

ANNUAL REPORT 2025



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LUTHERAN
CHURCH
& SCHOOL

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Finance Committee

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Congregation Meeting

Agenda

January 25, 2026

- Welcome and devotion
- Approval of minutes
- Report on programs
 - Pastor Dave Lyle
 - Principal Dr. Taylor-Imani Gates
- Report on Finances
- Election of leaders
- Closing prayer, blessing, and adjournment

Congregation Statistics 2025

- Baptisms..... 9
- Confirmations..... 9
- New Members (Adults)..... 5
- Transfer out..... 6
- Released..... 1
- Grace membership (Baptized)..... 1,074
- Communicant Members..... 919
- Associate Members..... 30

John Bouman, Council President

Greetings and a Happy New Year, fellow members of Grace,

We have just come through a year of constant change and upheaval in our community, nation, and world. And it shows no signs of slowing down. This external reality has challenged us in many ways. It has made it harder than ever to practice civility, humility, and forgiveness in the discourse, while staying true to values. It has put the question on the table about our response to human need and injustice. And we have responded with gifts and time and hands-on helping. Many, including our pastors, have responded with helpful examples of values-driven participation — not politics, but values. I have been here for way too many decades, but one very clear memory (a teenager at the time working through my own attitude about church) is how proud I was of my pastor being very active in the civil rights debates and actions in the 60s. I feel that way now about our pastors, our principal, and all of our staff. They are showing, preaching, teaching, and singing about how we can think about all this and how our own actions can follow.

All of this has provided the context for our internal work here at Grace. The pastors preach so thoughtfully, not to prescribe and judge behavior, but how we can think through our reactions to the world, anchored in scripture and God's grace. This is so powerfully advanced by the presence of the spirit in music, singing so strongly together and feeling the power that goes beyond the words. Our school is a vital driver of our work to advance our mission. And many of you are involved in all kinds of activities. The church and school are our spiritual home, a place of solidarity with one another, reminding ourselves that as forgiven people we have the freedom and the courage to act.

And so, we do indeed act. As Lutherans, we have the tradition of congregational autonomy. Nobody else tells us what to do, but nobody else will lead it either. It is our right, but also our obligation. We meet twice a year as a congregation to organize ourselves to do the most we can to advance what we believe to be God's will for us. We do the work ourselves through our time and talent. And we do the work through our staff. The meeting in January is about both. We will hear reports from our pastors and principal about the accomplishments and status of church and school programs. And we will elect our next set of officers and members of boards and committees.

Happy New Year and peace,

John Bouman
Council President

The Rev. Dr. David R. Lyle, Senior Pastor

“For as in one body we have many members, and not all the members have the same function, so we, who are many, are one body in Christ, and individually we are members one of another.” (Romans 12:4-5)

Grace Lutheran Church and School is a wonderful community. Here at Grace, we are given the great gift of Jesus Christ. Jesus calls us out of our individual cares and concerns, grafts us unto himself, and gifts us to one another. Throughout 2025, I have witnessed time and again how good it is to be together in Christ, particularly as this year presented a wide variety of challenges and griefs.

This year saw great work done in our strategic planning effort. So many of you participated in this process through survey responses and focus groups. While much of this work has been done behind the scenes, it is certainly not meant to stay private. Working groups are beginning to tackle the identified focus areas: worship and music, Lutheran identity in the 21st century, Grace Lutheran School, stewardship and financial health, outward focus and visibility, and fellowship and relationships. The Council is working on language for purpose and vision. I am grateful to our Strategic Planning Leadership Team: Mark Bouman, Jessica Bullock, Andy Massmann, Val Spiller, Michael Starrick, and Stephanie Wilkening, and to our consultant, Pastor Dave Daubert, of Day 8 Strategies.

God’s presence was seen throughout our worship life at Grace. Supported by vibrant music, we continue to lift our songs of praise to Father, Son, and Holy Spirit. This year, we celebrated the Sacrament of Holy Baptism with nine individuals, witnessed Affirmation of Baptism for nine members, rejoiced with five adult new members who joined us in ministry (and some children, too!), celebrated two weddings, and commended fourteen saints into God’s unfailing care. I am so grateful for the many ways the people of Grace have truly been one body with many members during these times of joy and sorrow.

Thank you to all who support one another through ministries of care. To those who knit, or serve meals, thank you! To our Cornerstones Cooks, our GriefShare facilitators, and our Stephen Ministers, thank you! And to all who serve in worship, or in ministries in our community, or in one of a million other ways, thank you! There are so many ways that Grace members care for one another. Thank you to these dedicated volunteers!

I was delighted to return to Martin, Slovakia, with our mission team this summer. I truly missed being there in 2024, and I am grateful for your continued support of this ministry.

I continue to marvel at the generosity of God’s people at Grace. Once again, we ended this fiscal year with a surplus. Frankly, this seemed impossible at the time. But not for God, and not for God’s people. Thank you. We continue to work on stewardship at Grace, and on the long-term financial sustainability of Grace Lutheran School. Thank you to everyone who submitted a Faith Promise for 2026.

This year marked my tenth anniversary as your Senior Pastor. I continue to give thanks for being in ministry with others, including my pastoral colleagues, Pastor Costello and Pastor Medlin. I am grateful for Dr. Gates and the entire staff and faculty of our school, and to all who work on the church staff, especially our Administrative Assistant, Esther Armstrong. Thanks, too, to all of our elected leaders, including those with whom I work most closely, John Bouman (President) and Dan Lehmann (Chair, Board of Spiritual Life).

I encourage you to read the reports collected here. They bear witness to the great and varied work that God has accomplished through each of you. They also bear witness to the work that God will continue to do in and through us, the Body of Christ in the world.

In Jesus’ name,

Dave Lyle
Senior Pastor

The Rev. Troy Medlin, Associate Pastor

I have heard of your faith in the Lord Jesus and your love toward all the saints, and for this reason I do not cease to give thanks for you as I remember you in my prayers. (Ephesians 1:15-16)

Beloved children of God,

This November I celebrated five years of having the joy of serving as your associate pastor. Each day I rejoice that I have been called to serve among you. What an incredible gift you are, people of Grace. What a privilege it is for me to have a front row seat to God's work in and through you. I am grateful for all the ways we have partnered together in the work of the gospel and the gift of gathering around the risen Christ who comes among us in bread, wine, water, word, and in your real presence week after week. I never tire of meeting you on Sundays as we encounter the Living Word who raises us from our deaths and ever calls us into spacious and abundant life.

I want to express my appreciation for all the staff that make ministry such a blessing. Pastor Lyle and Pastor Costello are both thoughtful, encouraging, and supportive colleagues. What a gift to be partners in ministry with two pastors who are so centered in the gospel of Jesus Christ. I'm especially thankful for the close collaboration I share with Julie Modrich. Her gifts for connection, hospitality, and empowering others to use their gifts continue to be on full display, especially as she has moved into a different role. She has thrived in working alongside the fellowship and social ministry committees and in our funeral ministry. She continues to coordinate confirmation as well as assisting me when appropriate with youth ministry activities.

The delightful duties of preaching Christ crucified and risen, presiding at the table and the font, presiding at funerals, and providing pastor care alongside Pastor Lyle, the elders, and Stephen Ministers continues to be the core and center of my work. These practices keep me grounded and continue to call me back to the same ocean of mercy that I have the privilege of calling each of you back to week in and week out. I am blessed to work with so many talented lay leaders on and off committees. Particularly those who are on the Board of Discipleship and all the committees that roll up to that board. Each of those committees are such powerful witnesses to the life of the baptized. They always endeavor to serve all people following the example of Jesus and work for justice and peace in all the earth. I encourage you to check out their reports in this booklet and join all that God is up to among us and ways that you might plug in.

Serving as pastor to the youth of Grace continues to inspire me. Youth from Grace and United Lutheran served twice together in 2025 at Beyond Hunger in Oak Park. This past summer 7 youth traveled to Harlan, Kentucky for an Appalachian Service Project mission trip. Shoutout to Ryan Balock, the other adult who came with who was an awesome partner on this trip. On this trip we built a retaining wall as well as some other things. It is such a gift to witness their love for God demonstrated so clearly in their willingness to serve and love their neighbors both in Kentucky and here. This fall, high schoolers also began teaching Sunday School. This has been a great way for them to learn, grow, and take leadership as they teach our faith to the next generation and get to know others at Grace.

