



THORNAPPLE
COVENANT CHURCH

2022 Annual Meeting Pre-Read Packet

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THORNAPPLE

COVENANT CHURCH

Our Mission

So we continue to preach Christ to each person, using all wisdom to warn and to teach everyone, in order to bring each one into God's presence as a mature person in Christ. Colossians 1:28

For over 40 years Thornapple Covenant Church has been called to **help people find and follow Jesus Christ** (John 1:35-51). We believe this to be our main task and by the power of the Holy Spirit we participate in God's mission that all people come to faith and that all things be made right in and through Jesus our Lord.

As an intergenerational Jesus-centered community, we believe we are called to know Jesus and follow him by centering our lives around him, and by doing so, experience his transforming presence, a transformation by which we become more like Christ, know his abundance in our lives and willingly live like Christ for the sake of others and the sharing of the good news of the gospel (Romans 12:1-2; Galatians 4:19; 1 Peter 2:21).

But how should we live? What shape does our discipleship take in our everyday lives? At Thornapple finding and following Jesus means we humbly commit ourselves to a way of daily living that honors Jesus and winsomely draws people to him. To that end we invite each person to practice the following missional habits.

- Bless our neighbors with God's love and the good news of Jesus (*Witness*).
- Look to God in prayer at all times and seasons (*Pray*).
- Learn Jesus through engagement with God's word (*Word*).
- Share our life with a small group of disciples (*Community*).
- Care for the poor and vulnerable as we extend the compassion of Christ (*Serve*).

It is our hope and prayer that as a result of our active faith we will see people find Jesus Christ, follow him with passion and maturity, and work for the flourishing of our city and world.

Report from the Council of Elders

Dear Thornapple Covenant Community,

In the first chapter of James, the early Christian churches are reminded to:

"Consider it pure joy, my brothers and sisters, whenever you face trials of many kinds, because you know that the testing of your faith produces perseverance. Let perseverance finish its work so that you may be mature and complete, not lacking anything." (James 1: 2-4)

The Council of Elders has taken that reminder to heart during this year. We started the year amid a pandemic that we believed (and hoped) would soon be behind us. None of us would have imagined that the year of 2021 would ALSO be a pandemic year. Last year continued to provide us with "trials of many kinds" that tested our faith AND produced perseverance. Looking forward into the year 2022, we are praying that perseverance may truly "finish its work" as we move forward into the future with a new vision.

We are blessed with an incredible elder board that is passionate about Thornapple and "rebuilding" our church after all of the disruption of the last two years. After meeting twice monthly for more than a year, we have finally settled back into a rhythm of monthly meetings. And it has been great to be able to meet in person for the last six months. We continued to feel the presence of the Holy Spirit as we faced the many challenges of 2021.

A lot of great things have happened during this challenging year. We were greatly blessed by the ministry of our transitional pastor, Remy Diederich, as he served us for the first nine months of the year. Last spring we began to feel a nudging that we should consider a new structure to our ministry, and the congregation agreed to separate the Senior Pastor role into a LEAD Pastor and a TEACHING Pastor. We are grateful for several infant baptisms as well as new members who have joined our church family.

Thanks to your generosity, we were able to continue to minister the love of Christ to our community and church family as well as to meet all of our budgeted missional commitments. And we ended the year with giving ABOVE our 2021 budget. We continue to be blessed by Pastor Andrew's leadership in his new role as Lead Pastor, along with a wonderful and dedicated staff that has continued to "joyfully persevere" through all the challenges of 2021.

We are excited for the year 2022 as we begin leaning into our new VISION. We will continue to refocus and refresh our ministry programs as we move toward this vision, and we believe as we focus on this vision, we will see more and more of God's love manifest in and through us. We look with great expectation to our new Teaching Pastor, hopefully and prayerfully coming on board around midyear. A year ago, we referred to the year 2021 as a pivotal year. The year 2022 is another pivotal year in the life of Thornapple Covenant Church, and the elders take this responsibility very seriously. We are facing the year 2022 with hope and excitement for what God is going to do in and through our community!

Please take the time to read all of this packet and check out the Year in Review available at: thornapple.org/annualmeeting. It is great evidence of how our ministries continue to evolve to remain relevant in our changing world. We are excited for you to hear more about how we are positioning our church for the future.

This year the elders have studied the book of Nehemiah, which has reminded us that that God will continue to bless His people if they obey Him and are committed to Him. May we all grow closer to our heavenly father this year as we focus on the vision that He has for us as a community of faith!



Grace and Peace,

A handwritten signature in black ink, appearing to read "Doug Josephson".

Doug Josephson
Elder Chair

2021 Statistics

BAPTISMS

08/29 DeVrou, Ada
DeVrou, Sylvia
Loranger, Chloe
Mowers, Vivian

10/10 Veldkamp, Maeve
Veldkamp, Nora

BIRTHS

02/14 Kramer, Benjamin
06/04 Weller, Ada
10/20 Smith, Eleanor
10/31 DeMeester, Brady

DEATHS

05/30 LaHuis, Dee
11/14 Veenstra, Marv

NEW MEMBERS

11/18 Hoiem, Dawn
Vanden Berge, Doug
Vanden Berge, Stacy

TRANSFERS to Thornapple

03/18 Ernest, Beth
Ernest, James

REMOVALS

01/21 Armfield, Nancy

02/18 Mix, Adam
Mix, Jessica
Schrotenboer, Burnie
Schrotenboer, Fran
Siemens, Keri (Worester)
Slabach, Andra (DeJong)
Wilterink, Wendy (Jerry's widow)

06/01 Bennett, Byard
Bennett, Shalini

09/16 Hein, Jerry
Hein, Jo

11/18 Baer, Sue
Fild, Caroline
Hein, Fiona
Hein, Mark
LaPorte, Rick
Noom, Jeff
Noom, Susan
Ostrander, Lonnie
Ostrander, Rick
Rudolph, Bob
Rudolph, Judie

Sample Ballot for the Annual Meeting on February 27, 2022

ANNUAL MEETING – 2022 Ballot

Thornapple Evangelical Covenant Church

I am presently qualified as an active member of Thornapple Evangelical Covenant Church of Grand Rapids, Michigan. For purposes of the Annual Meeting of members held on February 27, 2022, I hereby vote as follows on the proposals presented to the membership of this Church.

