

First Lutheran Foundation of Marshall, Minnesota, Inc.

Annual Meeting of Full Membership

February 3, 2019

Agenda:

- 1) Opening prayer.
- 2) Taking of attendance and verification of quorum.
- 3) Voting for approval of meeting minutes:
 - a) January 22, 2017.
 - b) February 4, 2018.
 - c) September 30, 2018.
- 4) Presentation and voting for approval of proposed Board roster for 2019.
- 5) Presentation and voting for approval of proposed Officers slate for 2019.
- 6) Presentation of FLC Foundation annual report and financial results.
- 7) Questions & answers session.
- 8) Closing prayer.
- 9) Adjourn.

Approval of Minutes from Prior Meetings

These meeting minutes meetings were unanimously approved by the Foundation Board of Directors, and are submitted for approval by a vote of the full Foundation membership:

- January 22, 2017 annual meeting
- February 4, 2018 annual meeting
- September 30, 2018 special meeting

Proposed Changes to the FLC Foundation Board for 2019

The following proposals were unanimously endorsed by the Foundation Board of Directors, and are submitted for approval by a vote of the full Foundation membership:

- **Kathy Pollock** – Voting Director
 - Current term expires after today’s meeting.
 - Nominated to fill the seat vacated by Neil Frost on 12/11/2018.
 - Proposed new term expires after the annual meeting in early 2020.
- **Jean Henle** – Voting Director
 - Current term expires after today’s meeting.
 - Nominated to serve for another three-year term.
 - Proposed new term expires after the annual meeting in early 2022.
- **Vacant Board Seat** –
 - One Voting Director seat remains unfilled.
 - The term for this seat expires after the annual meeting in early 2022.
 - We seek authorization for the Foundation Board to screen, approve and seat a qualified new Board member for this seat **without a vote of the full Foundation membership.**

Proposed Continuations on the FLC Foundation Board for 2019

The following proposals were unanimously endorsed by the Foundation Board of Directors, and are submitted for approval by a vote of the full Foundation membership:

- **John Marshall and Chris Versaevel**
 - Served as Voting Directors in 2018.
 - Current terms end after the annual meeting in early 2020.
 - Nominated to continue occupying their current, approved seats in 2019.
- **Melanie Pedersen and Ryan Schlenner**
 - Served as Voting Directors in 2018.
 - Current terms end after the annual meeting in early 2021.
 - Nominated to continue occupying their current, approved seats in 2019.
- **Neil Frost – Ex-Officio, Non-Voting Director**
 - Resigned his seat as Voting Director on 12/11/2018.
 - Served the remainder of 2018 as an Ex-Officio, Non-Voting Director.
 - Nominated to continue serving as an Ex-Officio, Non-Voting Director for 2019.
- **Pastor Scott Fuller – Ex-Officio, Non-Voting Director**
 - Served as an Ex-Officio, Non-Voting Director in 2018.
 - Nominated to continue serving as an Ex-Officio, Non-Voting Director for 2019.

Proposed FLC Foundation Officers for 2019

The following proposals were unanimously endorsed by the Foundation Board of Directors, and are submitted for approval by a vote of the full Foundation membership:

- **John Marshall** – Nominated to serve a third annual term as President.
- **Chris Versaevel** – Nominated to serve a third annual term as Vice President.
- **Jean Henle** – Nominated to serve a fourth annual term as Treasurer.
- **Kathy Pollock** – Nominated to serve a third annual term as Secretary.

2018 Recap & 2019 Plans

2018 Highlights:

- A **very** busy year for the FLC Foundation Board!
- Completed the **LONG** process of reviewing and updating the Foundation Bylaws.
- Unexpected process of screening candidates and selecting a new investment advisory firm.
- Disappointing results in the Foundation's investment portfolio from volatile market conditions.
- Continued financial support for First Lutheran Church.

2019 Plans:

- Update of our mission statement.
- Develop new marketing materials to better communicate the important work of the Foundation.
- Develop a donor's guide to assist potential contributors with decisions regarding contributions.
- Fund-raising.

2018 Financial Highlights

\$19,013 disbursed to First Lutheran Church to reimburse qualifying expenses.

\$15,108 from the “Primary Agency” account, for spending on Youth, Technology and Outreach.

\$3,905 from the “Kidder Vehicle Fund” account, for FLC Youth and general Church vehicle-related expenses.

Significant erosion of the Foundation’s investment portfolio, due to volatile market conditions during the year.

Beginning fund balances of \$360,959 (including unrealized gains on the investments we held).

Ending fund balances of \$326,832 (after all expenses and year-end payments to the Church).

A decrease of \$34,127 or 9.45% in total fund value.

\$3,360 to Bremer Trust for investment advisory services.

\$876 of new contributions, all of which represented “pass-through” contributions to First Lutheran Youth.

\$64 to the Marshall Independent for advertising related to our mid-year full-membership meeting.

Pro-Forma Statement of Financial Position as of 12/31/2018

(Taken from pro-forma FLC Foundation financial statements **NOT** audited, reviewed, or compiled by an independent CPA firm)

	FLCF Primary Accounts	FLCF Kidder VF Accounts	GRAND TOTAL FLCF
ASSETS			
Cash & Cash Equivalents	9,559.35	2,092.15	11,651.50
Investments	276,663.04	38,517.62	315,180.66
TOTAL ASSETS	286,222.39	40,609.77	326,832.16
FUND BALANCES			
Unrestricted	0.00	40,609.77	40,609.77
Permanently Restricted	286,222.39	0.00	286,222.39
TOTAL FUND BALANCES	286,222.39	40,609.77	326,832.16
TOTAL LIABILITIES & FUND BALANCES	286,222.39	40,609.77	326,832.16

Pro-Forma Statement of Operations for 2018

(Taken from pro-forma FLC Foundation financial statements **NOT** audited, reviewed, or compiled by an independent CPA firm)

	FLCF Primary Accounts	FLCF Kidder VF Accounts	GRAND TOTAL FLCF
CHANGE IN FUND BALANCES			
Ending Fund Balances (12/31/2018)	286,222.39	40,609.77	326,832.16
Beginning Fund Balances (1/1/2018)	314,037.29	46,921.63	360,958.92
TOTAL CHANGE IN FUND BALANCES	(27,814.90)	(6,311.86)	(34,126.76)
EXPLANATION OF CHANGES			
New Contributions	875.96	0.00	875.96
Withdrawals	(15,172.12)	(3,905.39)	(19,077.51)
Expenses, Fees & Taxes	(3,177.25)	(478.13)	(3,655.38)
Interest and Dividend Income	11,068.11	1,684.41	12,752.52
Realized Gains/(Losses)	12,235.04	3,259.56	15,494.60
Unrealized Gains/(Losses)	(33,644.64)	(6,872.31)	(40,516.95)
Other Additions/(Reductions)	0.00	0.00	0.00
TOTAL CHANGE IN FUND BALANCES	(27,814.90)	(6,311.86)	(34,126.76)

Important Disclosure

IMPORTANT DISCLOSURE: These pro-forma financial statements have been prepared by the volunteer officers of First Lutheran Church Foundation of Marshall, Minnesota (FLCF), and are intended for the internal use of FLCF members only, including all members of First Lutheran Church of Marshall, Minnesota (FLC). These statements have **NOT** been audited, reviewed or compiled by an independent CPA firm, and **NO ASSURANCE** is given as to their completeness or accuracy. These statements are presented in a format similar to that suggested by the Evangelical Lutheran Church in America (ELCA) in its publication "Congregational Treasurers and Bookkeepers Financial and Accounting Guide," as last updated 5/5/2017.