I continue to serve as the pastoral representative for both the Men of Grace small group and the young adult Theology on Tap group. We are always looking for new folks, so join us sometime. Currently the Men of Grace group is reading *The Tears of Things* by Richard Rohr. I also continue to serve as a volunteer chaplain for the Oak Park Police Department as well on the Candidacy Committee of the Metro Chicago Synod of the ELCA where I also serve as an intentional discernment partner with folks who are at the very beginning of their journey towards ordained ministry.

I cannot wait to see where our crucified and risen savior will lead us together in 2026. Wherever that is, I know he will meet us from the other side with arms outstretched. We will continue to become who we already are, the body of Christ. As Saint Paul wrote, "I have heard of your faith and have seen your love for all the saints."

With you on the journey,

Troy Medlin
Associate Pastor

*“You shall love the Lord your God with all your heart, and with all your strength,
and with all your mind; and your neighbor as yourself.” (Luke 10:27)*

*“And be not conformed to this world: but be ye transformed by the renewing of your mind,
that yet may prove what is that good and acceptable, and perfect, will of God.” (Romans 12:2)*

Greetings Grace Lutheran Community,

The 2025-2026 School Year started with hope and a drive to be anew! In July, we hired a new Assistant Principal, *re-formulated* the Student Support Team (SST) to include a partnership with Redwood Schools, Inc., rolled out FACTS, a complete Student Management System (SIS), and hired new faces to join the Grace team. I am encouraged by the enduring perseverance of our faculty. So far this year, we have focused on deepening our faith, maintaining our standard of excellence and being reflective about what we can do better along the way, given our financial situation—all the while remaining dedicated to meeting the needs of our students and families. This year, as a faculty and staff, we have weathered storms — all the while standing in the gap with one another, bearing one another’s burdens as God has called us to do.

As a school, we are working on enrollment and retainment. More specifically, Administration and the EEC are strategizing on how to welcome more students to Grace. Currently, we have (181) students enrolled. There are currently (14) applications in our admissions portal for the 2026-2027 School Year. Academically, in service and in extra-curriculars, we have had a wonderful start to the year! For our fall MAP testing cycle, we noted movement and growth. In math, 69% of our students scored above the national average and 41% scored at or above the 80th percentile. In reading, 69% of our students scored above the national average and 40% scored at or above the 80th percentile. Newly, our 1st grade students were included in MAP testing this fall and will continue to test moving forward. In service, we have continued participation in our Christmas Eve Service, donated children’s bibles to our Chapel offering organization, By the Hand, and we have seen more of a willingness for students to serve around the building! In terms of extra-curriculars, one of our students earned 1st place in the local mathlete competition, we piloted Student Council, offered Spanish as our Foreign Language course and are offering various new enrichment opportunities — alongside of our rigorous, traditional academic program. We are so very proud of our students!

The Forward in Faith endowment has continued to grow. Due to the thoughtful giving of our donors, we now have over \$2.1M in pledges and donations to the campaign, with nearly \$1.9M of that amount having already been received. We are grateful to our contributors that help make the work we are called to do possible.

Looking ahead, we will continue to shift as needed to better be in alignment with where we are headed as a united, intentional academic program with challenges ahead. This includes but is not limited to realistic improvements to our Student Support services offerings, curriculum reviews, fiscal responsibility and sustainability, continued work on faculty morale and culture (appreciation initiatives, professional development opportunities, being mindful of faculty giftings and areas to serve, etc.), and being intentional about serving our student body. I remain honored to serve alongside of our dedicated faculty at Grace and am grateful for the opportunity to lead such an amazing group of educators. We stand committed to celebrating faith, fostering and cultivating knowledge and building character within our students. Grace Lutheran Church, thank you for your continued support of, prayers for, and faithfulness to our academic program.

Serving Grace,

Taylor-Imani A. Gates, Ph.D.,
Grace School Principal

Ministry of Music

Dear Grace Congregation,

It is such a joy to lead the people of Grace in song, particularly as we gather around word and sacrament each Sunday morning to hear again the promises given to us in the death and resurrection of Christ. As we gather to worship, we certainly listen and receive the gifts of Christ through the means of Grace. But, as people of God, we also actively join our voices in the church's song and become public witnesses to each other and to the world around us that Christ's promises are real, and Christ's promises are for all. In other words, each one of us is a part of the church's proclamation.

It is here that I believe the people of Grace have an opportunity. We are uniquely blessed to sing that song and, through it, to invite others into the faith we share. We have a strong choral program that has been in existence since the earliest days of our congregational life, a beautiful facility with fine instruments and people capable of leading well, and support from the congregation and wider community to continue our longstanding Bach Cantata Vespers series, now in its 55th year.

The opportunity that is before us is to share our gifts and share the church's song broadly. But how do we do that? Just as Christ was sent into the world to teach and heal, to love and save, we as God's people always have work that is set before us.

Invite someone to a concert or to a Bach Cantata Vespers service. Invite someone to join you for Evening Prayer on a Wednesday in Lent or Advent and maybe to dinner beforehand in Fellowship Hall. Invite someone to sing along when we go Christmas caroling or perhaps just begin by inviting them to a cup of coffee or dinner. Maybe it is the person who has never been to church before that you talk to. Maybe it is someone who used to attend Grace who hasn't for a while. But, above all, tell them that you'll be there too and that they won't be alone.

Are they worried that they won't know what to do? That's okay. Show them by doing it yourself next to them. Help a new worshipper or a child nearby follow along in the bulletin. Sing the hymns gently next to them. Whisper what is happening next to that they're ready to stand or sit. Tell them about how, through what we do in our sanctuary each week, we are empowered to serve and share the life of Christ beyond these walls.

This is what the church's song is all about. This is why the Parish Choir sings about 55 services (or more) each year, why we teach Grace School children to participate in worship as part of a choir or handbell ensemble, why handbells ring, why cantatas are sung on a regular basis, why instruments are tuned and maintained, and why new music is being written for the church to this day. It isn't about maintaining tradition. It isn't about making ourselves feel good while we do it.

We sing the church's song to proclaim Christ crucified and raised for our salvation. We sing the church's song to remind ourselves that we are blessed by God to be God's blessing to others. We sing the church's song to add as many voices as possible until all creation is one in praise of the triune God. So, keep on singing.

In Christ,

The Rev. Michael D. Costello
Grace Cantor

Office of Administration and Finance

The Office of Administration and Finance staff did not change in 2025: Jim McClanahan as Director, Cecelia Thornton as Assistant, Jose Meza as Technology Manager, Dave Pfeiffer as Facilities Manager, and Peter Modrich as Facilities Assistant.

The Office's primary goal is to meet your needs and expectations — our members, parents, students, staff, and guests. We are responsible for Grace's financial transactions, records and reports; facilities upkeep, maintenance, and safety; hardware and software technology; audio/visual technologies; and human resources. In carrying out these responsibilities, the Office works closely with the Board of Finance and Property; the Finance, Property, Endowment, Budget, Stewardship, Personnel, and Benevolence Committees; Church Council; the Church Emergency Preparedness Committee; and Church and School staff.

On the financial front:

- In June, the congregation approved Grace's 2025-26 budget of \$3,975,300 (4.94% increase from 2024/25).
 - As of December 31, we are running a \$99,000 deficit.
- At the January 2026 Congregational Meeting, the congregation is receiving the unaudited 2024/25 financial statements.
 - Church and school revenue exceeded budget, and church and school operating expenses were under budget, resulting in an operating surplus for the year. The endowment fund enjoyed another strong year, resulting in an even larger overall surplus for 2024-25.