1. These members to serve on the Council of Elders, Class of 2025. (Circle YES or NO)

YES	NO	Doug Josephson (3 years)
YES	NO	Brian LeCleir (3 years)
YES	NO	Brian Rudy (3 years)
YES	NO	Josh Traugher (3 years)

Returning Elders: *Class of 2023 - Sarah DeBaets, Patty Dekker, Jim Smith*
 Class of 2024 – Susan Eastburg, Gail Mortenson, Erin Russell

2. These members to serve on the Nominating Committee. (Circle YES or NO)

YES	NO	Rhonda Datema (2 years)
YES	NO	Diane Hartung (2 years)
YES	NO	Ami Hayhurst (2 years)
YES	NO	Kevin Loubert (2 years)

Returning Nominating Committee Members: David Harrell, Kevin Read

3. These members to serve on the Audit Committee. (Circle YES or NO)

YES	NO	Eric Burgoon (3 years)
YES	NO	Pamela Koch (3 years)

Returning Audit Committee Members: Kae Kingma (2023)

4. This member to serve as Financial Secretary (Circle YES or NO)

YES	NO	Rick Kamminga (3 years)
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5. These members to serve as delegates at the Great Lakes Conference Annual Meeting: Dawn Hoiem, Jim & Melissa Smith and Linda & Tom Winer; and at the Evangelical Covenant Church Annual Meeting: Lynne & John McLaughlin and Andrew & Jen Vanover. (Circle YES or NO)

YES	NO
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6. Do you approve the 2022 Budget? (Circle YES or NO)

YES	NO
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Leadership Nominees - Bios

2022 Elder: Doug Josephson

I grew up in a Lutheran church in Minnesota, and have been a follower of Jesus my entire life. I graduated from the University of Minnesota in 1982 and moved immediately to California, where I met my wife Kim. We moved to Michigan (my wife's childhood home) shortly after our wedding in 1987. We have been members of Thornapple since 1998. We have found the Evangelical Covenant Church denomination to be a great home for us, primarily because it affirms the love of Christ for ALL people, and accepts people as they are. We have four married adult children who all live in the Grand Rapids area with our five grandchildren.



At Thornapple, I have been a member of the Council of Elders since 2019. I also continue to be involved in worship ministry, and I previously served four years in youth ministry. I am passionate for our mission, and am extremely excited to see our new vision play out. In my professional life, I am a pharmacist, working in formulary management for a small company based in Milwaukee. Along with my current elder role, I also have previous Board experience on the Forest Hills Public Schools School Board, and currently serve on the Board at Pine Rest.

I love Jesus with all of my being. My faith journey is a journey of gratitude. It is a life of ongoing dependence on God for everything. It is a journey of thanksgiving, praising God for joy and His unconditional love, and His constant presence in times of sorrow, despair, and fear. I am very excited for the future of Thornapple, as we sharpen our focus on our vision and lean closely into Jesus and His promises for us.

2022 Elder: Brian LeClerc

I grew up in Illinois with a loving family in a Catholic home. At the University of Illinois, I became involved with a campus ministry called Cru and during my second year, I came to know Christ and accepted his death on the cross for me. While in graduate school in Indianapolis, I married my high school sweetheart, Kim, and we have three children; Jack (7), Ben (5), and Daniel (3). I work as a pediatrician and enjoy board games, reading and pickleball.



Since coming to faith in Jesus I have continued to grow in faith and wisdom, with the Holy Spirit performing an ongoing work of transformation in my heart through the truths of the bible and numerous mentors who have come alongside me. Our family has been a part of Thornapple since 2017, and continue to be incredibly impacted by the warmth of the relationships we have made, the intentionality of this community, and the centrality of the gospel. Over time we have made many life-long friends and have enjoyed involvement in small groups and Children's Ministry. I look forward to meeting and serving alongside many of you in the future.

2022 Elder: Brian Rudy

I grew up with loving, Christian parents. I have known God's love for as long as I can remember, and I came to trust God's love at age 38. My faith journey has included Thornapple since 1991. Over the years, I have served in many adult, youth, and children's ministries, including as an elder. June and I and our three children have been blessed and cared for by our Thornapple church family. In Thornapple, we have found people committed to lives that are personally connected to Jesus, that rely upon the Holy Spirit, and that are called to service in the world. We have found a faith community centered in God's Word, committed to the whole mission of the Church, and which seeks to offer each other freedom in Christ on issues which might otherwise divide.



I have struggled to understand recent cultural shifts away from God and away from others. Because of Christ, I have hope. I am encouraged by our opportunities to worship, work, and witness together that all may hear His voice and know His love. Always making room, in our physical space, and in our lives.

During my career, I have served primarily as a senior finance executive for various companies, often during periods of growth or transition. I am an advocate for good process and best practice. I enjoy learning, discerning, giving, equipping, serving, and administering. As elder, I look forward to journeying together to find and follow, and to trust in, Jesus.

2022 Elder: Josh Traugbber

I grew up attending church fairly regularly, though it wasn't seamless. My parents were divorced, and because they shared custody, I attended different churches that held slightly different beliefs. This pattern held true as my family moved to different locations - different denominations, different beliefs. The beauty of attending a variety of churches is that I built a strong belief in understanding what kind of church I desired as a follower of Christ, one that teaches through the guidance of the Living Word. My hope for Thornapple is that we're a place of refuge, a place of love, a place of growth in Christ's name.

