



First
Lutheran
Church

ANNUAL REPORT

2025

ministry year

July 1, 2025 – June 30, 2026





Staff

Lead Pastor | Joe Skogmo

Associate Pastor | Matthew Rossler

Director of Operations | Paul Haarstick

Music Director | Karen Bimberg

Youth & Family Ministry Director | Olivia Sauer

Community Relations Director | Sara Peterson

Office & Volunteer Coordinator | Sonny Thomas

Custodians | Paul Heisler, Patty Walter

2025-2026 Vision Council

Tom Neuenfeldt | President

Kari Stattelmann | President-Elect

Beth Tinjum | Secretary

Kevin Shipley | Treasurer

Members at Large | DeAnne Udby, Jon Freeman,
Catharine Weisenburger, Jeff Sliper,
Sue Quam, Ryan Bjorklund

109TH ANNUAL MEETING OF FIRST LUTHERAN CHURCH

AGENDA

Sunday | May, 17, 2026 | 10:30am

1. Call to Order by President, Tom Neuenfeldt
2. Devotion by Pastor Joe Skogmo
3. Approval of Minutes from May 18, 2025, Annual Meeting;
August 24, 2025 Special Congregational Meeting;
September 14, 2025 Special Congregational Meeting
4. Reports
 Pastor Joe Skogmo | Pastor Matthew Rossler
 President, Tom Neuenfeldt
 Treasurer, Kevin Shipley (assisted by Paul Haarstick)
5. Elections
 First Lutheran Foundation Board of Directors
 Vision Council
6. Approval of the FY27 Mission Budget
 Presented by Paul Haarstick, Director of Operations
7. Unfinished Business – No unfinished business from 2025
8. New Business
 Dream Big
9. Motion to Adjourn
10. Closing Prayer

Table of Contents

Meeting Agenda..... 3

Meeting Minutes

2025 Annual..... 4

Aug 24 Special..... 6

Sep 14 Special..... 7

FY 2027 Budget..... 14

2025 Reports

Lead Pastor..... 8

Associate Pastor..... 10

VC President..... 12

Treasurer..... 13

YFM Director..... 15

FLC Foundation..... 11

FLC Quilters..... 20

2025 ministry highlights

Worship Joyfully..... 23

Grow in Faith..... 24

Serve Near & Far..... 26

Affiliated Ministry Finances

FLC Quilters..... 29

FL Foundation..... 30

Women of FLC..... 32

**FY26 Interim Financial
Statements..... 33**

**FY25 Financial
Statements..... 40**



108TH ANNUAL MEETING OF FIRST LUTHERAN CHURCH OF DETROIT LAKES

Meeting Minutes | May 18, 2025 – 10:30 am

Call to order

President, Carla Solem called the meeting to order at 10:52am.
Having counted 107 members, it was determined a quorum was achieved

Devotion by Pastor Joe Skogmo

Approval of agenda

A motion was made by Madalyne Sukke to approve the 2025 Annual Meeting agenda, seconded by Phyllis Neuenfeldt. Motion carried unanimously.

Approval of minutes

A motion was made by Terry Kemmer to approve the 107th Annual Meeting Minutes, held on May 19, 2024. It was seconded by Patti Cummins and the motion carried unanimously.

2025 Leadership Elections

First Lutheran Foundation Board of Directors

The nominees were: Les Perry, Shar Arvig, and LeAnn Mouw. 104 ballots were counted, showing results of: 103 votes for Shar Arvig, 103 for LeAnn Mouw, 104 votes for Les Perry.

Vision Council

The nominees were: Kari Stattelmann for President-Elect, Beth Tinjum for Secretary, Jeff Sliper for Member at Large, and Sue Quam to complete a term as Member at Large. 102 ballots were counted showing results of: 101 votes for Kari Stattelmann, 102 votes for Beth Tinjum, 102 votes for Jeff Sliper, and 102 votes for Sue Quam.

Reports

- *Call committee update provided by Paster Joe Skogmo.* We have already formed and authorized a nine-member call committee.
- *Youth and Family, by Pastor Matthew Engum.* Pastor Matthew calls out the authenticity of our Youth and Family ministry and requests for all to continue to show up authentically.
- *Vision Council Report by President, Carla Solem.* Carla outlines the physical and spiritual development of our congregation this last year.

Written vote to request if congregation wishes to continue to move forward with one service during the programmatic year. Second question asked regarding interest in one service in the summer.

Questions raised and answered regarding a last-minute question to gather information only regarding the idea of potentially extending the single Sunday service pilot in the summer. This was not an official vote, it was an opportunity to provide feedback.

Financial report

Provided by Treasurer, Kevin Shipley, and assisted by Paul Haarstick

Total Revenue year to date is: \$540,345.17 which is under budgeted total of \$568,623.00; Total Operating Expense YTD is \$526,522.30 which is under budgeted amount of \$550,629 and General Fund as of 5/31/25 is \$172,244.46.

The complete report is filed in the Annual report provided.

Approval of the FY26 Mission Budget

Presented by Paul Haarstick, Director of Operations.

Copies of all financial reports are published beginning on page 60 of the Annual Report.

Paul outlined how our budget correlates with our strategic goals. (Worship, Pastors & Staff, Community, and Facility)

Summary Presented:

0.1 % increase in personnel expense

0.3 % increase operational expense

2.0 % increase in giving requested

Ministry Operations and Personnel support every other ministry.

Paul Haarstick reviewed the FY26 Mission Budget and answered questions.

Presentation of why the Mission Budget is important made by Paul.

Motion: Approve the Fiscal Year 2026 Budget-

Motion made by Adrienne Buboltz to approve the fiscal year 2026 budget, seconded by Terry Kemmer. 99 ballots were counted showing results of: 99 yes and 0 no. Motion carried.

Unfinished Business

No unfinished business from 2024

New Business

- *Dream Big Report* presented by Carla Solem. Wednesday, June 18 2025 and Sunday, June 22, 2025 will be presentations and discussions for congregation to attend.

Motion to Adjourn

Motion by Jim Bruflo to adjourn the meeting at 12:10 pm, seconded by Gail Colby. Motion carried.

