

**MINUTES OF A MEETING OF THE  
COUNCIL OF  
CALVARY LUTHERAN CHURCH OF GOLDEN VALLEY**

**NOVEMBER 24, 2020**

A meeting of the council (the “Council”) of Calvary Lutheran Church of Golden Valley (“Calvary”) was held on November 24, 2020, beginning at 6:00 p.m. Central Time. The meeting was held by video conference.

The following Council members, representing a quorum for purposes of transacting business of the Council and Calvary, were present:

Garnet Arroyo  
Heather Hosfield  
Laura Jensen  
Anne Kaluza

Dave Kufahl  
Scott Madson  
Stuart McFarland

Lloyd Nelson  
Phil Reesnes  
Jon Stepan

The following members of the Calvary staff were also in attendance: Zach Thompson, Senior Pastor; Jason Beaver, Executive Director; Jerry Gates, Chief Financial Officer; Candis Johnson; and Tammara Koppen. Mr. Steve Grygar of the Endowment Board and Mr. Pat Powers from the audit firm Olsen Thielen were also in attendance.

Ms. Hosfield served as chair of the meeting and Mr. McFarland served as secretary. Ms. Hosfield called the meeting to order. All members of the Council and Calvary staff could simultaneously hear one another and participate with each other during the meeting.

**2020 Audited Financial Statements**

Ms. Hosfield introduced the first topic for the meeting, which was to review and approve the audit of Calvary’s 2020 financial statements. Mr. Powers of Olsen Thielen introduced himself, his background and his past work with Calvary and then detailed his work and findings of the audit, including:

- Independent Auditors Report. Calvary’s report is qualified as in the past because assets are not depreciated, which is not uncommon for churches.
- Statement of Financial Position. Mr. Powers reviewed the year-over-year changes in assets and liabilities, including the \$515,000 PPP loan balance which has been forgiven in fiscal year 2021.
- Statement of Activities. Mr. Powers detailed the material items including the impacts due to COVID-19. Mr. Powers also discussed the changes in assets that were released from restrictions.
- Statement of Functional Expenses. Consistent methodology and proper allocations.
- Statement of Cash Flows.
- Notes to Financial Statements, including significant accounting policies with one that will go into effect next year (Contracts with Customers); assets with and without

- donor restrictions; liquidity and availability of financial assets; endowment investments; endowments with donor and perpetual restrictions; PPP note payable which was forgiven subsequent to year-end; long-term debt; net assets; pension plan; and risks and uncertainties (related to the COVID-19 pandemic). Other than with respect to COVID-19, the notes were generally consistent year over year.
- Letter of Internal Controls. Mr. Powers was not able to spend as much time in the field and instead completed more work remotely. Mr. Powers expressed his appreciation for all the work to make the process go smoothly. Mr. Powers noted the one deficiency that Calvary has had for years.
  - Letter on Audit. No concerns found and no adjustments required. No disagreements with management.

The Council discussed and asked questions throughout the presentation of the audited financial statements, which were answered by Mr. Powers, Mr. Gates and Ms. Johnson. After discussion and upon a motion duly made and seconded, the Council approved Calvary's 2020 audited financial statements as presented with language added to reflect the forgiveness of the PPP loan.

### **Endowment Board Report**

Ms. Hosfield introduced Mr. Steve Grygar from the Endowment Board who would be requesting approval from the Council for four grants being recommended by the Endowment Board. One grant is being recommended from the Dornbusch Congregational Ministries Fund and the other three grants are being recommended from the Outreach Fund. The details of the grant requests were provided to the Council before the meeting:

- Women in the Word. Requesting funds for technical assistance to operate this ministry in the Worship Center after needing to relocate because of COVID-19. Women in the Word equips women by studying the word of God to go out and share with others about what they are learning. These funds will also give women the opportunity to listen online and to share the teachings with others. Recommending approval of the full \$2,500 grant request.
- Feed My Starving Children. FMSC has established a Direct Distribution Depot (3D) program to supplement requests unable to be fulfilled through its Partner Assistance Program. The program's goal is to enable small organizations with limited financial means to care for more of God's children by receiving MannaPack meals in-country with shipping and clearing costs covered by FMSC. An expansion of the 3D program to Jeremie, Haiti would allow FMSC to serve the unreached in the Grand'Anse (fifth largest in Haiti in population with approx. 468,300 residents) department of Haiti. By establishing a 3D center in Jeremie, not only will food be provided, but the food opens the door to allow the community to grow in a deeper relationship with Jesus Christ. A grant from Calvary would allow proper construction of the facility that will be identified in the Jeremie community as a place of hope. Recommending approval of the full \$11,000 grant request out of total project costs of \$22,500.
- Children's Health Ministries Haiti. CHMH's mission is to fight so no child in Carrefour, Haiti dies due to malnutrition or lack of access to basic healthcare. A medical waste