I'm a school administrator, which necessitates that I continue my own learning. In April of 2016, I received a doctorate in educational leadership. In addition, I have a masters in educational leadership and a bachelors in elementary education. The natural extraction from these degrees, deepening my understanding and application of the learning process, is important to me.

My deepest conviction is that I am a conduit of Christ in my family and for those that I have influence over. I pray that I can be used to help others further their relationship with Jesus. To do this, I am aware that I need to continue to learn and grow in my walk with Christ as I am able.



2022 Nominating Committee: Rhonda Datema

My husband, Doug, and I have been attending Thornapple for 22 years. We have 3 children, 2 son in laws and 2 granddogs! Our family has been so blessed to be part of this wonderful church family. Our children grew up in the children and youth programs and were highly impacted by the programming, staff and volunteers. I was able to be a youth group volunteer and Breakfast Club leader for multiple years alongside my kids and I am forever changed by that opportunity. I have also been involved with the hospitality group, Degage volunteering, Women's Bible study and the nominating committee in the past.

I am a registered nurse and work at University of Michigan-West in a gynecology oncology practice. I have been an oncology nurse for 35 years and in gynecology oncology for 17 years.

I am so thankful that I was raised in a Christian home and was shown the love of Christ very early in my life. Although I strive to be who God wants me to be on a daily basis, I realize that I fail oftentimes but rejoice in the never ending grace and forgiveness that he gives and shows me everyday.



2022 Nominating Committee: Diane Hartung

I have been worshipping at Thornapple since 2008 and had the privilege of serving on staff in the accounting role from 2014-2017. Wife to David; mom to 4 adult (yay!) children Tess (Nick), Claire, Lydia (Justin) and Bryn; grandma to Mia. I have found caring and encouraging community at Thornapple through our small group, serving as a MOPS mentor mom and pickleball friends. Thank you for the opportunity to serve on the nominating committee.



2022 Nominating Committee: Ami Hayhurst

I grew up in a Christian home in West Chicago, Illinois. My parents were actively involved in a church plant for the Christian and Missionary Alliance denomination and I grew up watching how they graciously served in a variety of ways as the church grew. I accepted Jesus as my savior at a young age and continued to develop a deepening relationship with him through the years.

While attending Taylor University I met Dave, my husband of 22 years. Through connections with a fellow student he was introduced to Thornapple. God was leading the way for us to connect with Thornapple a few years later when we moved to Grand Rapids. Together, Dave and I have so appreciated being able to raise Sierra and Josh with a loving and rich church family. We have developed rich relationships with our small groups and through the variety of ways we have been able to serve, including Children's Ministry. I continue to look forward to serving in new ways and continuing to grow in faith with fellow believers.



2022 Nominating Committee: Kevin Loubert

I was born Bay City, Michigan, baptized, raised and confirmed in the Lutheran church. My mom was a leader at our church and very much our spiritual leader at home instilling in me a strong faith in God and foundation in Christ. I attended Central Michigan University and the University of Detroit receiving degrees in Business. After graduating from CMU, I worked in Detroit for a company named Fruehauf and then joined the Ford Motor Company in Texas. It was there that I met my wife Kelly. We have two grown sons, one in Grand Rapids and one in California.

After we were married, we moved to Denver where I joined Steelcase and have been with them since in Denver, Houston and Grand Rapids. When we moved to Grand Rapids, we looked for a new church home for our family. We found Thornapple had a strong youth program, was warm and welcoming and based teachings on the Bible. We enjoyed the community we felt at Thornapple, became members and have been engaged in many aspects of the church since. We have been blessed to be at Thornapple and enjoy continuing to grow faith personally in men's ministry, our life group, in service and our church's mission of helping people find and follow Jesus Christ.



2022 Audit Committee: Eric Burgoon

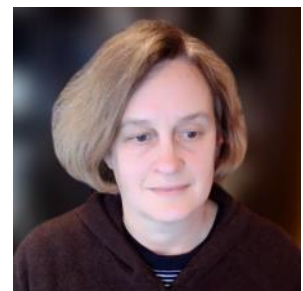
I have 25 years of banking and mortgage experience and currently oversee Lake Michigan Credit Union's residential mortgage business. I am a graduate of Michigan State University and the Kellogg Graduate School at Northwestern University. My wife, Laurie, and I have four grown children and have been attending Thornapple for over 20 years. I enjoy fishing, travel and pickleball and welcome the opportunity to serve on the Audit Committee.



2022 Audit Committee: Pamela Koch

I have attended Thornapple since 2013 with my husband, Brad, and our three children, Josephine, Theo and Ronia. I have been an active small group participant and am a member of the International Missions team.

I am a graduate of Olivet Nazarene University and taught English in China in association with a Christian organization from 1991-1993. Brad and I met in China and married in 1993. In 2004, I completed my Ph.D. at the University of Arizona. I have taught intercultural and organizational communication at universities in Singapore and China and currently teach Business and Culture at Grand Valley State University.



2022 Financial Secretary: Rick Kamminga

I was raised in Grand Rapids in a Christian home, graduated from GR Christian High and Calvin. My personal decision to receive Jesus Christ as my Savior and Lord was made while I was in the Air Force, in conjunction with reading Dietrich Bonhoeffer's *Cost of Discipleship*.

My wife, Gail, and I have been married for 48 years and are blessed to have two children (both married) and four grandchildren. We joined Thornapple when we returned to Grand Rapids in 2009, and I have been the Financial Secretary for the past three years in addition to serving on the Finance team and Finance committee.

From a career perspective, I have been serving in the world of senior living/care since 1991 after a career in retail banking during which I completed my MBA. I have held a variety of financial and operational roles over the years, and am now semi-retired, handling selected special projects.

Making an impact for Christ globally is very important to me, and I serve as a board member of International Needs, primarily providing financial reporting to the board. We support Christian nationals in 18 different countries who are advancing Christ's kingdom through a wide variety of ministries they lead in their home countries. Getting to know these talented folks and their amazing commitment to Jesus Christ has been a great joy, and it has certainly expanded my view of how God is at work in our world.