SPECIAL CONGREGATIONAL MEETING

August 24,2025 | 9:30AM

- 1) Call to order, *Tom Neuenfeldt*
- 2) Presentation of Associate Pastor Candidate Matthew Rossler, *Barry Fewson (Call Committee Chair)*
- 3) Motion to Extend a Letter of Call for Associate Pastor to The Reverend Matthew Rossler to First Lutheran Church made by Terry Kemmer and seconded by Gaylen Weisenburger.
- 4) Discussion - Call Committee Members impressions and questions from the Congregation.
- 5) Voting Totals: Attendance Total: 120 (14 Virtual / 106 in-person)
 - Ballots Received: 115 (14 virtual / 101 in-person)
 - Ballots Yes: 115
 - Ballots No: 0
 - Ballots Abstain: 0
- 5) Motion to Adjourn made by Gary Gorham, seconded by Paul Weber, all in favor.
- 6) Adjournment Time: 10:10AM

SPECIAL CONGREGATIONAL MEETING

September 14, 2025 | 10:30AM

1) Call to order, *Tom Neuenfeldt*

2) Reading of the Resolution

WHEREAS, the current fellowship/dining hall no longer accommodates the scale of our ministries — from funeral receptions to Wednesday night meals — limiting ministry capacity and growth; and

WHEREAS, our classroom and ministry spaces are inefficient, dated, and lack the accessibility required for fully welcoming all ages and abilities; and

AND WHEREAS, First Lutheran Church is committed to the vision of *Opening doors to life in Christ*, and therefore expanding ministry opportunities in Christ's mission for the world;

NOW, THEREFORE, BE IT RESOLVED THAT:

The Congregation of First Lutheran Church approve the remodel of the kitchen, fellowship/dining hall, and classroom/ministry spaces, as designed by YHR Partners of Moorhead, MN, as part of *Dream Big: Expanding Walls, Expanding Ministry*, at an estimated cost of \$6.884 million.

The Congregation of First Lutheran Church authorize its Vision Council to secure financing for the remodel, including mortgaging the congregation's real property as necessary, in support of and in accordance with a four-year capital campaign.

3) Motion to approve Resolution with amendment of 6.98 million made by Joe Stattelmann and seconded by Rich Johnson.

4) Discussion - Big Dream/Capital Campaign Committee updates and questions/concerns from congregation.

Adrienne Buboltz brought up experience/concerns of past campaigns

Madeline Sukke wanted to know if both Wednesday and Sunday congregations received the same presentations.

Kim Pladson agrees much needed updates to the classroom/education wing's with main concern is threshold of when to start demolition/construction vs money raised via capital campaign.

5) Voting Totals: Attendance Total: (25 Virtual / 111 in-person)

Ballots Received: (25 virtual / 107 in-person)

Ballots Yes: 90

Ballots No: 41

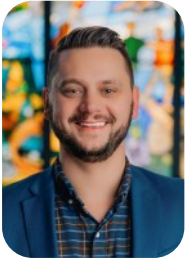
Ballots Abstain: 1

5) Motion to Adjourn made by Joyce Klyve, seconded by Denise Gaard, all in favor.

6) Adjournment Time: 11:50AM

Lead Pastor Report

Pastor Joe Skogmo



Dear First Lutheran, as we come to the close of another programmatic year together, I want to share a few thoughts: First, I want to name my gratitude for this congregation, recall some staff highlights, touch on our *Dream Big* journey, and end with some statistical highlights and closing thoughts.

Gratitude for Community At-Large, Office Staff, and Many Volunteers

Truly, thank you. Being church together is not a passive thing. It happens because you all show up. You pray. You worship. You serve. You feed. You have fellowship. You discern. You teach. You weigh options. You sew. You sing. You give. Being a member of a church is not the role of consumer. It is showing up. It is sacrifice. It is joy. It is service. It is the complicated work of loving real people in the imperfect life of community. Sometimes we get our way. Sometimes we don't. Sometimes we get it right. Sometimes we don't. To be healthy is to face that honestly and to remain committed to one another and the work of God, empowered and assured by God's unrelenting presence and inseparable grace.

Thank you for being a community committed to one another through imperfection and triumph, and through sorrow and joy. Thank you for finding footing in the love of Jesus and the baptismal call to love each other and our neighbors as ourselves.

With that general, but profoundly sincere gratitude, I now want to name our lay leaders. Thanks to those of you who served in all sorts of capacities from the Vision Council to the buffet line, to the music room, to the classroom, to the AV Booth, to the flower gardens. I cannot name you all, but I take none of you for granted. Alongside that, I want to name our staff. Their work is sometimes visible, and often it is not. The daily life of this place is sustained by people who are constantly tending to an intricate web of needs: coordinating events, responding to people in need, managing the building, stewarding your generosity with care, detail, and reverence, communicating our high volume of ministry goings on to a wide and diverse community, organizing volunteers, organizing classrooms and curricula, and quietly carrying the emotional weight that comes with serving a whole community. The staff here remains a critical asset and gift for mission.

This year, we also experienced transitions and additions within the staff. In July we welcomed Sonny Thomas as our Office and Volunteer Coordinator. Sonny has brought with him not only a wealth of experience, he brings a joy and relational warmth.

At the same time, we reconfigured Sara Peterson's role in response to staff transitions and emerging needs within the congregation and broader community of Detroit Lakes and Becker County. She's remained our director of communications but has added the role of coordinating social assistance through our Agape Fund. Through Sara's leadership and the network of staff and volunteers around her (and your stunning generosity!), we are now serving well over 700 individuals annually through various forms of meaningful support from gas vouchers and clothing to onramps for more stable housing.

Of course, we also welcomed Pastor Matt Rossler in October as our Associate Pastor. Thank you, Pr. Matt, for taking the call to First Lutheran, and for your commitment to the gospel and various pastoral roles, and for your grace as you learn who we are and as we learn to be in ministry with you; thanks for the encouragement and gifts you bring!

Dream Big

Turning now to one of the most visible and defining efforts of this past year: our Dream Big building endeavor and capital campaign.

