post office building	20,563	-	-	20,563
Rental income - Croix Center	11,140	-	-	11,140
Fees and other payments for program activities	221,473	-	-	221,473
Interest income	457	15,477	-	15,934
Miscellaneous income	2,010	-	-	2,010
Gain/(loss) on disposed assets	(185,635)	-	-	(185,635)
Unrealized gain/(loss) on investment	-	-	26,333	26,333
Net assets released from restrictions upon expiration of proposed restrictions	787,438	(787,438)	-	-
Total revenue and support	<u>2,516,658</u>	<u>(11,061)</u>	<u>26,333</u>	<u>2,531,930</u>
EXPENSES:				
Staff salaries and benefits	1,504,383	-	-	1,504,383
General operating expense	262,379	-	-	262,379
Building maintenance expense	27,562	-	-	27,562
Interest expenses and other borrowing costs	202,140	-	-	202,140
Missions and benevolence	384,848	-	-	384,848
Children, youth & family ministries	122,847	-	-	122,847
Lifelong learning ministries	14,357	-	-	14,357
On purpose ministries	3,299	-	-	3,299
Worship and music	38,591	-	-	38,591
Mutual care/small groups	11,355	-	-	11,355
Depreciation expense	241,131	-	-	241,131
Total expenses	<u>2,812,892</u>	<u>-</u>	<u>-</u>	<u>2,812,892</u>
CHANGE IN NET ASSETS	(296,234)	(11,061)	26,333	(280,962)
NET ASSETS, BEGINNING OF YEAR	<u>2,343,439</u>	<u>309,854</u>	<u>335,684</u>	<u>2,988,977</u>
NET ASSETS, END OF YEAR	<u>\$ 2,047,205</u>	<u>\$ 298,793</u>	<u>\$ 362,017</u>	<u>\$ 2,708,015</u>

See accountants's review report and notes to financial statements.

TRINITY LUTHERAN CHURCH
Statements of Cash Flows - Modified Cash Basis
For the Years Ended December 31, 2011 and 2010

	2011	2010
OPERATING ACTIVITIES:		
Change in net assets	\$ 201,399	\$ (280,962)
Adjustments to reconcile the change in net assets to net cash flows from operating activities:		
Depreciation	255,389	241,131
Unrealized (gain)/loss on investments	34,807	(26,333)
Loss on disposed asset	1,731	185,635
Changes in operating assets and liabilities:		
Prepaid expenses	(1,533)	(322)
Payroll liabilities	7,314	1,872
Program deposits	(1,326)	(8,981)
Security deposits	(920)	140
Funds held for others	1,895	12,659
Mwatasi water project	(579)	1,857
Refundable advances	4,090	(957)
Net cash flows from operating activities	<u>502,267</u>	<u>125,739</u>
INVESTING ACTIVITIES:		
Trinity for Tomorrow work in process	(39,292)	(61,957)
Opening Doors work in process	(17,442)	-
Purchase of endowment fund	(473,750)	-
Construction work in process	(105,497)	-
Purchases of property and equipment	(16,118)	(138,334)
Net cash flows from investing activities	<u>(652,099)</u>	<u>(200,291)</u>
FINANCING ACTIVITIES:		
Borrowings on debt	595,497	430,000
Payments of debt	(401,603)	(328,318)
Net cash flows from financing activities	<u>193,894</u>	<u>101,682</u>
Net change in cash	44,062	27,130
Cash at beginning of year	<u>353,194</u>	<u>326,064</u>
Cash at end of year	<u>\$ 397,256</u>	<u>\$ 353,194</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 202,498	\$ 202,140

See accountants's review report and notes to financial statements.