Report from the Audit Committee

The Audit Committee, comprised of elected members, performs a limited review of the church's financial statements and related records. The Committee also reviews the church's internal controls on a test basis for quality, strength and consistency. These review procedures assist the Committee in verifying the reliability of the financial reporting as it relates to controls for receipts and expenditures of funds as well as asset management and control.

The Committee works with the Staff Accountant, Treasurer, Elders and Lead Pastor to discuss financial reporting procedures to identify changes from prior years, to confirm understanding of roles and responsibilities, and to gather accounting documents and other information relating to the church's financial operations.

For 2021 the Audit Committee worked closely with the Treasurer, Staff Accountant and Pastor Andrew. Also, this year the Staff Accountant resigned and the accounting was outsourced to Nienhuis Financial Group (NFG), so the Committee worked closely with NFG. In addition to the regular focus, which includes proper approval of disbursements, payroll spend, proper documentation for payroll changes, and contributions received, the Committee focused on several other areas: the Paycheck Protection Program (PPP) loan and related forgiveness, migration to new donation software, Subsplash & Breeze, and migration to the new accounting outsource service.

Based on the review procedures performed, the Committee believes that the financial records for contributions received, expenditures and disbursements made, and management of the church's assets for the year 2021 generally concur with appropriate accounting practices and represent fairly the church's financial position.

The complete report will be submitted to the Council of Elders in February, 2022.

This report is being provided as described in Article VII Section 2 and Article VIII Section 4 of the Bylaws.



Kae Kingma



Brent Lohrmann



Corinne Pagel

Financial Secretary Commentary

As your Financial Secretary, who has responsibility for oversight of contributions to Thornapple Covenant Church, let me thank you again for your generosity. The year 2021 was another challenging one for our church community, and yet your giving to the General Fund exceeded budget!! We rejoice in that result!

As we look at longer-term trends for Thornapple, we continue to see a steady reduction in the number of households or, in the terminology we use to track contributions, "giving units" (see graphs). This continuing decline is our concern for the coming years, and the teaching pastor along with strategies and plans from the upcoming visioning process are key elements for reversing that trend. Since those are still in the future, we took a conservative approach for setting the 2022 general fund budget amount, using giving patterns for 2021 and the past few years. On a bright note, twenty new households gave to Thornapple in 2021!

During the first half of 2021 we completed the migration of our contribution software to a new system, which hopefully is making electronic giving easier. Please be mindful that when you log into your giving history via our website, you will be accessing only your electronic giving.

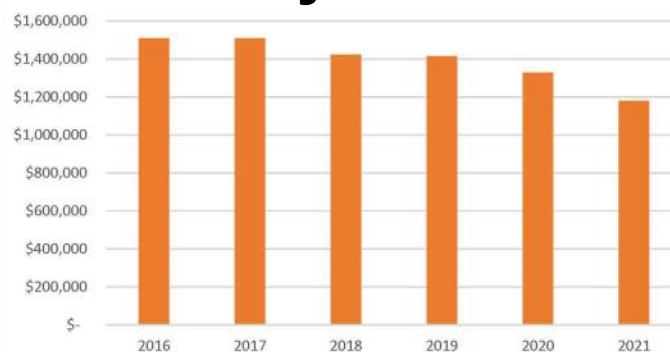
The Generosity Team, which consists of Sarah DeBaets, Doug Nickelson, Pastor Andrew, and myself, continued its work in 2021 with a number of initiatives. This team focuses on how we can provide more resources to our congregation in this area of giving opportunities, methods, and resources. We have refreshed our plan for this year, and it includes events on estate planning and year-end financial planning with qualified outside presenters, plus a course called Freed-Up Financial Living. We want to serve you in helpful new ways so if you have suggestions or questions for us, we would welcome them. You can reach us at generosity@thornapple.org.

Thanks again for your generosity!! As we walk through 2022, together we are trusting the faithfulness of our gracious God as it is expressed through the actions of His people at Thornapple!

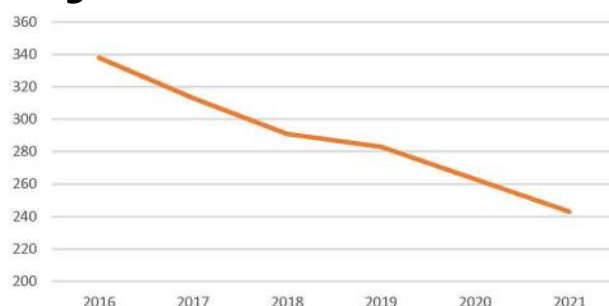


Rick Kamminga
Financial Secretary

General Fund Giving



Giving Units



Treasurer's Report/Commentary

2021 Results and 2022 Budget

2021 Financial Results

Going into 2021 we were faced with many challenges that pushed us into the position of budgeting for a deficit (expenses to exceed income) of about \$77,000. We didn't like planning a deficit but thanks to God's provision in previous years, we were in a very good cash position to accept the deficit plan in order to continue effective ministry.

Unrestricted (or "Operating Fund") gifts in 2021 were up and down throughout much of the year. However, a strong November and December brought Operating Fund gifts to \$1.181 million for the full year, slightly above budget! But still approximately \$147,500 or 11% less than 2020.

The continued impact of the pandemic and staff turnover certainly created difficult challenges. But those factors also had the effect of decreasing expenses. Total Operating Fund expenses for 2021 were \$1.203 million, approximately \$49,600 less than budget. The combination of contributions and other revenue being above budget while expenses were well below budget, resulted in an operating deficit of only \$13,334 compared the \$77,346 deficit budgeted. That was a great result, especially when you consider that included in the result was a use of General Fund cash to beef up our Facility Refresh and other reserves by over \$65,000 in accordance with the budget.