Here we must resist the urge toward overly simplistic narratives. This has been a sacred, imprecise, beautiful, messy, faithful endeavor, and we are moving ever closer to meaningful investments in our building that empower us for the near future and for decades to come.



By one measure, we fell short. Our initial goal of \$5 million towards a \$6.9 million project was ambitious, especially amid skyrocketing construction costs and an inexact estimation of what our community could afford. To date we have received \$1.61 million in pledges, with roughly \$170k dedicated to the kitchen on top of those pledges.

Although we fell short of our moonshot goal, that's not even close to the whole story of the success that our capital campaign and discernment process has been.

More than 160 households participated in this campaign, far exceeding what was projected in the preliminary feasibility study. On top of that, the average household pledge was nearly four times a typical annual household offering. Children gave. Families found ways to stretch. Individuals came in with remarkable gifts. Stories of faith were shared that reminded us of who we are and whom God calls us to be. It was a sacred experience to behold and I am so proud to be a part of First Lutheran Church in Detroit Lakes! In the process, we've become clearer about capacity, pivoted, and remained steadfast to accomplishing our core priorities with impactful renovation designs (maintaining significant investments in mechanical, kitchen upgrades, fellowship hall expansion, and education wing renovations).

We remain in a position to make great investments in FLC's future, and we do so from a place that appears sustainable. We are financially stable. Vibes are strong. We are growing modestly in membership and engagement. So, we pivot not out of desperation but out of steady discernment.

SOME FLC DATA HIGHLIGHTS FOR CALENDAR YEAR 2025 (SUBMITTED TO NWMN SYNOD):

Ministry Numbers	Calendar Year 2024	Calendar Year 2025
Baptisms	16	20
Members Transferred IN	39	37
Members who died	16	14
Members Transf. OUT	9	13
Newly Confirmed	15	22 (*25 in '26)
Avg (In-Person) Wkly Attend	322	327
Total Membership	1,331	1,361

We are not the same congregation we were a year ago. And that is a good thing. We are a people still learning how to love one another, love our neighbor, and love our God most faithfully – through thick, thin, sorrow, joy, steps back, and steps forward – reminded that whether it is thick, thin, backward, forward, up, or down, God remains steadfastly present and gracious (cf. Romans 8:38-39). So, we remain grounded in the Holy Spirit, in a faith that is honest and hopeful.

Once more, thank you. Thanks for your willingness to keep showing up for each other and for our neighbor. I pray that God continue to sustain you and bless the congregation of First Lutheran Church, all for the sake of God's glory and love of neighbor.

On ahead we go. Together. In Christ Jesus.

Peace be with you,

The Rev. Joe Skogmo, Lead Pastor.

p.s. Please check out the myriads of other ministry reports by fantastic individuals and ministry teams at FLC. Their work deserves your time, and I believe after reading the rest of the Annual Report, you'll be enormously proud of your community.

Associate Pastor Report

Pastor Matthew Rossler



Greetings and God's blessings be with you all.

It has been asked to me on several occasions, "How do you like living in Detroit Lakes?" or "How do you like First Lutheran?", and to both of those questions, I give the same answer, I love it! Being here and serving this congregation has been a spiritually fulfilling and nurturing experience for me, and it is my earnest prayer that it has been the same for many of you as well. In the brief time I have been serving and living here, I have experienced such a tremendous outpouring of love, fellowship, and friendliness, that has left me thanking God every day. The Gospel of Christ is alive and well in the hearts of everyone I have met so far, and I pray to almighty God that such work continues on into the new year. To each and every one of you all I can say is this, **thank you** again, for extending this call to me, I am deeply honored, and I hope I can continue to repay all of your love, with faithful service.

YOUTH AND FAMILY MINISTRY

High School Ministry

We have had a good year with our high school ministry, encompassing all grades from 9th – 12th. From having Wednesday night *Vine* hangouts, of which I have learned what is and is no longer "cool", to being able to have fellowship at Pizza Ranch once a month. It has been amazing to get to know so many vibrant youth as they enter some of the most exciting times in their life and I hope to continue these ministries into the future. This 2026 summer, we are looking at expanding into some more intentional summer high school hangout opportunities, so stay tuned!

Confirmation / Middle School Ministry

Lutheranism was the main focus this year for our confirmation curriculum and from my what I have observed from our students, they have taken to it like a fish to water. We have on average had about 40 – 50 students each week, and you may have seen or heard many of them wanting to participate in worship by lighting candles, serving as ushers, etc. It has truly been heartwarming to see so many of them be eager to participate and help out in the life of the church. Also, a big thank you to all of the parents that bring their children, the small group leaders (I know you have been through a lot), and all the other adults that help make Wednesday nights happen.

Here are some highlights from the past year.

Turkey Bingo in November – (Pastor Matt's first Turkey Bingo!)

March Lock-In – We had 27 young adults come and spend the night at First Lutheran (Thanks volunteers!)

Pie Auction – March 22nd – We raised over \$3000! Woohoo! (Thanks Auctioneer Tom Kleeve)

Children's Ministry

See our YFM Director Olivia's report for in more information concerning our children's ministry, of which I extend an overwhelming amount of gratitude for her leadership in managing it all. First Lutheran children learned, played, and found some pretty creative ways to share Christ's call for loving your neighbor in some ingenious ways. My deepest thanks to all the parents, volunteers, and partners that helped make such a year possible.

ADULT FAITH FORMATION

The Adult Faith Formation team provides opportunities for education for adults, concerning a wide range of topics and interests. We have discussed matters theological, practical, and also ordinary ways to show love for one another. I give great thanks to Terry and Sandy Kremer who continued to steer Adult Faith Formation with devotion and leadership.

Some Highlights to lift up:

- **'Loving your Neighbor' presentations**
- **Lenten Devotional** booklets and study in December
- Viewing and discussing ***The Chosen*** led by Wade Dutton

In the coming summer months, I'll invite the congregation to stay alert for more learning and faith formation opportunities, especially the long-loved Adult Summer Bible School, and the Fall Bible Study led by Pr. Matt.

FELLOWSHIP

Fellowship ministries continue to grow and expand in new ways, and we give thanks for everyone who is willing to try something new, live into the community, and meet new partners from different backgrounds, all for the cause of growing together in fellowship. We will be exploring more options for the summer and fall months, so be on the look out for more announcements and opportunities to come.