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE A - ORGANIZATION

Trinity Lutheran Church (the Church) located in Stillwater, Minnesota was organized in 1871. The Church is a constituent of the Evangelical Lutheran Church in America (ELCA). The Church is a nonprofit organization and is dedicated to engaging as many persons as will share its confession of faith in the fellowship of worship, learning, witness, service and support, so that the Word of God may become effective in their lives together and individually. This includes relationships with other Christian fellowships and with social institutions at home and throughout the world. The Church is supported primarily through contributions of the congregation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements have been prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the modified cash basis, revenues are generally recorded when cash is received and expenses are generally recorded when cash is disbursed. Modifications to the cash basis of accounting include recording:

1. Property and equipment purchased as assets
2. Accumulated depreciation and depreciation expense on property and equipment
3. Liabilities arising from the receipt of borrowed cash
4. Employee FICA and withholding taxes not deposited with the IRS
5. Permanently restricted net assets at fair value

The modified cash basis of accounting does not give affect to account receivables, pledge receivables, inventories, accounts payable, and accrued expenses.

Financial Statement Presentation: Revenues and support are classified on the presence or absence of donor restrictions and reported in the following net asset categories:

- Unrestricted net assets represent the portion of net assets that are not subject to donor restrictions.
- Temporarily restricted net assets arise from contributions that are restricted by donors for specific purposes or time periods.
- Permanently restricted net assets arise from contributions that are permanently restricted by donors for specific purposes

Concentration of Credit Risk: The Church places its cash with one banking institution. At times, the amount on deposit exceeds the insured limit of the institution and exposes the Church to a collection risk. Additionally, the investments in the Endowment Fund Pooled Trust of the ELCA are not insured and consequently expose the Church to a collection risk. The Church has not experienced any losses.

Property and Equipment: The Post Office property purchased in May 1991 is valued at the Church's purchase price. All other property and equipment on hand at November 1, 1995 is valued at the replacement cost on that date. Additions to fixed assets after November 1, 1995 are valued at actual cost if purchased, or fair market value at date of donation for donated property. Valuation of fixed assets at current replacement cost is not in accordance with the modified cash basis of accounting.

Depreciation has been computed on the straight-line basis, beginning with the 1997 financial statements.

Cash: For the purposes of statement of cash flows, the Church considers all short-term debt securities purchased with a maturity of three months or less to be cash.

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires or is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Investments: Investments are reported at fair value. Realized and unrealized gains and losses are included in the statement of activities.

Income Taxes: The Church is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income taxes.

The Church has evaluated for uncertain tax positions and management has expressed there are no uncertain tax positions as of December 31, 2011. Tax returns for the past three years remain open for examination by tax jurisdictions.

Subsequent Events: In preparing these financial statements, the Church has evaluated events and transactions for potential recognition or disclosure through February 28, 2012, the date the financial statements were issued.

Use of Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE C - INVESTMENTS

Cost and fair value of investments held for permanently restricted purposes consist of the following:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Endowment Fund				
Pooled Trust - ELCA	<u>\$ 1,028,228</u>	<u>\$ 800,960</u>	<u>\$ 554,478</u>	<u>\$ 362,017</u>

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2011	2010	Depreciation Lives
Land	\$ 806,438	\$ 812,303	-
Drive-in	484,784	484,784	-
Church Building	4,040,000	4,040,000	40 years
Croix Center	330,000	330,000	10 years
Post Office Building	127,276	127,276	20 years
Remodeling	873,034	938,207	5-25 years
Furniture, fixtures and equipment	1,109,883	1,110,734	2-25 years
Computers	85,996	94,546	5 years
Music equipment	517,658	516,947	5-25 years
Vehicles	26,672	26,672	5 years
	8,401,741	8,481,469	
Less accumulated depreciation	(3,305,155)	(3,138,016)	
Total	<u>\$ 5,096,586</u>	<u>\$ 5,343,453</u>	

NOTE E - LONG-TERM DEBT

Long-term debt consists of the following:

	2011	2010
Mortgage bearing interest at 5.75%, payable in monthly installments of \$19,107 (principal and interest). Matures May 1, 2034. Secured by Church building and land.	\$ 2,885,230	\$ 2,946,682
Line of credit in the amount of \$1,000,000, bearing interest at 5.0%, payable in monthly installments of \$3,694 (principal and interest). Matures January 3, 2014. Secured by Church building and land.	668,400	518,550
	<u>\$ 3,553,630</u>	<u>\$ 3,465,232</u>