As to facilities:

- During the year, we replaced carpeting, blinds, two roof-top heating/air conditioning (HVAC) units and made additional major roof repairs to portions of the flat roof. The carpeting and HVAC units were over 25 years old, and the blinds and roof even older. In addition, we refurbished the youth room and north apartment.
- Grace's solar panels, installed in January 2020, generated about 16% of our electricity needs in 2025 (9% in 2024). The percentage increased in 2025 because the panels were taken out of service during August and September 2024 while the flat roof was being replaced.

On the technology front, we continue to enhance Grace's network, internet, and audio/video, including the sanctuary sound system.

On the human resources side, with the Personnel Committee and Church Council, we continue to improve the Employee Handbook to incorporate fair, clear and complete policies and practices.

Our goal is to serve you by keeping you informed about financial matters and making Grace as attractive, comfortable, useful and safe as possible. We welcome your ideas and suggestions about improving our financial systems and reporting; improving the appearance, condition and functionality of our facilities; improving our technology; and improving our employee policies and practices.

Respectfully submitted,

Jim McClanahan

Director of Administration and Finance

I have been at Grace for over a year now, and it has been a joy to get involved in the community. In October, I attended a conference that was geared towards church communications where I learned about how to be a more effective communicator. Some highlights from the last year include:

- Creating the Viking Insider, a photo newsletter for school families that comes out monthly.
- A change for the school's annual report that highlights information that is from each teacher that hasn't been included in other publications.
- A removable monthly calendar in Grace Notes that people can use throughout the month.
- A redesign for announcements featuring more information about the upcoming week's activities and encouraging congregation members to utilize the new calendar in Grace Notes.
- On social media, a video clip from the previous sermon is highlighted each week.
- The sermon panel that is included in the bulletin is now also shared in Sunday is Coming and on socials in an abbreviated version.
- Improvements to the website based on feedback I've received.
- Digital copies of the church and school publications were well received and continue to be an option. If you want to receive copies digitally, please let me know.

As we start the new year, I want to encourage you to keep sending me feedback about changes you like and recommendations for other things to think about and try. My goal is to always make learning about what is happening at Grace accessible and informative. In addition, I have started sending out weekly emails that highlight what people are interested in, including adult education, fellowship groups, and weekly events. If you haven't signed up for those yet, you can find the link in announcements or email me (asmith@graceriverforest.org).

I also want to thank the congregation members who help write for Grace Notes and Amazing Grace, including Kathryn Jandeska, Darlene Miskovic, Bill Pullin, Linda Street, and Gwen Gotsch. Thank you as well to the Grace Notes Mailing Crew, Olinda Fink, Bob Jandeska, Gerlinde VanDriesen, Lisa Jones, Dot Wilkie, Carolyn Becker, and Gale Schmidt, who get Grace Notes ready to be mailed each month. If you would like to help with either writing or joining the mailing crew, let me know.

Sincerely,

Amanda Smith

Communications Manager

Ministry Engagement

During this past year, I have moved into my new role as Ministry Engagement Manager. In this new role, I continue to be involved in Children, Youth and Family ministry, but I have shifted to spending more time connecting with the Fellowship, New Members, and Social Ministry committees, funeral ministry, and broadly helping people connect to their gifts.

Highlights:

- **Bible Exploration:** In January, five fifth graders and their parents gathered with Pastor Troy and Julie Modrich for a night of games, trivia, and Bible exploration. Together, we discovered fun facts about the Bible and what its message has to do with our lives. A supper of chicken tenders, mac & cheese, salad and dessert was served.
- **Communion Retreat:** eight fourth graders and their parents attended the one-evening retreat in February led by Pastor Troy and Pastor Lyle. Students designed and glazed a chalice and decorated a white garment with symbols of their life and faith. The families of our first communion students worshiped and communed together in person on Palm Sunday and 4th graders shared with families and church members about symbols of their life and faith.
- **Confirmation Retreat:** ten confirmands joined Pastors Troy and Lyle and Julie Modrich at camp in March. We had an amazing time at Lutherdale sharing in worship, playing, laughing and growing together in Christ meeting people from many other Lutheran churches focused on Spiritual Practices.
- **Vacation Bible School:** at Grace's True North VBS, sixty children and forty youth and adult volunteers discovered what it means to trust Jesus in a wild world! Children participated in memorable Bible-learning activities, catchy songs, teamwork-building games, devoured yummy treats, experienced one-of-a-kind Bible Adventures, collected Bible Memory Bud-dies to remind them of Jesus' love, and tested out sciency-fun experiments they'll never forget. Family members and friends were invited to join campers on Friday for a special closing.
- **PicnicFest:** to start the program year, over 200 Grace Lutheran Church and School members gathered for fun, food, and fellowship. Hamburgers, hotdogs, brats, sauerkraut, potato salad, watermelon and dessert were served. Beer was donated by Kinslaugher. Rainbow cone ice cream was donated by a church member.
- **Sunday School (PK to 6th grade):** 40 children are enrolled in Sunday school, but attendance is light week to week.
- **Confirmation:** nine high school students were confirmed in October. We currently have ten confirmands in the 2026 class and twelve confirmands in the 2027 class. Confirmation instruction is led by Pastor Lyle, Pastor Troy, and Julie Modrich.
- **Mentor Ministry:** Jessica and Keith Bullock were the leaders for the 2025 confirmands. Nine mentors and their confirmands met through September of 2025 before affirming their faith in October. A group of ten confirmands and mentors were connected this past November. We are excited to walk with them on their faith journey.

Together in Christ,

Julie Modrich

Ministry Engagement Manager

Board of Discipleship

Board Members

Lawrence Barber (Justice & Peace), Heidi Hamernick (Social Ministry), Jessica Bullock (Library), Hannah Langhoff (Adult Education), Deb Stonich (Benevolence), Tina Baird (Children and Family Ministries, and Committee Chairperson), Linda Street (EEC), Jennifer Brayton (Grace School), Julie Modrich (Fellowship), and Pastor Troy Medlin (Grace Church)

Throughout 2025, the Board of Discipleship has met on a monthly basis to collaborate with cooperative committees. The emphasis has been on sharing opportunities, for congregation members and the church as a whole, to grow in spiritual strength and community outreach.

Our various Committees were active in providing leadership training in diversity, equality, and inclusion, and giving parishioners an opportunity to reach out to government representatives to express concerns regarding justice and peace. Speakers were brought in for further education in topics related to our current world events and how they form our faith.

We have continued to welcome refugees and new neighbors in assisting families to find comfortable homes, and employment. The congregation, school, and community members have graciously donated items to provide clothing, food, and warm meals to charitable organizations.

Children and Family Ministries collaborated with Grace School on an increasing level to bring youth and families together in fellowship and opportunities in exploring faith formation. Social Ministries is actively collaborating with Grace School in service opportunities.

2025 was a year to be proud of for the Board of Discipleship, and we hope the Grace congregation has felt the support and passion we've brought to our activities

Tina Baird
Committee Chairperson

Committee Members

Jade Augustine (Co-chair), Ed Mason (Co-chair), Mike Carioscio, Augustin Garcia, Kristen Hines, Linda Street, Jane Wilcox, Dr. Taylor-Imani Gates (Principal), and Jennifer Brayton (Assistant Principal)

In 2025 the EEC had the following priorities and areas of focus:

- Strategic Planning
 - Participated in segments of the strategic planning process for Grace Lutheran Church and School.
 - EEC members joined a session with the strategic consultant to provide specific input and feedback on the priorities and matters of importance to the school.
 - Created a sub-committee within the EEC focused on advancing strategic initiatives and priorities for growth and ongoing improvement for Grace School.
 - Developing and exploring ways to strengthen the relationship between Grace Lutheran Church and School communities. Sub-committee formed within the EEC to make this an ongoing priority.
- Funding
 - Engaged in ongoing discussions to identify and grow new and ongoing sources of funding for school operations.
 - Partnered with business operations, Finance Committee members, the Senior Pastor, and administration on working towards greater long-term school financial sustainability.
 - Reviewed and discussions ongoing for tuition structure and strategy for the future of the school.
- School Enrollment
 - Proactively engaging in discussion for ways to target new prospective families and increase school enrollment.
 - Partnered with Grace's Communications Manager on materials, messaging, and outreach.
- School Resources
 - Assessed staff and faculty needs and evaluating with the Principal the changing demographics and diverse needs of the school's students.
 - Advocated for additional resources at Grace School, particularly with support and specialty resource teachers.
- Administration
 - Provided teacher survey feedback to the Principal; engaged in meetings to provide support and guidance in her first year as Principal at Grace School.
 - Partnered with the Principal to handle personnel matters and concerns.
 - Participated in select interviews for open staff positions and provided input as part of the selection and hiring process.
 - Offered support and guidance on the selection of a new Assistant Principal.
 - Created a mentor partnership between the Principal and retired Grace School teacher for added support and connection in advance of the second year as Principal at Grace.
- Marketing
 - Partnered with Grace's Communications Manager on communication materials to attract new families to Grace School.
 - Increasing communication between the church and school as part of an overall marketing strategy.
- Finances
 - Representing the school, an EEC member regularly participated in monthly church Finance Committee meetings and provided updates to the EEC on financial matters impacting the school ministry.
 - The Principal and an EEC member participated in Grace's Budget Committee meetings during the fiscal year 2025-26 budgeting process.