Highlight:

Theology on Tap - this group continues to grow as we invite familiar faces, and new ones to come together to share times of connection and fellowship. We meet the 1st & 3rd Thursdays of the month, October-April at Bucks Mill Brewery. We had participants from FLC, Holy Rosary, United Methodist, Christian Fellowship, Trinity Lutheran, the Vineyard, and some unaffiliated folks. It has been a wonderful year of conversation, especially as we find times to be difficult, we have found hope and understanding in one another. Some great questions include: "Why is there suffering in the world?", "How do we understand the Saints and how do we look at them today?", "Is heaven possible for others who are not Christian?", "How do we understand death in the face of Christ's resurrection?"

VISITATION

The Visitation Team continues to be hard at work visiting members and friends who are homebound,

struggling with health issues, or otherwise unable to be apart of our community in person. We continue to expand our team as we welcome on new members to help us in the ongoing goal of providing love, care, and connection, with all of our First Lutheran community. I would like to give special thanks to Denise Gaard for her continual guidance and leadership as we expand the visitation team.

On a personal note, it has been a delight and a privilege to be able to meet so many First Lutheran members who are looking for a connection with either myself or Pr. Joe. We will continue to provide pastoral care whenever it is requested, and moving forward, more of those responsibilities will be shifted on to myself, as we try to have more designated times for visits. As always, if you or someone you know would like a visit from the pastors, please let us know and we can work on including you into our expanding visitation schedule.

First Lutheran Foundation Report

The **First Lutheran Church Foundation** is a separate non-profit organization, led by members, as a way to receive gifts for the long term mission of First Lutheran Church. This ministry serves the mission of the church through financial giving exclusively for charitable, religious, literary or educational purposes.

Donations in 2025 totaled \$8,899

2025 Distributions

In 2025 we supported many meaningful causes including: **Becker County DAC, Teach Haiti, Vacation Bible School, Agape Fund, Let's Go Fishing, Flytime at Flyers Gymnastics, and Becker County Food Pantry.** In addition we gave **scholarships to four graduating seniors.** Total amount of funds given/distributed: \$50,000

Something You May Not Know About this Ministry: In addition to funds to support our community and our church and a scholarship for high school graduates, the Foundation also offer a **seminary scholarship fund** and a **fund devoted to building projects.**

Respectfully submitted by Ryan Manke, President

First Lutheran Foundation Board Members:

Ryan Manke | President

Les Perry | President-Elect

Patti Cummins | Secretary

Susan Schaffer | Treasurer

Members at Large | Shar Arvig, Alex Hagedorn,
Pam Orth, LeAnn Mouw, Chad Carlblom

Vision Council Report

Tom Neuenfeldt | Vision Council President



The ten members of the Vision Council of First Lutheran Church met monthly to review reports and with Pastoral staff made decisions regarding the life and activities of this faith community.

We are blessed in this congregation to have so many fine leaders to help us carry-out the mission God has entrusted to us. Thank you to all the many people who give their time, talent, and treasure to make FLC a wonderful place to worship, learn, and serve.

It has been a busy year in the life of First Lutheran Church. The Vision Council **adopted four strategic goals in 2023**. The following list highlights Council actions taken this year that relate to each of these goals.

1. Create accessible, relevant, and faithful worship to promote congregational and community engagement.

- Approved Noisy Offering beneficiaries for the fiscal year
- Approved single worship service on Sundays between Labor Day and Memorial Day with mix of traditional and contemporary music genres

2. Promote, support, and retain healthy pastoral and staff leadership.

- Approved staff responsibility changes to better serve our congregation
- Approved hiring of Sonny Thomas as Office and Volunteer Coordinator
- Adopted a Corporate Resolution that enables Paul Haarstick as Director of Operations to act as FLC's agent and administer contracts, maintain accounts, and negotiate agreements to conduct ordinary church business
- Approved compensation package retention incentive for our Pastor Joe
- Administered a Congregation Meeting to extend a call to a new Associate Pastor and approved a compensation package for Pastor Matthew
- Discussed and approved Christmas bonuses for staff

- Approved a Pastoral Pilot regarding restructuring Pastoral roles
- Adopted a Continuing Resolution regarding Annual Meeting Date, Term of Office starting and ending dates, and Vision Council Term of Office starting and ending dates to provide clarity and consistency in our governance

3. Grow in authentic relationships and discipleship.

- Approved charters developed by the Hospitality and YFM ministry teams to help them in their actions
- Supported Adult Faith Formation educational forums
- Sent monthly thank-you notes to individuals for extra effort volunteerism
- Adopted a Continuing Resolution stating that FLC shall not provide its Certificate of Insurance to outside groups or events
- Approved Adult Faith Formation evangelism effort to have a booth/display at the June DL Pride Event

4. Provide a safe, healthy, and inviting facility and location to support the thriving of First Lutheran Church's Ministry.

- Promoted and administered a special congregational meeting regarding Dream Big master plan and financing options
- Discussed and provided direction to Master Planning Team and architect regarding options to meet needs based on response to Dream Big Capital Campaign
- Approved numerous recommendations by Building and Grounds team to keep current facility safe and functional

Let us press on in the next year to **live out our vision** of *opening doors, inviting all people into a relationship with Jesus Christ, equipping them through growth in faith, and sending them out to serve all of God's creations.*

Treasurer's Report

Summary of Income and Expenses (July 1, 2025 – March 31, 2026)

Unaudited

As of March 31, 2026, our year-to-date **total revenue** is **\$523,395.01**, which is **\$29,669.99 below** our budgeted total revenue of \$553,983.

Our **total operating expense** for the same period is **\$537,588.57** coming in **\$6,010.43 under** the budgeted amount of \$543,599.00.

Our **Operating Deficit before Depreciation and Interest** for the same period is \$11,303.78, which is **\$21,687.78 below** our budgeted surplus amount of \$10,384.00

After subtracting our financing expenses (interest paid), our **Operating Deficit after Interest** is **\$24,186.40** and is **\$35,902.40 below** the budgeted surplus expectation for the same period of \$11,716.00.