Future maturities of long-term debt are as follows:

2012	\$ 65,405
2013	69,267
2014	741,757
2015	77,687
2016	82,274
Thereafter	<u>2,517,240</u>
	<u>\$ 3,553,630</u>

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE F - CONSTRUCTION LOAN

The Church has a construction loan for the purpose of renovating the Croix Center in the amount of \$650,000 of which \$105,497 was outstanding on December 31, 2011. The interest rate was 5.0% as of December 31, 2011, payable in monthly installments for the interest portion. The loan principal is due in full November 18, 2012.

NOTE G - PERMANENTLY RESTRICTED NET ASSETS

During 1997, an Endowment Fund Committee was started by the Church Council. The committee has established policies and procedures for the Endowment Fund. The Endowment Fund is invested in the ELCA Endowment Fund Pooled Trust. Earnings on the Endowment Fund are temporarily restricted for one year after they are earned. The Endowment Fund Committee waived this requirement for \$18,124 and \$15,477 in 2011 and 2010, respectively.

NOTE H - RETIREMENT PLANS

The Church makes monthly contributions to two retirement plans on behalf of benefits eligible employees. Benefits eligible employees are those employees who work 32 hours or more per week. During 2011, retirement contributions for 19 benefits eligible positions were funded at a cost of \$47,949. In 2010, 20 positions were covered at a cost of \$66,841.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are for the following purposes:

	2011	2010
Trinity for Tomorrow	\$ -	\$ 260,201
Opening Doors	178,527	-
Endowment Fund	-	937
Memorials to be Designated	6,660	13,603
Organ Fund	1,480	1,594
Church Furniture and Fixtures	-	5,000
Scholarship Fund	7,137	8,148
Fund Raising	4,577	8,310
Other Designated Gifts	1,000	1,000
	<u>\$ 199,381</u>	<u>\$ 298,793</u>

NOTE J - LEASES

Post Office – The Church owns and leases to the United States of America, the building and land for the current Stillwater Post Office. The lease may be renewed at the option of the Government for six five-year terms. The lease is currently in its fifth five-year period. The lease will expire June 30, 2012 if the Government does not exercise its option for the sixth five-year period. The Government has the option to buy the land and building at a set price at any time within the lease term. Rent collected under this lease was \$20,563 in both 2011 and 2010.

During 2011 the Church negotiated a new lease replacing the previous one with the Stillwater Post Office. The lease may be renewed at the option of the Government for three five-year terms. The lease will expire December 31, 2016 if the Government does not exercise an option.

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE J – LEASES (continued)

Plié Dance Studio, Trinity LADC and The Therapy Center, LLC – Beginning August 15, 2009 the Church entered into a lease with Plié Dance Studio. The leases expired during 2011. The monthly lease payment is \$780. Beginning August 2009 the Church entered into an agreement with Trinity LADC to provide early childhood programs at the Church. The agreement called for monthly payments up to \$1,083 through August, 2012. The agreement automatically renews annually unless written notification is given by either party. Beginning January 2010 the church entered into a lease with The Therapy Center, LLC. The lease was cancelled in 2011. The monthly lease payment is \$140. Rent collected under these leases was \$12,000 in 2011 and \$11,140 in 2010.

Future minimum lease payments to be received on operating leases are as follows:

2012	\$ 42,946
2013	24,000
2014	24,000
2015	24,000
2016	24,000
Total	<u>\$ 138,946</u>

NOTE K - LEASE COMMITMENTS

The Church leases copiers, rental expenses under these leases totaled \$24,572 in 2011 and \$23,577 in 2010. The copier lease expires April 2016.

The minimum future lease commitments are payable as follows:

2012	\$ 28,698
2013	28,698
2014	28,698
2015	28,698
2016	11,958
Total	<u>\$ 126,750</u>

The church also leases a storage unit. Rental expense under this lease totaled \$2,400 for both the years ended December 31, 2011 and 2010. This lease is on a month-to-month basis with rent of \$200 due monthly.