Respectfully submitted,

Jade Augustine and Ed Mason (*Committee Co-Chairpersons*)

Committee Members

Dan Cattau, Jim Kerns, Hannah Langhoff (chair, Board of Discipleship representative), Troy Medlin (pastoral representative), Laura Merwin, Christine Phillips, and Paul Phillips

Our first Adult Education presenter of the year was Dr. Gretchen Buggeln, Professor of Humanities and Art History at Valparaiso University, who spoke in February on Gothic elements of church architecture. Due to the Lenten book study and scheduling difficulties, we did not have another speaker until April, when Dr. Ian McFarland of Emory University gave a presentation titled “Thinking About Hope.” In May, our own Rev. Michael Costello delivered a two-part presentation on Grace’s pipe organ, and Dr. Esther Menn of LSTC spoke about the places where the Apostle Paul traveled and worked during his ministry.

After summer break, Adult Education resumed with Dr. Elyssa Salinas-Lazarski, who explained the significance of the stained-glass windows in Grace’s sanctuary. Dr. Marvin E. Wickware, Jr. of LSTC spoke about his new book on antiracism, *Loving Through Enmity*. Dr. David Rogner of Concordia Chicago presented on a series of hymns that he wrote. Later in October, Neal Armstrong and Elizabeth Henderson gave a talk explaining Grace’s finances, and the poet Marci Rae Johnson did a reading of her work.

November saw the return of Dr. Michael Graves, professor of Biblical Studies at Wheaton, who spoke for two Sundays on the canonicity of the Old and New Testaments. The poet Tania Runyan read from her “Poet Jesus” project, and Ethan Aronson of Arise Chicago spoke about faith-based labor organizing in the Chicago area, especially among immigrant communities. In December, Dr. Elizabeth Palmer of *The Christian Century* gave her annual presentation on the best books of the year; by popular request, we made her PowerPoint presentation available on the church website. Our final presentation of the year was by Pastor Troy and the other participants in this summer’s Appalachian Service Project, who spoke about their experiences and how the trip had informed their faith.

Average attendance was about 16 this year. At the beginning of the fall semester, we met in the fellowship hall for several weeks because the elevator was out of service, but we’ve returned to the seminar room now that the elevator works again. The Adult Education Committee also added two new members, Chris and Paul Phillips, who are longtime attendees. The committee has made contact with a number of potential speakers for the Spring 2026 semester, and we are currently working on putting together our schedule.

Respectfully submitted,

Hannah Langhoff
Committee Chairperson

Benevolence Committee

Committee Members

Scott Street (Chairperson), Esther Armstrong, Steve Beck, Jessica Bullock, Val Spiller, Deb Stonich, Katharine Roller, and Shawn Vogen

Thanks to the prayerful generosity of the Grace congregation, the Benevolence Committee was entrusted with \$222,000 to distribute this year — funds directly tied to congregation tithes from the previous fiscal year. Guided by both your contributions and a strong sense of stewardship, the committee carefully allocated these resources to extend our congregation’s work in and through our benevolence partners.

Each year, the Benevolence Committee requests applications from prospective benevolence partners. The committee then conducts an evaluation to finalize our list for the year. There are two essential criteria for all selected benevolence ministries: non-profit organization and alignment with a Christian mission.

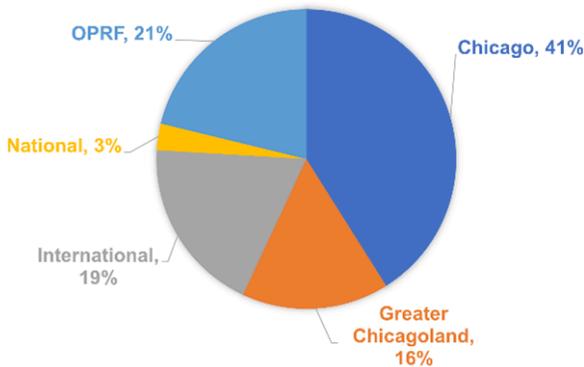
Beyond these essential criteria, the organizations are evaluated in the following categories to finalize the recommended partner’s amount of funding: mission focus, social justice, Grace Lutheran connection, geographic location, responsiveness, Christian based organization and impact.

Your generosity supported the organizations below enabling them to offer vital services, from addressing housing and food insecurities, advocating for the marginalized, providing essential support for those in need, to helping build opportunities for success both locally and globally.

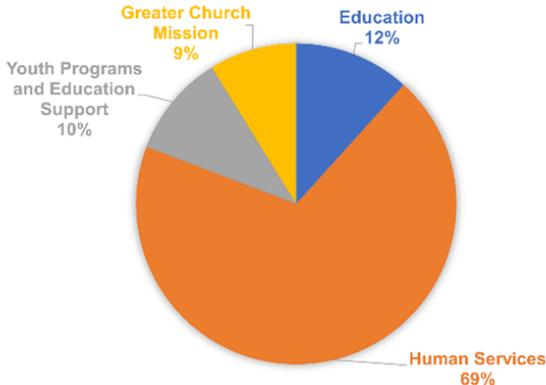
Respectfully submitted,

Scott Street
Committee Chairperson

BENEVOLENCE GIVING BY GEOGRAPHIC LOCATION



BENEVOLENCE GIVING BY FOCUS AREA



2025-26 Ministry Recipients:

- A House in Austin
- Beyond Hunger
- Cabrini Green Legal Aid
- Carlson Community Services
- Center for Christian Education
- Concordia University
- ELCA Metropolitan Chicago Synod
- Evangelical Lutheran Church of America
- Global Refuge
- Harmony Community Cares
- Hephzibah Children’s Association
- Housing Forward
- L’Arche Chicago
- Lawndale Christian Legal Center
- Lutheran Child & Family Services of IL
- Lutheran School of Theology Chicago
- Lutheran Social Services of Illinois
- Lutheran World Relief
- Maywood Fine Arts
- New Moms
- Pangea Educational Development
- Refugee One
- Serving People with a Mission
- The Night Ministry
- Valparaiso University
- Walther Christian Academy

Justice and Peace Committee

Committee Members

Pat Anderson, Larry Garber, Ruth Hughes-McElravey, Mary Paulson,
Lance Wilkening, Stephanie Wilkening, and Rev. Troy Medlin (Pastoral Representative)

Dear Friends in Christ,

The extraordinary year of 2025 challenged all of us to respond to fast-moving national and local events with individual and collective action. Individually, members of the committee participated in numerous protests, gatherings, and celebrations in the local community, including the following:

- Tour of New Lawndale Christian Legal Center Facility: February 21
- “A Theology of Migration” Seminar: February 26
- Meeting of United Power for Action and Justice/Reclaiming Chicago: March 13
- National Faith + Climate Forum: March 27
- “Introduction to Centering Prayer” Workshop: March 29
- Lawndale Christian Legal Center Celebration Event: April 27
- “No Kings” Protests: June 14 and October 18
- “Lutherans United for Illinois” Event: September 16
- Anderson Emergency Shelter Ribbon Cutting: September 19
- “Food as Medicine, Food for Life” (fundraiser for Harmony Community Cares): October 2
- Nationwide Vigil to End Gun Violence: December 11

Collectively, the committee partnered with the Social Ministry Committee to host an Advocacy Action Event on November 2 at Grace. At this event, representatives from Beyond Hunger and Harmony Community Cares provided a front-lines perspective on the impact of changes to food support programs such as SNAP, WIC, and USDA grants to local food pantries. After hearing from these organizations, participants had the opportunity to contact elected officials by phone, email, or hard-copy letter to advocate for food security and support. More than 50 Grace members attended, resulting in at least 127 contacts to elected representatives.