While total revenue is tracking below budget at this point in the fiscal year, expenses have also come in under budget, which has helped cushion the impact on our general fund. It's worth noting that much of the activity in "All Other Funds" reflects significant receipts into the Dream Big Capital Campaign fund — growth that reflects the generosity of our congregation toward that vision. We remain committed to careful stewardship across all funds as we continue pursuing our ministry together.

General Fund Net Change in Assets

Beginning Balance, July 1, 2025:		\$	195,254.13
Receipts to date:	\$	526,284.79	
Less Disbursements to date:		(561,060.43)	
Net Transfers		<u>(3,245.13)</u>	
Net Change in Assets:	\$	(38,020.77)	
Ending Balance, March 31, 2026:		\$	<u>157,233.66</u>

All Other Funds Net Change in Assets

Beginning Balance, July 1, 2025:		\$	300,221.69
Receipts to date:	\$	318,856.32	
Less Disbursements to date:		(115,707.33)	
Net Transfers		<u>3,245.13</u>	
Net Change in Assets:	\$	206,394.12	
Ending Balance, March 31, 2026:		\$	<u>506,615.81</u>

See Notes to Interim Financial Statements on page 39.

Fiscal Year 2027 Budget

<u>Revenue</u>	<u>FY27 Budget</u>	<u>FY26 Budget</u>	<u>FY25 Actual</u>	<u>26-27 Variance</u>
General Offerings	\$ 787,487	\$ 739,530	\$ 716,721	\$ 47,957
Other Revenue	8,280	9,840	10,116	(1,560)
Program Revenue	600	1,125	1,789	(525)
Interest Revenue	9,822	9,224	13,236	598
Total	\$ 806,189	\$ 759,719	\$ 741,862	\$ 46,470
<u>Benevolence</u>				
ELCA Mission Support	\$ 35,000	\$ 33,000	\$ 31,673	\$ 2,000
All Others	3,600	3,600	3,373	0
Total	\$ 38,600	\$ 36,600	\$ 35,046	\$ 500
<u>Mission Operations</u>				
Utilities	\$ 59,300	\$ 48,000	\$ 54,666	\$ 11,300
Building Maintenance	33,000	29,000	28,545	4,000
All Others	71,500	69,650	69,182	1,850
Total	\$ 163,800	\$ 146,650	\$ 152,363	\$ 17,150
<u>Member Care & Outreach</u>				
Total	\$ 2,550	\$ 2,550	\$ 2,332	\$ 0
<u>Spiritual Growth for Adults</u>				
Total	\$ 3,250	\$ 3,600	\$ 2,337	\$ (350)
<u>Spiritual Growth for Families</u>				
Total	\$ 17,500	\$ 19,500	\$ 8,233	\$ (2,000)
<u>Worship Celebration</u>				
Total	\$ 9,040	\$ 10,040	\$ 10,148	\$ (1000)
<u>Personnel</u>				
Salaries	\$ 435,231	\$ 417,282	\$ 385,082	\$ 17,949
Employer Taxes	21,223	19,882	17,848	1,341
Fringe Benefits, All	78,402	68,584	59,539	9,818
All Others	10,020	11,920	8,714	(1,900)
Total	\$ 544,873	\$ 517,668	\$ 471,183	\$ 27,208
<u>Total Mission Expense</u>	\$ 779,613	\$ 736,608	\$ 681,642	\$ 43,005
Less Interest	\$ 12,000	\$ 12,000	\$ 10,316	\$ 0
Less Loan Principal	6,826	6,825	40,407	0
Transfers In		3,000	34,827	(3000)
Less Transfers Out	7,750	7,300	13,184	1,350
<u>Net Change in Assets</u>	\$ 0	\$ 0	\$ 14,811	\$ 0

Youth & Family Ministry

Olivia Sauer, Youth & Family Director

"Exploring with children, youth, and their families what it means to follow Jesus in our daily lives and grow in our relationships with God and with others."

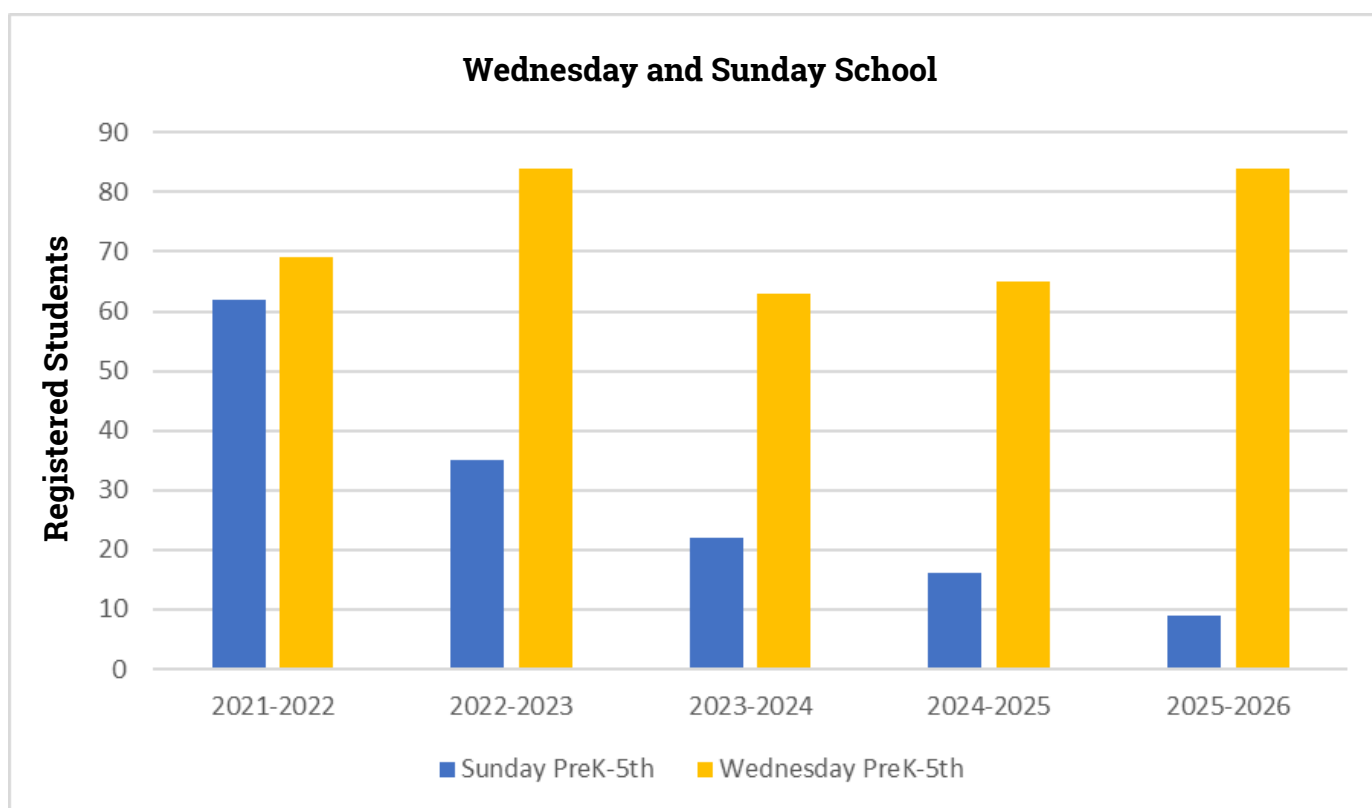
CHILDREN'S MINISTRY (PREK-5TH GRADE)