In addition to operating contributions, our congregation continued to be generous with non-budgeted contributions for specific appeals. See the financial statements (page 13) for details.

Finally, as you may recall, in the face of tremendous economic uncertainty caused by the pandemic we applied for and were granted a Paycheck Protection Program (PPP) loan of \$150,630 in 2020. The PPP loan funds were used consistent with Federal regulations to help cover payroll and benefits, mortgage interest and utility costs. In June 2021, the full balance of the PPP loan was officially forgiven. The forgiveness of that loan ensured that our cash position stayed very strong going into 2022.

2022 Proposed Budget

At its January 20 meeting, the Board of Elders approved the proposed 2022 budget which will be presented to membership for its approval at the Annual Meeting on February 27. The proposed budget is once again a deficit budget. Fortunately, past surpluses and the relief provided by forgiveness of the PPP loan put us in a strong cash position to handle this. We enter 2022 with almost \$430,000 of Unrestricted (Operating Fund) cash and other current assets. Our 2022 Operating Fund budget as proposed would cut into this balance by about \$99,500, leaving us still with about \$330,000 in addition to other cash reserves and hopefully with a full pastoral staff and a newly defined strategic vision/plan.

The proposed budget assumes total unrestricted giving at \$1.075 million, a 9% decline from 2021 actual. The Elders and Financial leadership believe this is a reasonable estimate given continued economic uncertainties and recent giving trends. The expenses in the proposed budget reflect our assumption that we will have a full year of "in person" activities for the first time since 2019 while maintaining our commitment to providing online worship and ministry opportunities. The budget anticipates hiring a new Teaching Pastor and Minister of Worship Arts around mid-year. The plan is to keep investing to help Thornapple move toward our God-given vision.

In addition to the Operating Fund budget, the 2022 financial plan includes utilizing existing restricted and designated funds. We anticipate using up to \$30,000 of our current \$320,000 Facility Refresh Reserve balance to keep up with facility/equipment needs and about \$19,000 of other designated funds that have been set aside in the past for various ministry areas.

Praise God for his faithfulness! May we be found faithful, building for God's kingdom now and to come!



Mickey Tresh
Treasurer

Combined Statement of Financial Position As of December 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current Assets		
Cash - Bank Accounts	\$720,129	\$682,959
National Covenant Properties Demand Investment Account	130,100	130,100
National Covenant Properties Mortgage Payment Reserve	23,895	23,895
Receivables/Prepays	61,353	32,335
Total Current Assets	<u>935,477</u>	<u>869,289</u>
Property and Building		
Land (1)	244,147	244,147
Furniture, Fixtures & Equipment (2)	203,894	203,894
Building (3)	8,882,111	8,882,111
Total Property and Building	<u>9,330,151</u>	<u>9,330,151</u>
Total Assets	<u>10,265,628</u>	<u>10,199,440</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities		
COVID-19 SBA PPP Loan (4)	0	150,630
Mortgage	820,093	880,530
Other	1,638	670
Total Liabilities	<u>821,731</u>	<u>1,031,830</u>
Fund Balances		
General Fund	8,937,705	8,739,955
Board Designated Funds	409,612	346,454
Donor Restricted Funds	74,761	63,515
Custodial Funds	21,819	17,686
Total Fund Balances	<u>9,443,897</u>	<u>9,167,610</u>
Total Liabilities and Fund Balances	<u>10,265,628</u>	<u>10,199,440</u>

Notes:

- (1) Land - The portion of land acquired prior to 1996 is recorded at historical cost. The portion of land gifted to the church in 1996 is recorded at the approximate market value at time of transfer.
- (2) The Building is recorded at historical cost. The total cost consists of \$4,840,790 for the 2019 building expansion and \$4,041,321 historical cost prior to that expansion.
- (3) Furniture, Fixtures & Equipment is the historical cost amount recorded in connection with the 2019 building expansion.
- (4) COVID-19 SBA Paycheck Protection Program loan received in May 2020. Loan forgiveness was granted in June 2021.

This statement has been prepared with the intent of providing an overall financial position of the church. It is not in complete compliance with generally accepted accounting principles.

2021 and 2020 Claims on Cash

	2021	2020
Board Designated		
Facility Refresh & Reserve (fka Maintenance)	\$319,572	\$255,117
Vehicle Reserve	20,229	20,229
Student Mission Trips	19,009	19,009
Love Mercy Do Justice Reserve	19,054	12,500
CHIC/Unite - High School Conference	14,250	12,000
Mortgage/Property Reserve (1)	0	7,016
International Missions Reserve	2,150	5,200
IT Reserve	4,500	4,500
Weddings	3,900	3,585
Memorials	6,948	7,298
Total Board Designated	409,612	346,454
Donor Restricted		
Building Fund (2)	32,310	34,548
Student Discretionary - Restricted	5,393	7,190
Christmas Eve Offering (3)	7,591	5,215
High School - Restricted	4,530	4,530
Camp Creation/Adventure Week	3,234	3,234
Benevolence	2,112	3,194
Benefit Mobile	1,985	1,836
MOPS - Restricted	250	1,488
Middle School - Restricted	1,430	1,430
Love Offering for Staff (4)	1,502	850
Pastoral Farewell Gifts (5)	-1,483	0
Covenant World Relief & Development (6)	15,906	0
Total Donor Restricted	74,761	63,515
Custodial		
Mothers of Preschoolers (MOPS)	19,575	15,441
Moms on a Mission (M&Ms)	2,245	2,245
Total Custodial	21,819	17,686
Total	\$506,192	\$427,655

Notes:

- (1) In 2021 the Board of Elders re-designated the unused balance in this account to the Facility Refresh Reserve.
- (2) \$31,032 donor-restricted gifts were received in 2021 for the Building Fund and were used to pay down mortgage principle. The Building Fund balance includes \$23,895 required by NCP to be held as a mortgage payment reserve.
- (3) 2021 Christmas Eve Offering of \$7,591 was collected in December to be remitted to Family Promise in early 2021.
- (4) 2021 Love Offering of \$8,610 was remitted in the final payroll of the year (including \$850 from prior year). Subsequent gifts resulted in a \$1,502 balance on 12/31/2021.
- (5) In 2021 a Farewell gift for the Transitional Pastor of \$2,500 was received and remitted during the year from this fund.
- (6) 2021 Covenant World Relief & Development Offering balance of \$15,906 will be remitted in early 2022.