The committee also worked with Amanda Smith, Communications Manager to revamp the Justice and Peace page on the Grace website. The redesigned page now highlights upcoming events related to our mission and provides links to other organizations in the community that work for justice and peace. We encourage congregation members to visit the page and to submit events and links to additional organizations. Our deepest appreciation to Amanda for making the page so organized and appealing.

Committee member Pat Anderson was honored for her tireless advocacy for the homeless when Housing Forward named its new Oak Park overnight shelter the Anderson Emergency Shelter. We are blessed to have Pat on the committee and are inspired by her devotion to this endeavor.

We know the new year will bring new challenges as well as opportunities to live out our faith and stand up for what we believe. We pray for God’s help and for the strength to continue the work God has called us to do.

Respectfully submitted,

Lance Wilkening
Committee Chairperson

Committee Members

Linda Street (Chairperson), Olinda Fink, Carolyn Garber, Marilyn Fall, and Pastor Troy Medlin (Resource)

The library continues to be a welcoming space on Sunday mornings. The Cornerstones fellowship makes regular use of the space on Wednesday mornings as well. Hearing is often difficult for seniors in the larger meeting areas at Grace. Cornerstones participants are thankful to have access to the library. Faith Forum also meets monthly in the library hosting guest speakers and discussions around current topics. In addition, GriefShare and Finding Hope groups have found the church library to be an intimate venue for quiet, personal sharing and dealing with tender topics. The Grace Knitters, the team folding the Grace Notes, and other groups are visitors here as well. We commend the willingness of Grace Staff as they rearrange chairs and tables to facilitate a variety of uses for this space.

Besides that – we have books, CDs, and videos to check out! Yes, we are a lending library with a diverse collection on all sorts of topics, plus fiction and children’s books. Best advice – browse the shelves while sipping your coffee on Sunday morning. Check out a book that calls your name.

Religion in Literature books, available for check out, are regularly ordered so there are at least two copies of each selected text on hand for all Grace members who wish to join in the discussions or to just read the books for their own pleasure. Check out the ladder-style shelf for the Religion in Literature books.

A seasonal collection of books is also available for check out in the atrium display case. Ask the person at the front desk for access.

Respectfully submitted,

Linda Street
Committee Chairperson

Social Ministry Committee

Committee Members

Rebecca Dahlstrom, Jo-Ellyn Dorsey Swanson, Heidi Hamernik (co-chair), Susan Hickey, Julie Modrich (staff liaison), Loretta Lattyak, Lance Wilkening, and Stephanie Wilkening (co-chair)

The Social Ministry Committee's mission is to raise awareness about people in need and offer opportunities for hands-on service. This year, we continued to sponsor a variety of initiatives for many community organizations. We can't thank the congregation enough for its generous support.

- **Advocacy Action Event:** The Social Ministry Committee cosponsored an event with the Justice and Peace Committee in November at Grace. A panel discussion featured representatives from the Harmony Food Pantry and Beyond Hunger. The panelists discussed food insecurity and the impact of changes to food programs such as SNAP, WIC, and USDA grants to local food pantries. Participants had the opportunity to contact elected officials by phone, email, or hard-copy letter to advocate for food security and support. More than 50 Grace members attended, resulting in at least 127 contacts to elected representatives.
- **Food Drives and Food Pantry Donations:** For Harmony Food Pantry, we collected specific items every two weeks throughout the summer, then one item per month from September through December. In November, we conducted a Fall Food Drive and distributed food to the Harmony Food Pantry, Beyond Hunger and Forest Park Food Pantry.
- **Meals for the Night Ministry:** Committee members and junior high students from Grace School cooked and delivered two meals to the Crib, a Chicago shelter for unhoused young adults from 18 to 24 years old. Throughout the year committee members and congregation members, including Confirmation students and mentors, also made sack lunches that were delivered to the Night Ministry and then distributed to Chicago's unhoused.
- **Christmas Giving:** We collected about \$3,000 in gift cards from the congregation for the Night Ministry, Oak-Leyden Developmental Services, and seniors at Mills Park Tower. Thirty young mothers and their children served by New Moms received gifts and gift cards. Thirty children in Lutheran Social Services of Illinois' Foster Care Program and 10 children served by Children First also received Christmas gifts. This year, in collaboration with Grace School, as part of our Adopt-a-Stocking program for the Night Ministry, 193 stockings were made and filled with toiletry and sundry items.
- **Mitten Tree:** Children's scarves, mittens, hats and gloves were collected in January for Little Leaders of Tomorrow, a Head Start program in Chicago's Austin community. Thanks to Grace's knitting group for the many beautiful items donated to this drive.
- **Evie Tiemann Memorial School Supply Drive:** We collected supplies for Chicagoland Lutheran Educational Foundation, which distributed them to Lutheran schools in Chicago. We also donated supplies to the Harmony Tutoring Program. The drive is named for the late Evie Tiemann, a beloved committee member and passionate educator.
- **Welcome Kits for Lutheran Social Services of Illinois Foster Care Children:** The committee created 30 kits for 5- to 10-year-old foster care children. Each kit included a blanket, hygiene products, a \$20 gift card and personal items packed in a laundry bag. We want to thank those who donated the items and helped tie the blankets, and the VBS students who helped pack the kits.
- **Christian Learning:** Bibles, Sunday School materials, and other Christian material were collected for the Forest Preserve Bible Church in Chicago.
- **Wonder Works Museum:** Children's costumes for the Oak Park children's museum.
- **Coat Collection:** Coats for children, men and women served by the Harmony Food Pantry and Cradle to Crayons, which provides everyday essentials to children from birth to 12 years old.

Respectfully submitted,

Heidi Hamernik and Stephanie Wilkening (*Committee Co-Chairpersons*)

Board Members

Mark Bouman, Amy Claud, Jo-Ellyn Dorsey, Dan Lehmann, Lori Martin, Paulette Reddel, and Rich Schubkegel

The Board of Spiritual Life is composed of elected congregation members who are referred to as elders. The board is charged with providing for the proclamation of the Word and celebration of the sacraments; attending to the spiritual needs of the congregation; enhancing the worship life of the congregation; fostering fellowship within the congregation; and integrating new members into the congregation. Elders meet monthly, usually on the fourth Tuesday evening, and otherwise as needed. Duties during 2025 at Grace included:

- Elders serve as liaisons to the Grace committees tied to the board under Grace's bylaws, i.e., Health Cabinet, Worship, Stewardship, New Members, Evangelism, and Fellowship.
- The board reviewed attendance records for 2024 which concluded an entire year with one Sunday service. Grace attendance exceeded the national average of 62% pre-covid. Sunday attendance was up 11% over 2023. Christmas and Easter services held up with attendance while there was a fall-off at midweek Lent/Advent services. We shared this data with Church Council and will repeat this analysis in 2026.
- The board plans to conduct an "Offerings Analysis-Last Five Years" as it did in 2025. Such reviews are being conducted on a regular basis.
- Elders also review volunteer participation in various roles related to worship (i.e., Altar Guild, ushers, greeters, etc.). The Worship Committee hosted another "Liturgical Backstage Pass" that explained volunteer positions at Grace.
- Through the Fellowship Committee, the board served dinners at Advent and Lent services. Elders also hosted a coffee hour after worship in the summer.
- The board also held an after-worship reception honoring Pastor David Lyle for his 10th anniversary as senior pastor at Grace.
- In light of the looming deficit near the end of the 2024-25 fiscal year, the elders contacted via email a large number of Grace members to encourage giving to close the deficit.
- Elders are actively working to energize the Evangelism and Stewardship committees.
- Elders assist in leading in-person worship in our role as deacons (tending the communion "table") and visit and serve communion to shut-in members of the congregation. We also meet regularly with each pastor and the cantor for support, assessment, and accountability.
- At our regular meetings, elders discuss concerns congregation members bring to us or to one of the pastors or cantor, with a goal toward enriching the life of the congregation. Members of the congregation are encouraged to communicate their concerns with any elder.
- Elders recognize and acknowledge each month by written personal notes the service of those parishioners who make special contributions to the life of Grace. We also write personal notes of encouragement to confirmands upon their public witness and confirmation.