NOTE L - PROGRAM SERVICES AND SUPPORTING ACTIVITIES

Program services and supporting activities are summarized below:

	<u>2011</u>	<u>2010</u>
Program services	\$ 2,223,199	\$ 2,250,314
Management and general	<u>555,800</u>	<u>562,578</u>
	<u>\$ 2,778,999</u>	<u>\$ 2,812,892</u>

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE M – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Church in estimating the fair value of its financial instruments:

Cash – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Investments – The fair value of investments in marketable equity and debt securities is based on quoted market prices.

Long-term debt and line of credit – The carrying amount reported in the statement of financial position approximates fair value because the Organization can obtain similar loans at the same terms.

Fair values of assets measured on a recurring basis at December 31, 2011 and 2010 are as follows:

	Fair Value Measurements at Reporting		
	Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Identical Assets (Level 2)
<u>December 31, 2011</u>	<u>Fair Value</u>		
Cash	\$ 397,256	\$ 397,256	\$ -
Investments	800,960	-	800,960
Long-term debt	3,553,630	3,553,630	-
<u>December 31, 2010</u>			
Cash	\$ 353,194	\$ 353,194	\$ -
Investments	362,017	-	362,017
Long-term debt	3,465,232	3,465,232	-

The fair value hierarchy consists of two levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Church has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

NOTE N – ENDOWMENT

The Church's endowment consists of a fund established for a variety of purposes. As required by authoritative guidance, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE N – ENDOWMENT (continued)

Interpretation of Relevant Law

The Church Council has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Church classifies as permanently restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. In accordance with UPMIFA, the Church considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. All funds shall be used as the donor intended at the time the Church solicited or accepted the gift.
2. Investment portfolio shall provide a long-term growth real (inflation-adjusted) assets.
3. Provide a predictable stream of income to the Church for programs.
4. Follow investment policies of the Church.
5. Other resources of the Church.
6. General economic conditions.

		<u>Permanently Restricted</u>
January 1, 2010	Donor-Restricted Endowment Funds	\$ 335,684
	Unrealized Gain	<u>26,333</u>
December 31, 2010	Endowment Net Assets	<u>\$ 362,017</u>
January 1, 2011	Donor-Restricted Endowment Funds	\$ 362,017
	Donation Received	473,750
	Unrealized Loss	<u>(34,807)</u>
December 31, 2011	Endowment Net Assets	<u>\$ 800,960</u>

TRINITY LUTHERAN CHURCH
Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE N – ENDOWMENT (continued)

Investments Objectives and Strategies

The Church has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the Church Council, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy.

To achieve these objectives, the Church follows an asset diversification plan, sets performance benchmarks for investment managers, and has established various asset quality and limitation thresholds. The Church expects its endowment, over time, would achieve total returns after all fees to be equal to or exceed an annualized realization rate of 5%. These total returns are expected to meet or exceed the composite performance of the securities markets on a three to five-year basis. Actual returns in any given year may vary from this amount.

NOTE O – PARTNERSHIP

On April 16, 2010, Trinity Lutheran Church and another entity formed 107 – 3rd, LLC a Minnesota limited liability company, for the purpose of forming a partnership to construct a multi-tenant structure at 107 3rd St. N in Stillwater, the LLC was unfunded. The Church is anticipating dissolution of this LLC in 2012.

Trinity has been a partner with HAF architects for several years on the hoped-for relocation of the U.S. Post Office to 3rd Street. The development did not come to fruition. Possible compensation for HAF's services are currently under discussion. One possible outcome involves the potential sale and purchase of the 3rd Street property from the Church to HAF with some modification in purchase price to account for services rendered. Any potential sale of Trinity real property must be approved by the congregation. The amount of liability, if any, is unknown at this time.

TRINITY LUTHERAN CHURCH

Stillwater, Minnesota

The following pages include various reports related to the financial operations of Trinity Lutheran Church for the years 2011 and 2012.