2021 Giving "Beyond the Budget"

Building Fund	\$31,032
Covenant World Relief & Development	15,906
Love Offering for Staff	9,262
Christmas Eve - Family Promise	7,591
Pastoral Farewell Gifts	2,500
Benevolence	1,178
Other partnerships	600
MOPS Restricted	297
Benefit Mobile	151
Memorials	50
Total	\$68,567

Unrestricted Funds - Revenue & Expense Summary 2021 Budget/Actual and 2022 Budget

	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
Revenue				
Unrestricted Contributions	\$1,180,000	\$1,181,082	\$1,075,000	-\$106,082
Rental Income	1,000	10,296	10,000	-296
Other Revenue/Expense (Net)	2,000	9,450	3,500	-5,950
Bank & Online Giving Costs	-8,000	-11,460	-10,750	710
Total Revenue	1,175,000	1,189,368	1,077,750	-111,618
Ministry Expenses				
Staffing				
Staff Compensation & Benefits	623,981	570,853	658,586	87,733
Other - Staff & Elders	30,580	17,135	32,275	15,140
Total Staffing	654,561	587,989	690,861	102,872
Physical Plant				
Office Operations	79,056	67,333	60,120	-7,213
Properties	235,096	252,588	228,220	-24,368
Capital Expenditures	100,000	100,000	10,000	-90,000
Total Physical Plant	414,152	419,921	298,340	-121,581
Mission Partnerships				
International Missions	47,200	47,400	47,200	-200
Love Mercy Do Justice	23,600	23,600	23,600	0
Covenant Denomination	47,200	47,200	43,000	-4,200
Total Mission Partnerships	118,000	118,200	113,800	-4,400
Ministry Programs				
Worship Arts	24,180	27,930	31,730	3,800
Student Ministry	16,313	16,816	6,125	-10,691
Children's Ministry	5,000	5,131	6,200	1,069
Adult Ministry	20,140	26,715	30,200	3,485
Total Ministry Programs	65,633	76,592	74,255	-2,337
Total Expenses	\$1,252,346	\$1,202,702	\$1,177,256	(\$25,446)
Net Surplus/(Deficit)	(\$77,346)	(\$13,334)	(\$99,506)	
Misc income - Forgiveness of PPP Loan		\$150,630		
Net Surplus including PPP Loan Forgiveness		\$137,296		

Notes:

- 2021 Unspent budget for LMDJ of \$2,100 and Facility Refresh & Reserve of \$57,439 was moved to their respective reserves by action of the Board of Elders. Accordingly, those amounts show as expended from the General Fund in 2021.
- The proposed 2022 General Fund budget assumes a 9% decline in Unrestricted gifts from 2021 actual levels.
- In addition to the proposed 2022 General Fund expenses, existing restricted or designated funds for IT equipment, Children's Ministry, Student Ministry and Facility Refresh are expected to be used in 2022. Anticipated expenditures from these existing restricted or designated funds is \$30,000 for major facility refresh items and \$19,000 in the other ministry areas for which the funds were designated or restricted.

2021 Budget/Actual & 2022 Budget Detail Unrestricted Funds - Expense Supplemental Schedule

<u>Ministry Expenses</u>	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
Staff Compensation & Benefits				
Salaries	\$467,441	\$437,106	\$470,609	\$33,503
FICA (SSA & Medicare)	16,651	13,365	15,320	1,955
Health, Dental, Life & Disability Insurance	69,393	48,405	56,629	8,224
Retirement Funding & Fees	40,704	35,358	37,428	2,070
Financial services ('21 budget included payroll only)	2,042	8,967	29,000	20,033
Staff Personal Vehicle Usage	2,400	1,698	2,100	402
Temporary Lodging & Car Allowance	14,850	21,159	0	-21,159
Staff Care & Development	500	1,792	2,500	708
Staff Search & Relocation	10,000	3,002	45,000	41,998
Total Staff Compensation & Benefits	623,981	570,853	658,586	87,733
Other - Staff and Elders				
Denominational and Conference Meetings	5,000	552	5,000	4,448
Continuing Education	9,830	5,846	9,100	3,254
Books - Staff	2,375	1,190	1,950	760
Ministerium Licenses	750	675	675	0
Expense Allowance - Staff	4,625	1,179	4,050	2,871
Safety & Security	1,500	0	1,500	1,500
Background Checks	1,000	316	500	184
Elder Events & Retreats	1,500	1,068	1,500	432
Other	4,000	6,309	8,000	1,691
Total Other - Staff and Elders	30,580	17,135	32,275	15,140

2021 Budget/Actual & 2022 Budget Detail Unrestricted Funds - Expense Supplemental Schedule

<u>Ministry Expenses</u>	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
Office Operations				
Postage	2,600	2,266	2,000	-266
Copier/Printer	7,200	7,027	7,400	373
Software	13,200	10,319	9,000	-1,319
Telecommunication	20,136	19,632	13,800	-5,832
Paper	2,000	712	1,000	288
Other - Office Operations	100	0	100	100
Communication	7,800	4,849	5,000	151
Office Supplies	1,000	1,141	1,000	-141
IT Service	17,520	17,398	17,820	422
IT Equipment (additional designated funds available)	7,500	3,989	3,000	-989
Total Office Operations	79,056	67,333	60,120	-7,213
Properties				
Janitorial Supplies	3,000	2,000	1,600	-400
COVID-19 Supplies	3,000	6,789	500	-6,289
Snow Removal & Lawn Care	23,000	24,684	23,000	-1,684
Utilities	46,028	38,809	40,000	1,191
Insurance	37,719	39,851	40,000	149
Mortgage	67,849	66,680	67,620	940
Maintenance	25,000	31,465	25,000	-6,465
Recurring Contracted Services	25,000	32,076	25,000	-7,076
Vehicle Operations	4,500	2,314	2,500	186
Other - Properties	0	7,920	3,000	-4,920
Total Properties	235,096	252,588	228,220	-24,368
Capital Expenditures				
Facility Refresh & Reserve	100,000	100,000	10,000	-90,000
Total Capital Expenditures	100,000	100,000	10,000	-90,000