We acknowledge and thank Paulette Reddel and Lori Martin who have served on the board the past six years. Term limits apply and both will leave the board in February.

Respectfully submitted,

Daniel J. Lehmann
Board Chairperson

Altar Guild

The Altar Guild of Grace Lutheran Church and School continues to provide the essential ministry for Holy Communion services at Grace and manages the care of the communion vessels, linens, supply of wafers, wine, and grape juice. All that is truly needed to share the eucharist of bread and wine. The Altar Guild uses reverent, appropriate liturgical and customary practices to serve the Lord's Supper to all who commune on Sundays, Festival Days, weddings and funerals at Grace.

Our dates of service are posted on MSP "as available" and not assigned by the program. This allows for flexibility for individual schedules.

The Altar Guild is blessed with dedicated and congenial servants who faithfully provide the essential "setting the table" for communion at Grace. We prayerfully continue to encourage interested Grace members, individuals, couples, friends, youth and family groups, to consider joining this most rewarding and "behind the scenes" ministry for Grace Church and School and all who commune with us at Grace.

Come, for all is now ready!

Respectfully submitted,

Roberta Gillespie

Committee Members

Mark Bouman, Michael Costello, Leanne Cribbs, Sara Gruendler-Ladler, Liz Hanson, Ruth Nelson (chair), Elyssa Salinas Lazarski, Linda Grisham, Laura Merwin, and Susan Scherer

During 2025, the Worship Committee conducted two events focused on recruiting additional volunteers to help serve in Grace's worship. A "Liturgical Backstage Pass" event was held February 16 and a "Minute for Mission" on July 13 to encourage additional volunteers for the many committees which support Grace's worship. For each Sunday service at Grace, 17-19 volunteers (not counting the choir) are required. Assisting Ministers, Lectors, and AV are currently at acceptable volunteer levels. Additional efforts are needed in 2026 to recruit for Greeters, Ushers, Gift Bearers and Altar Guild.

Smaller group worship continued to be a focus of the committee during the beginning of the year. Pr. Costello composed a new setting for Lenten worship and spearheaded changes making the Grace's worship space more intimate.

The committee encouraged and supported the purchase of new folding chairs for Fellowship Hall which have also been used for overflow seating and additional seating in worship.

In July, members of the committee enjoyed providing and serving treats following summer worship.

In October, the Worship Committee agreed to take on an important piece of Grace's strategic planning process: Worship, Music and Preaching, which will be the focus of the committee at the beginning of 2026.

- **Worship, Music and Preaching:** The congregation has a rich tradition of well-planned and well executed worship, music and preaching. A lot of energy goes here, and it is one of the most valued aspects of congregational life. At the same time, there were many comments about lack of diversity in musical style and instrumentation, perceived as rigidity by more than a few people. One area for enhancement is building on the liturgical and musical foundation but being assertive and intentional about a wider variety of musical styles and liturgical content within the liturgical structure. This seems especially important to those who value ethnic diversity and connecting with younger people (including the younger people already present in the congregation) and an accessible place to use what is a strength to advance ministry forward in good ways.

Respectfully submitted,

Ruth Nelson

Committee Chairperson

Committee Members

Bryan Bernard (Chair), Margret Burke, Karen Eckstein, Loretta Lattyak, Cindy Rohlfing, Nancy Wohlford, Patty Engebretson, and Jo-Ellyn Dorsey (Board of Discipleship representative)

Vaccine Clinic: We hosted the annual vaccine clinic on October 5. The vaccines were administered by Jewel-Osco. Vaccines offered included the updated covid vaccine, seasonal flu, RSV, pneumonia, and shingles. There were 56 people receiving one or more vaccines. There was a mix of church members and school families.

Congregation Poll: The committee circulated a questionnaire to the congregation to ascertain possible health-related activities and programs that the committee could facilitate. Based upon congregation responses, we hosted a lecture on healthcare planning in retirement. Additional lectures are planned for 2026.

Advent Meal: The committee provided a homemade baked pasta dinner the first week of Advent.

Prayer Shawls: New prayer shawls were blessed and are continuously distributed.

Respectfully submitted,

Bryan Bernard
Committee Chairperson

New Members Committee

Committee Members

Pastor David Lyle, Valerie Spiller, Julie Modrich, Nick Blashill, and Casey Blashill.

The mission of the committee is to welcome and orient new members to Grace Lutheran Church. The committee members support the pastors by organizing two new member courses each year, one in the fall and one in the spring. These courses provide education on Lutheran theology and life at Grace. Each session is around eight weeks long and ends with being welcomed into membership during a Sunday service. A reception is hosted by the committee members following the service. Along the way, we aim to engage new members in the ministries of Grace and help connect them with others in the body of Christ.

We welcomed 1 new members from our Spring 2025 new member class and 4 new members plus 4 children from our Fall 2025 class.

The committee attends all new member sessions and meets in person as needed. However, it does the majority of its planning over email. The committee has a budget of \$400/year for the 2025-2026 fiscal year.

We are thankful that God continues to bring wonderful new members to Grace. The energy and experience they bring to our congregation is a blessing indeed.

Respectfully submitted,

Nick Blashill

Committee Members

Candice Buchbinder, Julie Lehmann, Dan Lehmann, Jennifer Luebbe, Lori Martin, and Deborah Stonich

Fiscal Year End Giving, June 2025: e-mail campaign with parishioner stories about how they use their time and talents to support Grace. E-mails were sent on 6/10, 6/18, and 6/28. Correspondence used “Grateful for Grace” headline.

Grace in Action Document: an updated copy was shared to encourage the giving of time, talent, and treasure to support on the ongoing work of Grace Lutheran Church and School.

Fall Adult Education session sponsored by Stewardship: after an enthusiastic response to the treasurer’s 2025-2026 budget presentation, our committee asked Elizabeth Henderson and Neal Armstrong to lead an Adult Ed session. The session provided education on the Legacy of Grace Fund, Endowment funds, and income generated from these funds to support Grace’s annual budget. The committee concluded that financial education should be promoted annually or bi-annually with an Adult Education session.

Faith Promise Campaign: Faith Promise Sunday was on November 16 and the theme was “Faithful in All Things.”

- We encouraged both an increase in the number of pledges and amounts pledged.
- Publicity Efforts: a packet was mailed to parishioners including a letter from Pastor Lyle, the Faith Promise card, and a tithing chart that illustrated the weekly giving as a % of income
- It focused on financial pledges with the time/talent form to be shared in the future.
- An article was written for the November Grace Notes about Faith Promise Sunday.
- There was a Mission Moment at the November 9 service.
- E-mail blasts were sent that included a note from a congregation member about what “faithful in all things” meant to them.
- It was also included in the weekly announcements
- We reached out to church leaders and groups to discuss pledging with their groups and encouraging completion of Faith Promise cards
- An email was sent to the congregation thanking them for participating and sharing how many pledges were received.
- A personal thank you card is being sent to those who pledged.
- Results:
 - 103 pledges which represents 26% of Grace’s potential donor base
 - \$728,000 pledges with a \$7,068 average pledge

Respectfully submitted,

Lori Martin

Committee Members

Jennifer Brayton, Doris Christopher, Karen Halter, Erika Lyle, Greg Rohlfing,
Lauren Wilkie, Julie Modrich (Non-voting Member) and Rich Schubkegel (Board of Spiritual Life Liaison)

The Fellowship Committee is charged with the goal of improving fellowship and developing initiatives and activities that foster relationships among Grace members.