A “Balance Sheet Summary” on page 36 compares assets, liabilities and equity for the years ending 12/31/10 and 12/31/11. It presents more detail than the Balance Sheet included on page 23 of the CPA report.

Trinity’s balance sheet as of Dec. 31, 2011 includes certain non-cash basis adjustments that were recorded to help more clearly state the intended use of Trinity’s “Opening Doors” Capital Appeal funds in 2011. The timing and nature of the adjustments cause a temporary difference with the balance sheet prepared by our auditors.

The “Year-End Summary of Income and Expense,” on page 37, shows budgeted and actual amounts for income and expenses for the year 2011. The total change in net assets matches the amount shown as unrestricted change in net assets on page 24 of the CPA report.

Included for your information is a report from the Treasurer on page 38.

The “2012 Ministry Budget” is presented on page 39. The budgets are prepared by our staff and reviewed by the Finance Team and Congregational Council.

The Trinity Congregational Council has approved the proposed budget to be submitted to the congregation for adoption at the Annual Meeting.

BALANCE SHEET SUMMARY

<u>ASSETS</u>	<u>12/30/11</u>	<u>12/31/10</u>
Current Assets		
Cash Accounts		
Checking, Money Market & Savings Accounts - General	\$ 218,648	\$ 92,056
Savings Account - Current Year Endowment	80	938
Trinity for Tomorrow Appeal Fund	0	260,200
Investment Account-Trinity Endowment (ELCA Fund)	800,960	362,017
Opening Doors Appeal Receivable	105,010	0
Prepaid Expenses	2,455	922
Total Current Assets	\$ 1,127,154	\$ 716,133
Fixed Assets		
Land	\$ 1,291,223	\$ 1,297,088
Buildings	5,338,632	5,403,805
Work in Progress	398,354	236,124
Furniture & Fixtures	1,745,215	1,753,905
Passenger Van	26,672	26,672
Accumulated Depreciation	(3,305,155)	(3,138,017)
Total Fixed Assets	\$ 5,494,941	\$ 5,579,577
<u>TOTAL ASSETS</u>	<u>\$ 6,622,095</u>	<u>\$ 6,295,710</u>
<u>LIABILITIES</u>	<u>12/30/11</u>	<u>12/31/10</u>
Current Liabilities		
General Funds Held For Future Disbursement		
Designated Gift Funds	\$ 14,193	\$ 24,052
Memorial Funds (Not Yet Designated)	6,690	13,603
Trinity for Tomorrow Appeal Funds	0	260,200
Temporary Funds		
Misc donations for mission trips & outreach	94,464	93,149
Program funds carried forward from prior year	7,593	3,503
Payables (including payroll liabilities)	25,014	19,946
Operations Cash Flow Line of Credit	489,873	524,414
Endowment Earnings Available: Current Yr & Next Yr	80	938
Croix Center Construction Loan	105,497	0
Total Current Liabilities	\$ 743,404	\$ 939,805
Long Term Liabilities		
Unsecured Note (Croix Ctr Impr) - Thrivent Financial		\$ -
Mortgage - Thrivent Financial	2,885,230	2,946,683
Total Long Term Liabilities	\$ 2,885,230	\$ 2,946,683
<u>EQUITY</u>		
Investments - Endowment Fund	\$ 800,960	\$ 362,017
Net Assets	2,047,204	2,343,439
Current Year Change in Net Assets	145,297	(296,234)
Total Equity	\$ 2,993,461	\$ 2,409,222
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 6,622,095</u>	<u>\$ 6,295,710</u>