incinerator, upgrades to sanitation, secured medical record storage, and separation of clinical and personnel spaces, even enhanced fire/evacuation safety are all on CHMH's list of necessary things. A small incinerator is required to dispose of hazardous waste such as needles, wound-dressing materials, gloves contaminated with bodily fluids, etc. Calvary has supported CHMH in 2016, 2017, 2018 and 2019. Recommending approval of \$20,000 after a \$25,000 grant request out of total project costs of \$25,957.

- Dodoma Tanzania Health Development. The mission of Dodoma Health Development (DTHD) is to ensure high-quality, compassionate, Tanzanian-led health care for the people of Central Tanzania by developing the capacity and sustainability of Dodoma Christian Medical Center (DCMC). This grant will be used to help rebuild the stock of medication and supplies in the DCMC pharmacy with less costly bulk purchases and to replenish needed supplies more reasonably. Calvary has supported DTHD in 2011, 2013, 2015, 2018 and 2019. Recommending approval of the full \$8,000 grant request.

The Council discussed the four grant requests and asked questions, which Mr. Grygar answered. Following discussion and upon a motion duly made and seconded, the Council approved each of the recommended grants.

At this time, Mr. Grygar left the meeting.

### **Annual Meeting Wrap-Up and Council On-Boarding**

The Council discussed the annual meeting. All candidates who were elected have been contacted and coordination is underway for their service. The new Council members will be joining in January with the potential for earlier on-boarding.

Ms. Hosfield then discussed the new Council member on-boarding process. Ms. Hosfield will be working with Mr. Beaver on that process. The Council also discussed again the potential for a finance committee with the departure of Mr. Gates.

### **Potential New Church Campus**

Mr. Beaver updated the Council on the potential acquisition of Grace Evangelical Lutheran Church of Deephaven. Mr. Beaver has discussed the opportunity with their church council president and with The Unstuck Group, which has a specific team that helps to structure and manage church mergers. If Grace and Calvary were to move forward, the process would unfold in three steps of (1) analyzing the decision making structure and consistency of beliefs; (2) diligence and consolidation of operations; and (3) integration and action, which would likely include a relaunch. The Unstuck Group has indicated a typical process would be take approximately 5-7 months. The Council discussed the potential opportunity, the process, and the strategic rationale and fit between Grace and Calvary. Pastor Thompson discussed some of the membership demographics, affiliation and financial health and assets of Grace. Pastor Thompson indicated that Grace is motivated by having a heart for reaching more people with the gospel and they know they have a strategic location and could be doing more. The Council discussed their current staffing including their current pastor is open to staying on part-time or would also be open to retiring.

The Council further discussed this opportunity and supported continuing to explore next steps.

### **Financial Update**

Ms. Hosfield highlighted for the Council that this meeting would be Mr. Gates' last Council meeting. The Council thanked Mr. Gates for his amazing service and stewardship of Calvary's financials and improving our financial condition.

#### *Pastor Housing Allowance for 2021*

Mr. Gates reviewed with the Council the pastors' housing allowance elections for 2021. After discussion and upon a motion duly made and seconded, each of the pastors' housing allowances for 2021 was approved.

### **Approval of Minutes**

Ms. Hosfield then discussed the Council meeting minutes for the September 22, 2020, and October 27, 2020 meetings of the Council. After discussion and upon a motion duly made and seconded, each of the minutes from these meetings was approved.

At this time, Mr. Gates, Ms. Johnson and Ms. Koppen left the meeting.

### **Executive Session**

Ms. Hosfield discussed recognizing the service of Calvary's staff during a very challenging year. Mr. Beaver suggested that the staff would appreciate a bonus to recognize their service during the year for those who have had a year of service. The Council supported being generous with the staff and Mr. Beaver would estimate number of employees and proposed monetary amounts for groupings of employees for the Council to consider.

The Council also asked questions about Calvary's outdoor signage.

There being no further business for the Council, the Council closed the meeting at approximately 7:35 p.m. with Pastor Thompson leading the Council in prayer.

Submitted by Stuart McFarland, Secretary