Wednesday School: Our hour classes get divided up into 2 sections. During the first half, the 3rd-5th grade classes come to large group, while the prek-2nd graders have their classroom time. THEN we switch and the older group go to their classrooms with their teachers and the prek-2nd graders join Olivia in the rec room for large group.

For the past several years we have been working our way through "Whirl Classroom" curriculum. This curriculum follows a two-year schedule covering popular Bible stories. Each lesson includes an activity and craft or game that the children do in their classroom with their teachers.

During large group, we focus on the theme of the lesson being taught in their classrooms. We explore the themes in many different ways, such as crafts, videos, movie clips, conversations, and games. The goal of large group is for kids to see how Bible stories are connected to our modern lives; through materials and activities they are familiar with.

Kids Fellowship: This year our Sunday programming looks a bit different. Serving only 4-6 kids each week in grades prek-5th, we are small, but mighty. With the low numbers, we have combined into an all-ages program and meet in the rec room. We have moved away from following a curriculum and do things such as games, crafts, short video lessons, small service projects, and a few real lessons snuck in around holidays and "themed" Sundays (ex. Christmas, Reformation Sunday, and Palm Sunday etc.).



VACATION BIBLE SCHOOL

Last summer we hosted Luther Crest Bible Camp staff here at First Lutheran and they put on our yearly Vacation Bible School. They did a marvelous job and we served about 33 kids. The theme of the week was "We Are The Church," which focused on being called to Gather, Love, Forgive, and Challenge aspects of our faith and life. In the summer of '26 our theme will be "Mountain Movers" with the week's theme verse, "For truly I tell you, if you have faith the size of a mustard seed, you will say to this mountain, 'Move from here to there,' and it will move, and nothing will be impossible for you."

- Matthew 17:20



CHRISTMAS PROGRAM

We had a very successful and exciting Christmas Program this year! Following the trend set last year, our program was held on a Wednesday night! Combining our Sunday and Wednesday kids for this performance, I couldn't be happier with what was accomplished in a short amount of time. Shoutout to Karen Bimberg and Emma Duncan for assisting with our musical element!

SERVICE PROJECTS

We continued our Service Projects with the children's ministry in the same manner as last year. We were able to have them complete a different project by grade throughout the school year. These projects are creatively run and planned by Alissa Mork. She is the person who contacted our speakers who came in with each project, she collected any supplies that were needed, and led the actual event each time. I am extremely grateful for her hard work and dedication to these service projects. We enjoyed this method of service work, but are always looking for more help so that we do not burn out any volunteers.

Preschool - We learned that not everyone is able to have an adequate food supply in Detroit Lakes. With the help of Becker County Food Pantry, we were able to create kid-friendly and adult Birthday Boxes for those in need.

Kindergarten - Learned from Essentia Health EMS about helping those in crisis and created stuffed animals to be given out in the emergency room.

1st grade - Learned about how we can care for the earth with the help of Becker County Soil and Water District. We also learned how to make paper. With this new knowledge, we made recycled greeting cards. These cards also double as a plant because we mixed seeds into the paper. This means that when they give their card to someone, they also get the bonus of a beautiful plant.

2nd grade - Learned about what it takes to take care of all of God's creatures from Marshmallow Animal Shelter. We were also able to create dog and cat toys for the animals at the shelter.

3rd grade - Learned about homelessness and poverty in Detroit Lakes with the assistance of Sara Peterson, FLCs Social Assistance Coordinator. We then created warm heart kits to give to our Social Assistance mission here at church.

4th grade - Learned what it means to care for the elderly. We created tie blankets for our local senior living centers and FLC house-bound members.

5th grade - Learned about situations of abuse and how we can help others. Lakes Crisis and Resource Center came in to teach us about their space and resources they have. We were able to create packages of activities for kids at the center shelter.



I also wanted to take a moment to lift up the work our Wednesday teachers do. This year we are fortunate enough to have two or more teachers in each classroom and over 80% of them are FLC high schoolers. They all do amazing work and I truly couldn't do Wednesday School without them.

6th Grade Intro to Confirmation

We have dedicated the 6th grade year to lessons,



life knowledge and fellowship. The 6th grade year gives our youth the opportunity to become more comfortable with each other and their church. Special thank you to Jeff Sliper, Justin Sliper, and Cooper Kuehn for their commitment to leading our 6th graders!

Confirmation (7th and 8th Grade)

Our Confirmation program is a two-year program.



Our pastors teach Confirmation class to 7th and 8th graders on Wednesday nights in the sanctuary. The curriculum rotates every year between "Lutheranism" and "Bible". Once a month, the youth get a chance to meet with their small groups. This is a time to reflect on what was taught in the previous weeks while also asking questions and having discussions with their leaders. Along with curriculum, youth also need to complete a series of Sermon Notes and Worship Assistant requirements to be confirmed. This year (spring 2026) we had 25 youth confirmed.