YEAR-END SUMMARY OF INCOME AND EXPENSE – 2010

	2011 Actual	% of Budget	2011 Budget
<u>Operating Summary:</u>			
OPERATING INCOME:			
Contributions - General	\$ 1,626,229	96%	\$ 1,692,000
Contributions - Restricted	28,188	113%	25,000
Mission Revenue	332,794	83%	400,000
Released from Endowment	18,982	47%	40,000
Rental Income	36,157	81%	44,437
USPS Facility Rent	20,563	100%	20,563
Fees and Payments	198,759	78%	255,000
Misc. Income	3,519	70%	5,000
TOTAL OPERATING INCOME	\$ 2,265,191	91%	\$ 2,482,000
OPERATING EXPENSES:			
All Personnel Expenses	\$ 1,482,902	99%	\$ 1,501,000
Finance, Facilities, Operations	299,578	105%	285,000
Communications	16,149	95%	17,000
Benevolence	39,961	83%	48,000
Missions	317,794	84%	380,000
Children / Youth / Family	98,738	79%	125,000
Lifelong Learning	9,897	55%	18,000
On Purpose	2,204	55%	4,000
Groups and Teams	18,869	189%	10,000
Worship and Music	35,019	88%	40,000
TOTAL OPERATING EXPENSES	\$ 2,321,111	96%	\$ 2,428,000
Operating Surplus or (Deficit)	\$ (55,920)	-104%	\$ 54,000
<u>Capital Summary:</u>			
CAPITAL FUNDS:			
Capital Appeal Funds	320,684	123%	260,000
TOTAL CAPITAL FUNDS	\$ 320,684	123%	\$ 260,000
CAPITAL EXPENSES:			
Mortgage Expense	263,950	93%	\$ 284,000
Capital Appeal Expenses	56,734	-	-
Technology Expense	8,109	54%	15,000
Facility Improvements	8,009	53%	15,000
TOTAL CAPITAL EXPENDITURES	\$ 336,802	107%	\$ 314,000
Capital Surplus or (Deficit)	\$ (16,118)	30%	\$ (54,000)
Total Surplus or (Deficit)	\$ (72,038)	-	\$ -

Adjustment to tie to CPA Report: (page 28)			
OPERATING INCOME (from above)	\$ 2,265,191		
CAPITAL FUNDS	320,684		
TOTAL INCOME	2,585,875		
less: Loss on Disposal of Fixed Assets	(1,731)		
Capital Appeal Fund receivable	(105,010)		
Timing Diff. - Funds released to Income	161,731		
Adjusted Income	2,640,865		
Total Operating Expenses (from above)	2,321,111		
add: Reclassified Mortgage Interest	202,498		
Depreciation Expense Annual allocation	255,389		
TOTAL EXPENSES	\$ 2,778,998		
CHANGE IN NET ASSETS	\$ (138,132)		

2011 Highlights

Our expense categories were well-managed and most were at or well below budgeted levels. Total contribution income for 2011 was even with 2010 but roughly \$66,000 under budget. Most of the contribution shortages occurred in the fourth quarter, making it difficult to react to the shortfall. Endowment income missed budget due to the timing of the receipt of a large gift. We will have the full benefit of this gift moving forward. Fee and payment income was off budget due to cancellation of several camps and events. The good news is that the associated expense was also down, offsetting the lack of income. Capital Appeal income of \$320,684 came from two sources. The first covered some Trinity for Tomorrow expense (the first appeal) equaling \$37,147, primarily for design work. The balance is from the "Opening Doors" Capital Appeal and covers mortgage expense and Appeal consulting expense. Of the \$283,537 of "Opening Doors" Capital Appeal funds applied, \$178,527 had been collected at 12/31/11, and \$105,010 is committed but not yet collected as of year-end.

Finance Team

A sincere thank you to Trinity's Finance Team for their time and effort in reviewing this year's Ministry Budget:

Jeff Anderson
Rick Dirnberger
Dana Miller

2012 Forecast

Contribution Income

Based on the pledges received as of the date of publication and forecasting other contribution income, the contribution income forecast for 2012 is \$1,722,000 or a 5.89% increase over 2011 actual.

Rental Income

Rental income is from the current "main building" facilities and not the current Post Office, new Post Office or Croix Center. A separate line item has been created for that income for clarity. For 2012, no forecast has been made for renting the two new retail spaces at the Croix Center. We consider this a very conservative approach.