Current Activities:

- Advent Suppers
- Epiphany Brunch
- Lenten Suppers
- Summer Coffee Hours
- Feast Groups

Over the past year, the Fellowship Committee was pleased to successfully recruit a dedicated group of volunteers who have committed their time and energy to sustaining and growing fellowship opportunities at Grace. This expanded committee has provided leadership, support, and coordination for our ongoing activities, helping ensure that these events continue to be welcoming and well supported.

The committee is grateful for the continued partnership and assistance of Grace staff member, Julie Modrich, whose support remains instrumental in the execution of fellowship programming.

Looking ahead, the Fellowship Committee will focus on maintaining these core activities while also exploring new initiatives that encourage participation, hospitality, and deeper connections within the Grace community.

Respectfully submitted,

Rich Schubkegel
Board of Spiritual Life Liaison

Committee Members

Elizabeth Henderson (Treasurer), Neal Armstrong (Assistant Treasurer), John Rudy (Vice President), Mike Gillespie (Property), Tom Thomas (Endowment), Ed Mason (Elementary Education), and Drew Nierman

Other Attendees

Jim McClanahan (Business Office) and David Lyle (Sr. Pastor)

Fiscal 2025 Summary

A financial summary of Fiscal 2025 (ended June 30, 2025) is presented below. Total contributions exceeded budget due to generous giving by church members. The notable outliers from an expense perspective were building-related. Cash was largely unchanged despite higher capital spending, given a generous bequest. We ended the year with a surplus due to other income primarily provided by the endowment.

Grace Lutheran Church and School			
Financial Summary			
Years Ended June 30, 2025 and 2024 (unaudited)			
	2025 Actual	2025 Budget	2024 Actual
Operating Revenue:			
Church contributions	2,210,000	1,973,000	1,823,000
School contributions, tuition and fees	1,620,000	1,774,000	1,600,000
Total operating revenue	3,830,000	3,747,000	3,423,000
Operating Expenses:			
Personnel costs	2,878,000	2,956,000	2,782,000
Benevolence	182,000	177,000	170,000
Property maintenance and supplies	179,000	103,000	92,000
Utilities	141,000	170,000	138,000
Property insurance	59,000	56,000	48,000
Service contracts and leases	134,000	92,000	82,000
Boards and committees	79,000	103,000	72,000
Teaching materials and other school costs	214,000	209,000	146,000
Office supplies, paper and postage	101,000	115,000	93,000
Total operating expenses	3,967,000	3,981,000	3,623,000
Net operating deficit	(137,000)	(234,000)	(200,000)
Other church and school income:			
Interest income	17,000	20,000	29,000
Use of facilities fee income	34,000	20,000	22,000
Endowment distributions and FIF	129,000	162,000	200,000
Other	28,000	32,000	10,000
Surplus/(Deficit) before transfers	71,000	-	61,000
Transfers from custodial accounts	475,000		51,000
Capital spending	(526,000)		(193,000)

Finance Committee Continued

Fiscal 2026 through December 31, 2025, Summary

Similar to last year at this time, Grace is operating at a deficit. While church contributions are slightly below budget, church revenue is similar to last year's pace. Positively, expenses are lower than budget largely due to lower property and personnel costs, helping to offset the negative impact from lower school revenue. The Legacy Grant, budgeted at \$78,800 for the first half of the year, to fund the anticipated deficit has not been used. Benevolence is higher than budget due to the surge in giving after the budget was finalized. Benevolence is 10% of prior year's giving. Capital spending is below last year's level. Liquidity remains strong.

Grace Lutheran Church and School
Financial Summary
Statements of Activities
Six months ended, December 2025 and 2024 (unaudited)

	2025 Actual	2025 Budget	2024 Actual
Operating Revenue:			
Church contributions	1,035,394	1,127,250	1,037,543
School contributions, tuition and fees	729,350	860,400	794,189
Total operating revenue	<u>1,764,744</u>	<u>1,987,650</u>	<u>1,831,732</u>
Operating Expenses:			
Personnel costs	1,362,166	1,486,150	1,422,757
Benevolence	111,000	95,000	91,000
Property maintenance and supplies	74,879	63,500	124,796
Utilities	57,489	79,350	67,964
Property insurance	29,058	31,650	29,058
Service contracts and leases	47,471	48,700	51,184
Boards and committees	38,676	51,100	44,261
Teaching materials and other school costs	89,551	84,350	161,836
Other administration expenses	53,091	47,850	63,997
Total operating expenses	<u>1,863,381</u>	<u>1,987,650</u>	<u>2,056,853</u>
Net operating deficit	<u>(98,637)</u>	-	<u>(225,121)</u>

Respectfully submitted,

Elizabeth Henderson

Treasurer

Endowment Fund Committee

Appointed Members (subject to term limits)

Jeff Cribbs, JR Reynolds, Julie Christopher, Kirk Carpenter, Mica Just, and Buzz Schwandt

Board Members

Neal Armstrong (Chairperson) and Josh Wood

Other Attendees

Jim McClanahan (Business Office) and Elizabeth Henderson (Treasurer)

Responsibilities: The Endowment Fund Committee (the Committee) is a sub-committee of the Board of Finance and Property. The Committee's main responsibilities are: (1) investment of the endowment and related funds of the congregation and school; (2) acceptance of gifts made with special terms or conditions (subject to church council approval); (3) maintaining written procedures for investment and use of each fund in accordance with the terms and conditions of the grant or endowment; and (4) reporting to the congregation

Investment Manager: Since 2013, Grace has used Fiducient Advisors, a professional investment consulting firm, to help manage Grace's endowment funds. Fiducient does not make final investment decisions. The firm provides investment analyses and recommendations to the Committee for review and approval. Fiducient is then directed to execute the Committee's investment decisions. The endowment funds are managed in conformance with Grace's Investment Policy Statement, as adopted by the church council and reviewed by the Committee.

New Business: The Committee is currently reviewing Grace's Investment Policy Statement.

Investment Overview: Grace allocated funds among three primary asset classes, averaging approximately 65% in equities and 35% in fixed income (e.g., bonds). The Grace Endowment does not invest in individual stocks, bonds, or real estate parcels. Based on Fiducient's recommendations, Grace invests in both active and passive funds, utilizing managers with proven track records. Reflecting market conditions in 2025, the endowment increased in value.

When necessary, the Endowment Fund assets are used as collateral for the congregation to borrow against to meet cash flow shortfalls. As of December 31, 2025, the outstanding loan balance was \$0.

Respectfully submitted,

Elizabeth Henderson

Treasurer

Endowment Fund Revenue and Expenses - July 1, 2025 – December 31, 2025:

	<u>Regular</u>	<u>Forward In Faith</u>
Balance, June 30, 2025	\$6,937,000	\$1,723,000
Appreciation/depreciation	\$ 210,000	\$ 52,000
Dividends and interest income	\$ 245,000	\$ 60,000
Gift to endowment	\$ 175,000	\$ 12,000
Withdrawals (quarterly General Fund)	-\$ 156,000	-\$ 29,000
Fiducient/DiMeo fees	-\$ 18,000	-\$ 5,000
Balance, December 31, 2025	<u>\$7,393,000</u>	<u>\$1,813,000</u>

Committee Members

John Curran, Tom Demas, Keith Frizs, Mike Gillespie (Chairperson),
John Lattyak, Joel Leuking, Tom Thomas, and Liz Thompson

Ex Officio

Jim McClanahan (Business Office Administrator) and Dave Pfeiffer (Facilities Manager)

2025 Summary

Ongoing Projects/Issues (Not Prioritized)

- Refinish exterior doors for Bonnie Brae sanctuary entrance and playground entrance.
- Considering building a Welcome Center Area in the Atrium.
- Installing new interior signage throughout the building.
- Evaluating replacing roof under solar panels on east roof.
- Continuing to evaluate security upgrades.
- Replace ejector/sump pumps.
- Install backflow valves.
- Next phase of tuckpointing to be scheduled as weather permits.