Middle School Lock-In: This spring we brought back a whole night of fun through our middle school lock-in. With a bit of staff bonding, Olivia, Pr. Matthew, Sara, Sonny, and Paul took on 27 youth though lots of

games which included Nerf Capture the Flag, Underground Church and the classic Sardines. We even had a mini worship centered around the act of communion. Lastly, we had amazing pizza ordered in from Papa Murphy's, and ended our morning relaxing, watching movies, playing quiet games, and great conversations.

Special thank you to our small group leaders this past year, Jodi Kuehn, LeAnn Mouw, Melissa Brodsho, Mary Rotter, Melissa Christianson, Kris Swenson, and Steve Schantzen. You have all been incredibly influential in the faith growth and development of our youth. Thank you for being positive role models and providing a safe and loving place for our 7th and 8th graders.



High School Ministry (9th- 12th Grade)

This year we were fortunate enough to get a high school program up and running. We started meeting each Wednesday from 6:30-7:30pm in the FLC library. Each week brings something different to the table, whether it be a curriculum lesson, game night, or just meaningful conversations about life. As we figure out things, we are excited to see where this program goes in the years to come.



As we figure out things, we are excited to see where this program goes in the years to come.

High School Lunches: Every fourth Thursday, to those who are able to leave campus, FLC offers a free lunch at Pizza Ranch with Pr. Joe and Pr. Matthew. We often see up to 10-20 youth during this lunch!

Senior Recognition and Blankets: We had 18 graduating seniors this May. Each of them received a blanket made by someone in the congregation, as well as a devotional from our Youth Program.



First Lutheran Church 2026 Annual Report

Youth Fundraisers:

- Turkey Bingo: Our 4th Turkey Bingo and Dinner was a massive success! We are very excited to keep this fundraiser going! We had over 210 participants, lots of turkey, and lots of smiles and laughter. Our youth served a delicious pulled turkey dinner and did a phenomenal job leading the games of Bingo! We were able to raise around \$2,700 for Youth Ministry.
- Pie Auction: We had another very successful Pie Auction this year! Over 50 pies and baked goods were donated and we raised just over \$3,000! Thank you to all who donated and for your continuous support of your youth.



ALL Youth and Family Ministry (Birth-12th Grade)

Baptismal Changes: It is always difficult when a ministry comes to an end, especially one that has been part of our church's life for so long. For many years, it has been a meaningful tradition in our congregation that when an infant is baptized, they receive an embroidered lamb bearing their name and baptism date. For a time, this gift also included an embroidered bath towel, which was discontinued in 2024. We are deeply grateful to have been able to carry on this tradition for so many years.

As we move forward and find new ways to welcome and celebrate our newest members, I want to take a moment to thank everyone who has played a role in this ministry over the years.

The full history of the lambs is somewhat unclear, as no one can point to a definitive beginning. What we do know is that many years ago, an elderly member of our congregation began making embroidered lambs to give to families at baptism. These lambs were then pinned to a banner displayed in the sanctuary, serving as a reminder of our shared responsibility as a congregation to watch over, love, and nurture our youngest members in faith. Over the years, the timing of when children received their lamb back varied—some may have received it when they began children's ministry, others at confirmation, or even at high school graduation. Regardless of timing, the lamb was returned as a tangible reminder of their baptism and the promises made to support them in their faith journey.

While this tradition has been a beautiful part of our church's story, staff transitions and the passing of time have led us into a new season. We extend heartfelt thanks to those who began this ministry, those who sustained it through the years, and all who supported our children along their faith journey. Though we may no longer have a physical symbol to see each week, our calling remains the same—to love, support, and walk alongside our baptized children as they grow in faith.

Youth and Family Ministry Team Update: YFM has developed a new model in how our team operates. Instead of having two teams; one for birth-5th grade and one for 6th-12th grade, we have merged into one team that serves birth-12th grade. Now being one team, we have created 'sub groups' that hit three of our main goals for YFM programming. These sub groups are Curriculum, Fundraising, and Events & Service.

Curriculum Team: This sub team focuses on all the aspects that take place within the classroom for pre-k-8th grade, large groups for pre-k-5th grade, and small groups for 7th and 8th grade. This team will consist of a minimum of 2 members and works directly with YFM Dir. Duties of this team include but not limited to:

- Review curriculum year to year to ensure all needs are met
- Help finding teachers and small group leaders for Sun/Wed school and Confirmation
- Also includes help finding subs when needed
- Support and help with puppet ministry for pre-k-5th grade
- Help create new ways to interact with our curriculum in a fun and engaging manner

Fundraising Team: This sub team focuses on planning and executing YFM fundraisers. This team will consist of a minimum of 5 members and works directly with YFM Dir. Duties of this team include but not limited to:

- Planning and executing our Turkey Bingo that takes place in November
- Planning and executing our Pie and Baked Goods Auction in April
- Helping recruit other volunteers of youth (6th - 12th grade) and adults

Events and Service Team: This sub team focuses on planning additional activities and service projects for YFM outside of curriculum and fundraisers. This team will consist of a minimum of 4 members and works directly with YFM Dir. Duties of this team include but not limited to:

- Help plan and coordinate and find volunteers for children and youth activities; such as Vacation Bible School, lock-in's, Children's Christmas Store, confirmation service, senior recognition, art share, sport outings, etc.
- Help create and lead service projects for our children and youth

YFM Team Members: Olivia-YFM Dir., Pr. Matthew, Katie Carr, Deb Omseth, Joanie Malecka, Meg Barker, Kari Borgmann, Cindy Bruflodt, LeAnn Mouw, Kim Christianson, Melissa Brodsho and Alissa Mork.

*If interested in joining our team, please reach out to Olivia!

A Note from Olivia-YFM Dir.: Now that I've completed a full years of the YFM cycle, I can confidently say I'm exactly where I'm meant to be. I truly enjoy both the highs and the challenges that come with K-12 programming. As I continue to add my own touch and make thoughtful changes, it's helping us become more intentional and effective, while keeping our focus on what matters most—creating a loving and welcoming place of worship and community for every child who walks through our doors.