Capital Appeal Income

Capital Appeal fund income covers mortgage expense, consulting expense and some design expenses (to the extent these expenses are known at present). Additional funds may be needed as projects move forward.

Mortgage Expense

We benefit from a lower interest rate on our primary mortgage beginning in May of 2012. Mortgage expense includes primary mortgage principal and interest, interest on our line of credit, construction financing interest on the Croix Center and Croix Center mortgage principal and interest.

**Proposed 2012
Budget Amounts**

Operating Summary:

INCOME:

Contributions - General	1,722,000
Released from Restricted Funds	25,000
Mission Revenue	325,000
Released from Endowment Fund	35,000
Rental Income	38,000
USPS Facility Rent	23,000
Fees and Payments	222,000
Misc. Income	5,000
TOTAL INCOME	\$ 2,395,000

OPERATING EXPENSES:

All Personnel Expenses	\$ 1,515,000
Finance, Facilities, Operations	298,000
Communications	11,000
Benevolence	40,000
Missions Expense	315,000
Children / Youth / Family	131,000
Lifelong Learning	16,000
On Purpose	3,000
Groups & Teams	26,000
Worship and Music	31,000
TOTAL OPERATING EXPENSES	\$ 2,386,000

Operating Surplus or (Deficit)	\$ 9,000
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Capital Summary:

CAPITAL FUNDS:

Capital Appeal Funds	330,000
TOTAL CAPITAL FUNDS	\$ 330,000

CAPITAL EXPENSES:

Mortgage Expense	277,000
Capital Appeal Expenses	53,000
Technology Expense	5,000
Facility Improvements	4,000
TOTAL CAPITAL EXPENSES	\$ 339,000

Capital Surplus or (Deficit)	\$ (9,000)
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Total Surplus or (Deficit)	\$ -
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Report of the Nominating Committee

TRINITY LUTHERAN CHURCH
ANNUAL MEETING

March 25, 2012

Terry Arnesen
Jolene Patterson
Shelia Marie-Untiedt

The Nominating Committee consulted with Council leadership, the Pastor and current staff members in regard to the openings for Congregational Council. Based on these consultations, the committee recommends the following:

For the two existing vacancies, we present Sara Godfrey for a second three-year term and Dana Miller as a candidate for a second three-year term.

In addition, the committee recommends the following names to be elected to the 2013 Nominating Committee:

Terry Arnesen
Jolene Patterson
Sheila Marie-Untiedt

Council Election Procedures:

1. Nominees, whether by the committee or from the floor, are expected to be in attendance at the Annual Meeting.
2. Each nominee will be given up to one minute to introduce him/herself, tell why he/she would like to serve on the Council, and give other information including areas of interest, in order to help the voters choose Council members.
3. Nominees, whether by the committee or from the floor, will be expected to have completed the requested information forms ahead of time or, in the case of nominees from the floor, at the meeting.
4. Endorsement speeches or questions of the candidates will not be a part of the Annual Meeting agenda.
5. After all nominated candidates have been identified, a sample ballot will be projected onto a large screen at the front of the sanctuary. The names of all candidates, whether nominated by the committee or from the floor, will be listed alphabetically.
6. A motion to approve the ballot will be made, seconded, and approved.
7. Ballots will be handed out by authorized tellers. The ballots will include pre-printed names of the candidates placed in nomination by the Nominating Committee and blank lines available to write-in names of the candidates nominated from the floor, using the names projected onto the screen as a reference.
8. Voting will be by written ballot.
9. To be elected, a candidate must receive a majority vote of the number of valid ballots cast.
10. In the event a run-off election is required, all candidates not receiving a majority of the votes will be entered on a second and succeeding (if required) ballots. Voting will continue until all council vacancies are filled by candidates elected by a majority (as described in #9).