2021 Budget/Actual & 2022 Budget Detail Unrestricted Funds - Expense Supplemental Schedule

<u>Ministry Expenses</u>	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
International Missions				
Missionary - Friesen (Twelve12hope)	11,230	11,230	11,230	0
Missionary - Zielgelbaur (EvanCov)	4,255	4,255	4,255	0
Missionary - Groot (EvanCov)	4,255	4,255	4,255	0
Missionary - Noren (EvanCov)	4,255	4,255	4,255	0
Missionary - Misra/Visser (YWAM-TX)	6,225	6,225	6,225	0
Langham Partnership	4,915	4,915	4,915	0
Missionary - Dombrowski (IVCF)	580	580	580	0
Missionary - Hirt (Wycliffe)	6,225	6,225	6,225	0
Missionary - DeKam (IVCF)	2,460	2,460	2,460	0
Missionary - Cross (Northside)	2,800	2,800	2,800	0
Other - Intl Missions	0	200		-200
Total International Missions	47,200	47,400	47,200	-200
Love Mercy Do Justice				
LMDJ Education & Programming	100	27	100	73
International Justice Mission	850	850	850	0
The Hope Project	850	850	850	0
Degage	2,125	2,125	2,125	0
Family Promise	1,700	1,700	1,700	0
Glenn VanNoord Program	11,000	10,174	11,000	826
Servants Center	2,125	2,125	2,125	0
United in Christ Ministries	1,700	1,700	1,700	0
Emergent Needs	3,150	1,772	3,150	1,378
LMDJ Reserve	0	2,302	0	-2,302
Other - LMDJ	0	-25	0	25
Total Love Mercy Do Justice	23,600	23,600	23,600	0

2021 Budget/Actual & 2022 Budget Detail Unrestricted Funds - Expense Supplemental Schedule

<u>Ministry Expenses</u>	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
Covenant Denomination				
Evangelical Covenant Church Denomination Support	11,700	11,700	10,700	-1,000
Great Lakes Conference Support	23,500	23,500	21,500	-2,000
Covenant Ability Network of MI (Faith & Hope House)	4,000	4,000	3,600	-400
Portage Lake Covenant Bible Camp	4,000	4,000	3,600	-400
Esperanza Covenant Church	4,000	4,000	3,600	-400
Total Covenant Denomination	47,200	47,200	43,000	-4,200
Worship Arts				
Volunteer Appreciation	1,600	90	1,200	1,110
Worship Decor	900	465	800	335
Pulpit Supply	1,500	2,300	6,000	3,700
Adult Choir	0	0	0	0
Accompanists	450	100	400	300
Music Purchases	180	135	180	45
Instrument Care/Maintenance	800	874	900	26
Stock Video	150	0	150	150
Lighting & Sound	3,500	13,179	8,000	-5,179
Licensing	1,500	1,296	1,500	204
Training	1,500	0	1,500	1,500
Worship Software	500	714	550	-164
Video Content Creation	11,000	8,266	10,000	1,734
Communion Supplies	350	350	300	-50
Other	250	161	250	89
Total Worship Arts	24,180	27,930	31,730	3,800

2021 Budget/Actual & 2022 Budget Detail Unrestricted Funds - Expense Supplemental Schedule

<u>Ministry Expenses</u>	2021 Budget	2021 Actual	2022 Budget	Change from 2021 Actual
Student Ministry				
MS Huddle and JAM	1,750	1,339	2,000	661
MS Retreats, Events and Summer Programming	1,600	3,385	2,050	-1,335
MS Volunteers & Other MS	275	175	475	300
MS Connection and Care	200	30	200	170
MS Mission Trip	600	6	700	694
HS Huddle and ReFuel	1,200	2,259	3,050	791
HS Retreats, Events and Summer Programming	1,500	5,600	3,150	-2,450
HS Conference (CHIC/Unite)	4,500	2,250	0	-2,250
HS Summer Trips	1,200	-78	1,600	1,678
HS Student Leadership Team	263	0	250	250
HS Volunteers & Other HS	1,387	1,330	1,700	370
HS Connection and Care	375	102	550	448
HS Curriculum	263	417	500	83
HS Mission Trip	1,200	0	1,200	1,200
Use of designated funds for Student Ministry			-11,300	-11,300
Total Student Ministry	16,313	16,816	6,125	-10,691
Children's Ministry				
Sunday School (Crew 52)	500	826	1,000	174
3rd-5th Graders (Trailblazers)	1,000	-47	1,500	1,547
Summer Camps	1,000	1,636	3,000	1,364
Supplies	1,200	1,134	1,200	66
Nursery	200	45	200	155
Family Ministry	800	1,131	1,500	369
Volunteer Appreciation	300	328	700	372
Other - Children's Ministry	0	78	300	222
Use of designated funds for Children's Ministry			-3,200	-3,200
Total Children's Ministry	5,000	5,131	6,200	1,069