Closed Projects/Issues (Not Prioritized)

- Current phase of tuckpointing needs were completed.
- Replaced two rooftop heating and cooling units.
- Roof repairs at various locations were completed.
- Plaster repairs at various locations were completed.
- New ceilings in Youth Room and Robe Room were completed.
- New chairs purchased for Fellowship Hall.
- Issues with solar panels resolved.
- Various upgrades to Grace House including replacing concrete pad at the rear of the building completed.
- Repaired masonry walls in Grace Garden and added bench.
- Library chairs and 1902 room chairs were reupholstered and repaired.
- Replaced motor, pump, and valve packing for elevator.
- Sanctuary lighting updated with LEDs and new dimmer.
- Replaced clocks integrated with the school intercom system.

Respectfully submitted,

Mike Gillespie
Committee Chairperson

Committee Members

Jane Andrew, Neal Armstrong, Casey Blashill, and Tom Swanson

The Audit Committee was active throughout calendar year 2025, with the objective of providing an independent assessment of the church and school finances, controls, and operations. To this end, the committee performed various independent testing activities. An external review was completed for fiscal year (FY) 2024 following Agreed Upon Procedures, as described in the committee's 2024 annual report. Per the requirement to pursue external review every three years, the next such review will concern FY2027. Thus, for FY2025 the committee focused on internal independent testing.

Activities

The following areas were reviewed.

- **Bank reconciliation:** The account reconciliation appears to be straightforward and correct, with the exception of a discrepancy for a check issued in June and voided in July. The discrepancy was resolved in the July reconciliation.
- **Disbursements and accounts payable:** Thirty-seven checks were selected at random from the list of checks issued during FY2025 and traced through the accounts payable and general ledger system. Signatures could not be reviewed for some checks either because the check had not been cashed or the image was no longer available from the bank. All checks were cleared by the bank. Two procedural issues were noted involving late payment of school-related expenses that were submitted late to the Business Office. One credit card statement from each quarter was also reviewed; statements appeared to be handled correctly for all attributes.
- **Giving statements:** A set of randomly selected annual giving statements were reviewed by the givers. In household, there was a discrepancy in IRA contribution amount between the givers' records and the statement, in the church's favor. The giver did not respond to a follow-up inquiry. Two other exception responses were found to be nonmaterial. The review found no areas of concern in terms of procedure. Responses received represented 3% of the statements sent out for calendar year 2024.
- **Payroll:** Testing of a sample of church and school employees comparing annual budgets to 2024 W2s appeared reasonable.
- **Form 1099s:** Testing of 1099s for a sample of church and school contractors/vendors who received \$600 or more in compensation appeared reasonable, as samples selected that were expected to have 1099s had them properly prepared.
- **Pension deposits:** Testing of pension deposits for a sample of church and school employees appeared reasonable, as samples selected were properly included in the Portico Benefit Services report for the period selected.
- **Endowments:** Testing of endowment investment accounts appeared reasonable when comparing account balances in the year end trial balance compared to statements received from a third party.

Committee chair John Rudy resigned from the committee upon his election to the Church Council in January 2025, and Neal Armstrong will no longer be eligible to serve as of January 2026 when he becomes the church treasurer. The committee therefore is seeking additional volunteers, including a chair.

Based on independent audit work performed by the committee, the books and records of Grace appear to be materially accurate in the areas tested. Overall controls governing financial operations appear to be in place and operating as intended.

Respectfully submitted,

John T. Rudy
Committee Chairperson

Grant Review Committee

Committee Members

John Bouman (Church Council, President), JR Reynolds (Chair),
Kate Hogenson (at-large appointed), Felicia Niermann (at-large appointed),
David Lyle (Sr. Pastor), Michael Costello (Cantor), and Dr. Taylor-Imani A. Gates (Principal)

Non-Voting Attendee

Jim McClanahan (Business Director)

Responsibilities

The Grant Review Committee is responsible for implementing the guidelines of all funds entrusted to the Endowment Committee by a donor or by the church council that are earmarked by the donor, by the congregation, or by the church council to be for a restricted purpose that may require a review process to access a distribution. The Committee's review has primarily focused on two funds in 2025: Legacy of Grace Endowment Fund and the Stauffer Music Fund.

Legacy of Grace Endowment Fund

The Legacy of Grace Endowment Fund was established in 2002 as an enduring thank offering for blessings bestowed on the Grace community. Legacy is intended to support new or recurring expenditures or ministry programs that are not included in the congregation's current or prior fiscal year's operating budget. Proposed projects must be related to one of the following stated purposes:

- Educational excellence
- New ministry at Grace or beyond
- Resources for congregational growth
- The support and extension of Grace's music ministry

The Legacy of Grace available account balance at the end of Grace's FY2025 (June 30, 2025) was \$275,538.44. The income for FY2026 will be \$179,904. With \$316,775 committed, that leaves \$138,667.44 available for additional FY2026 grants.

Grants from Legacy in calendar year 2025 included a broad array of programs and funding amounts. Some of the proposals that we supported include: Support for the Lutheran World Relief's international quilt program, Sunday School by HS students, Strategic Planning initiative for Grace Church, Grace School Religion Curriculum development, and Grace School Alumni Outreach.

Stauffer Music Fund

The Stauffer Music Fund (Stauffer) was established in 2008 to support the music ministry of the church. The Stauffer fund value at the end of Grace's FY2025 year (June 30, 2025) was \$10,249. The FY2026 income will be \$19,200. The FY2026 commitments are \$7,500, which leaves \$21,949 available for additional FY2026 grants.

Grant Requests

To request a Legacy grant application form, call or e-mail church secretary Esther Armstrong (earmstong@graceriverforest.org). Submit Legacy applications to John Reynolds (johnrbmt67@gmail.com) for consideration by the Grant Review Committee. Approved applications are forwarded to the Church Council for a vote and final approval.

Respectfully submitted,

John Reynolds
Committee Chairperson

Strategic Planning Committee

Committee Members

Mark Bouman, Jessica Bullock, Andy Massmann, Valerie Spiller,
Michael Starrick, Stephanie Wilkening, Pastor Dave Lyle, and our consultant, Pastor Dave Daubert

Over the past year, Grace Lutheran Church and School has engaged in a comprehensive strategic planning process led by a dedicated committee of church members and guided by consultant Dave Daubert of Day 8 Strategies. This work has been rooted in deep listening and input gathered through congregational surveys, staff and community interviews, and focus groups. The result is a shared vision and strategic priorities that honor our heritage while charting a faithful, vibrant path forward.

2025 Strategic Planning Highlights

- Facilitated listening sessions, surveys, and interviews with members, staff, and the broader community.
- Identified core strategic priorities: worship/music, Lutheran identity in the 21st Century, relationships and fellowship, school-congregation connections, stewardship, and outward mission.
- Recommended guiding principles emphasizing grace, inclusion, care, and community engagement.
- Conducted Council and congregational updates including a recommended new purpose statement in December 2025:
 - Called by Christ we:
 - Grow in Grace
 - Live with Love
 - Go to Serve

2026 Implementation Plans

- Each strategic priority has been assigned to a Board or Committee (or ad hoc committee) with a designated lead.
- Boards will develop situational analyses, action plans, and submit quarterly progress reports (April, July, October).
- Updates will be provided at the June 2026 and January 2027 Congregational Meetings.
- A congregational survey in October 2026 will inform adjustments and recommendations for 2027.
- Council will oversee progress monitoring and authorize mid-course adjustments as needed.

The Strategic Planning Committee thanks the Grace community for its prayers, feedback, and commitment. Together, we are responding to God's call to grow, love, and serve in the years ahead.

Respectfully submitted,

Jessica Bullock

BALLOT

I VOTE "YES" FOR ALL CANDIDATES AS PRESENTED ON THIS BALLOT

OR

YES

NO

Officers of the Congregation

President	Jessica Bullock	2 years
Treasurer	Elizabeth Henderson	2 years

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Board of Spiritual Life

Mark Bouman (Council Rep)	2 years
Barbara Hofmaier	3 years
Michael Starrick	3 years

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Board of Discipleship

Dave Kuipers	3 years
Allison Tan	3 years

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Board of Finance and Property

Josh Schubkegel	3 years
Tom Williams	3 years

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