Sample Ballot

TRINITY LUTHERAN CHURCH

Stillwater, Minnesota

March 25, 2012

NOMINEES FOR CONGREGATIONAL COUNCIL

BALLOT

VOTE FOR (2)

- ☐ Sara Godfrey (3-year term)
☐ Dana Miller (3-year term)

Nominated from the floor

☐ _____

SAMPLE

2011

NOMINATING COMMITTEE REPORT

Nominees for Congregational Council

Sara Godfrey

Strengths: Responsibility, Restorative, Self-Assurance, Arranger, Belief

I have been a member at Trinity for almost 10 years and am very excited about the growth and transformation I have seen in Trinity over the past few years. My position as President and CEO of a small manufacturing company has given me experience in team development and strategic planning, as well as mission building and creating a climate of continuous personal and professional improvement and support. My greatest motivators in life are working with others to create something special and unique and finding solutions above and beyond even our own expectations. I would like to offer my experience, talents and passion to the Council to help continue to grow Trinity's mission to thrive as a shining light in the community we serve and beyond.



Professional and Service Experience

- President and CEO of Apollo Corporation, manufacturer of therapeutic bathing systems for long-term care facilities.
- Secretary of Trinity Congregational Council for the past two years.
- Vice President and Race Coordinator of the Minnesota Women's Sailing Team for the past two years, continuing as Race Coordinator and active Board Member.
- Small Business Development Agent for the Peace Corps in Mauritania, West Africa for a two-year service mission.

Dana S. Miller

Strengths: Relator, Harmony, Achiever, Arranger, Maximizer

Occupation: Part-time Registered Representative, Incentive Compensation Alternatives Hudson, WI

Years at Trinity: 29 years

Describe your qualifications: In the workplace I have held various management positions in the banking industry, retail and insurance sales, training & compliance. For 13 years I was the Treasurer for Warm World Child Development Center, during which the move from the Trinity location to Boutwells Landing occurred.

List your involvement at Trinity: My husband, Mark and I have two grown children (Taylor & Kelsey) who were very involved in various activities over the years, and that meant we all got involved to some extent.

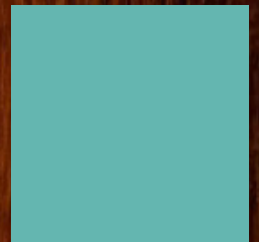
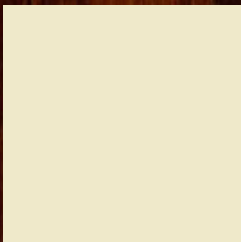
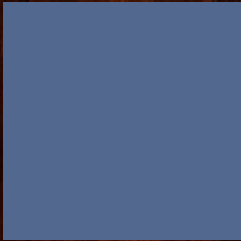
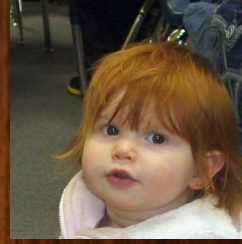
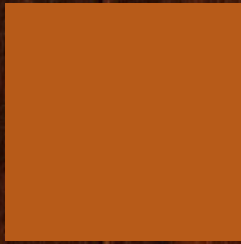
I have held leadership roles, participated in adult ministry programs and other social activities. Some of these include chaperoning the sailing trip as a youth advisor, confirmation leader, confirmation mentor, serving three 3-year terms on the Congregational Council, holding positions on the Executive Committee as a Member-at-Large (2 years) and Vice President (3 years). In the past few years I have had the pleasure and been blessed to participate in some of the wonderful learning programs offered at Trinity such as On Purpose Ministries, Nooma discussion group, two leadership retreats, Stillwater Business & Professional Women's small group, Knitting Ministry, Advent Pause, GLOW camping and Bible study. Most recently I have been involved in Building Your Personal Theology and the Enneagram retreat.

State briefly why you would like to serve on the Congregational Council: The opportunity to serve Trinity on the Council at this time is very exciting to me. I believe I can bring management, financial and planning skills to this Council as we proceed with current as well as future development at Trinity. I am excited to have the opportunity to follow through on the work that has happened with the Capital Appeal Team.



trinity Lutheran Church

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