2020 Budget/Actual & 2021 Budget Detail Supplemental Schedule

<u>Ministry Expenses</u>	2020 Budget	2020 Actual	2021 Budget	Change from 2020 Actual
Adult Ministry				
Outreach	2,000	6,646	7,000	354
Adult Formation	200	182	200	18
Congregational Care	2,000	4,537	3,500	-1,037
Congratulations & Condolences	2,000	1,186	2,000	814
Mens Ministry	200	0	200	200
Womens Ministry	500	381	500	119
Young Adult Ministry	100	0	0	0
Assimilation	500	441	1,000	559
Hospitality/Fellowship	5,200	5,722	8,000	2,278
Funerals	100	364	100	-264
Senior Ministry (Prime Timers)	400	337	700	363
Marriage Ministry	0	0	200	200
Small Groups/Other	100	15	100	85
Opportunity Fund	1,000	1,000	1,000	0
Generosity Efforts	190	13	100	87
Kitchen	150	532	100	-432
Community Center Equipment	500	380	500	120
Churchwide Resources	5,000	4,754	5,000	246
Other - Adult Ministries	0	225	0	-225
Total Adult Ministry	20,140	26,715	30,200	3,485
Total Expenses	\$1,252,346	\$1,202,702	\$1,177,256	(\$25,446)



DECEMBER 9, 2021

Dear Mission Friends,

Greetings in the name of our Lord Jesus Christ.

As you gather for your congregational annual meeting, I want you to know how much I appreciate you and our partnership in the Gospel. Together we share and tell more of God's story. Thank you for the many ways you have proclaimed and demonstrated the love of Christ. This is who we are: a Gospel-centered people, grounded in the Scriptures, and unified in our shared mission.

Our mission is to join God in God's mission to see more disciples in more populations in a more caring and just world. **This mission advances through the mosaic of churches of which we are all a part. Together we bring hope and transformation to a world weary with despair and confusion.**

Missional traction flows from our relationship with Jesus and with each other. The Holy Spirit continues to do amazing things on, in, and through the Evangelical Covenant Church. Yes, we have many challenges, we are working through those challenges, and we will emerge stronger on the other side.

I recently visited two vibrant Covenant churches on a Sunday morning. Although the churches were 22 miles apart and different in ministry style, I was delighted to hear both pastors preaching on the Holy Spirit. A conscious dependence on the Holy Spirit is one of our Covenant Affirmations. As a mosaic of mission friends, we continue to listen to what the Spirit is saying to churches. May we have ears to hear and hearts to respond.

As we navigate the days ahead, let us hold fast to the enduring promises of God's kingdom. May we remain centered by asking the three Covenant questions:

- **Where is it written?**
- **How goes your walk?**
- **Are you alive in Christ?**

I am confident that these questions will help to keep us focused on what matters most and on mission.

Remember that you are not alone. You are part of a union of churches, over 900 strong throughout North America. Together we share the Gospel in word and deed in more than 50 countries. Together we see more people transformed by the love of Christ. Thank you for all the ways you remain faithful in giving to our shared mission. We can do more with God and for God as we join our hearts and hands for mission. I encourage you to stay connected and encouraged by signing up for Covchurch Now, a weekly email communicating the stories of God's work among us. You can sign up online [here](https://covchurch.org).

I pray that in the coming year, God blesses you and your congregation in every way. May your congregation overflow with joy and thanksgiving as you celebrate the work of God in your midst.

May the God of hope fill you with all joy and peace as you trust in him, so that you may overflow with hope by the power of the Holy Spirit (Romans 15:13).

In Christ's love,

John Wenrich, PRESIDENT, EVANGELICAL COVENANT CHURCH



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December 2021

Dear Fellow Servants of Christ,

As you gather together this year for your Annual Meeting, it is a privilege to greet you on behalf of the 75 churches in eight states that make up the Great Lakes Conference. I join the Apostle Paul in saying "Grace and peace to you from God our Father and the Lord Jesus Christ."

I am grateful for the partnership we have in ministry as you make and deepen disciples in your own community, contribute to the Great Lakes Conference and the larger Evangelical Covenant Church so that together we can start and strengthen churches, develop leaders and strive for mercy and Biblical justice across our land, and support our collective efforts to serve God globally in the name of Jesus. Because of your faithfulness in local ministry and your contributions to the GLC and the ECC in 2021 we were (and continue to be) three strand strong!

I want you to know that our Church Planting Ministry remains solid. In the midst of the challenges created by COVID during the past 20 months, our recent church plants in Muskegon MI, Elkins WV, Nashville TN, Richmond KY, Auburn Hills MI and Detroit MI continued to serve their communities with excellence. Meanwhile, we were able to recruit, assess and train several additional prospective church planters for future ministry. With the help of a matching grant and proceeds from the sale of a closed-church property, we anticipate planting as many as 3 churches in 2022.

Because of the three-strand-strong partnership, our Conference was also able to provide Congregational Vitality Ministry services to multiple GLC churches and pastors in 2021. In addition to the informal coaching our staff does, five pastors received formal Vitality Coaching, one church completed a strategic planning process, and one of our churches participated in two new workshops offered by our ECC Congregational Vitality Team (Trellis; Know your Why). As those churches took steps to remain or become healthy and missional again, our shared mission grew stronger.

Meanwhile, your church's financial contributions to the GLC enabled us to guide 11 churches experiencing (or anticipating) pastoral transition, and support 21 pastors in the credentialing process. Those behind-the-scenes services continue to be crucial for the long-term health of our churches.

Finally, our partnership enabled us to encourage and resource the outreach efforts of our churches. Six new pastors participated in our Evangelism Cohort. Our collective support for Mission Meadows and Portage Lake Bible Camp enabled them to help our churches in the making and deepening of disciples; and the North American Japanese Outreach ministry continued to serve Japanese nationals who live in the USA.

As we enter the new year may your church experience the grace of Jesus in your life together, the wisdom of God as you seek his guidance, and the power of the Spirit to fulfill your Kingdom calling. May God bless you richly as you serve together in Jesus' name.

Gratefully, and on behalf of our Conference Board and Staff,

Garth McGrath

Garth McGrath