We want each child to know they are deeply loved—not only by God, but also by their church family. With the support and dedication of our teams, teachers, subs, church staff, and pastors, I believe we've made great strides toward that goal, and we can continue building on this mission for years to come.

Thank you all for your ongoing support, encouragement, and prayers for our Youth and Family Ministry.

FLC Quilters

In 2025 the First Lutheran Quilters had a very productive year. 121 quilts were shipped through Lutheran World Relief, 29 quilts & 8 baby quilts went to Asheville, NC for hurricane relief. 16 quilts & 33 baby quilts were given to the Food Pantry. 4 quilts were given as staff gifts and 5 denim quilts were made for clients. 2 quilts were raffled for FLC youth and Lakes Crisis Center. 2 quilts and 3 baby quilts were given to the Blessing Closet.

In addition, 25 baby quilts were given to Health Resources. 65 baby quilts and 44 items left from the Children's Christmas Store went to MAHUBE-OTWA. Plus 8 baby quilts were given to Hospice and 6 baby quilts went to the ER.

Also made were 12 lap quilts and pillows for Oak Crossing and Frazee Care Center. These were made for veterans.

We enjoy making all these items and would be glad to have you join us Tuesday mornings from 8:30am to 11:30am.

Thank you very much to those who donate materials and sewed quilt tops at home. We appreciate those who have purchased quilts so we can purchase batting and other materials we need.

2025 MINISTRY HIGHLIGHTS



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worship
joyfully



worship attendance



grow in faith

68
ADULTS

MEN'S DAYBREAK	10	BIBLE STUDY GROUPS
WOMEN'S THURS	6	
RUTH CIRCLE	18	
REBEKAH CIRCLE	11	
THE CHOSEN	25	

38
new members

ADULT FAITH FORMATION

8 events
750 participants

Adult Vacation Bible School | Love Your Neighbor Series | The Chosen Bible Study | Confirmation Question Discussion

WEDDINGS.....5
FUNERALS.....14
BAPTISMS.....20

women of flc

Spring Conference Event | 37th Annual NWMN Synod Women's Convention | Fall Conference Event | Christmas Potluck | Spring Brunch

THEOLOGY ON TAP

15 Average number of attendees.
Met twice a month, October - April.

4 area churches represented

THURSDAY MORNING WOMEN'S BIBLE STUDY

6 number who meet weekly

MEN'S DAYBREAK BIBLE STUDY



6-10 number who meet weekly
6:30 am | gathering time
Books studied this year: The Gospel of Matthew, the Books of Ecclesiastes, Joel & Job.

Group highlight: social time, in-depth discussion, prayer & support for one another



9 high schoolers
3 adults

WENT ON THE SUMMER TRIP TO RAPID CITY, SOUTH DAKOTA IN JULY.

Books studied this year: Noah Built His Ark in the Sunshine, Fearing Bravely, and Mary Had a Baby (Advent) and the books of 1 & 2 Corinthians.

Our ministry exists to: Provide opportunities to grow in knowledge and faith and to forge caring, supportive relationships with other Christian women.

Something fun about your ministry: We love chocolate!



First Lutheran Kids & Youth

WEDNESDAY CHILDREN'S
MINISTRY

85

prek-5th grade

TEACHERS

27

for Wednesday school

SUNDAY KID'S
FELLOWSHIP

6

prek-5th grade

MIDDLE SCHOOL

70

CONFIRMATION
STUDENTS

7

ADULT SMALL
GROUP LEADERS

27

ATTENDED THE
MIDDLE SCHOOL
LOCK IN

5

ADULT
VOLUNTEERS
WHO REALIZED
THEY WERE TOO
OLD TO STAY UP
ALL NIGHT

33

Attended VBS
in June



we are the church



Confirmands

25

15 of our high school students teach Wednesday school each week.



high school

18 graduates

4

First Lutheran Foundation 2025 Scholarships

23

registered attendees for youth group

15

average attendance of FREE Pizza Lunch



serve
near & far

WORSHIP ASSISTANTS

8 NEEDED WEEKLY

Greeters, ushers, communion stewards, altar guild, bread bakers, fellowship treat providers

50 people → 416 slots



15 VISITATION TEAM VOLUNTEERS

Providing visits, prayer & connection to 20 of our homebound church members.

ANGEL TREE

200 Christmas gifts given to those in need.

Service PROJECTS

Our children's ministry kids completed projects for the following local agencies:
Becker County Food Pantry, Essentia Health EMS (helping those in crisis), Becker Co. Soil & Water District, Marshmallow Animal Shelter, FLC Agape Ministry, FLC Homebound & senior living, Lakes Area Crisis



FLC quilters

20 quilters met 50 times

They made 179 large quilts |

148 baby quilts | 12 military quilts

They donated quilts to the following organizations: Lutheran World Relief, Asheville, NC for hurricane relief, Becker Co. Food Pantry, Staff Gifts, Agape Blessing Closet, Lakes Area Crisis & YFM (to be used in raffles), Health Resources, MAHUBE-OTWA, Hospice, Essentia ER, Veterans living in Oak Crossing & Frazee Care Center



women of flc

48 School Kits Assembled
20 Baby Kits Assembled
We Care Receipts collected
Christmas Sweet Sale



OASIS MEALS



150-200
People served each week

2,300 - Pizza Meals Served!
1,980 - Other Homemade Meals Served!
4,280 - TOTAL MEALS served in '25/'26!



NOISY OFFERING

\$11,419.15
given to
local nonprofit
organizations
and ministries

*Lutheran Disaster Response,
Becker County DAC, FLC YFM,
Churches United for the Homeless,
Fix it Forward Ministry, FLC Agape
Fund, Global Refuge, LSS of MN,
Becker Co. Food Pantry, Laker
Area YES Network, Lutheran World
Relief & Teach Haiti*

BUILDING USAGE

Sons of Norway, Alcoholics Anonymous, Al Anon, piano lessons, Tae Kwon Do, LSS - Morning Out, Becker Co. Interagency Meetings, Vitalant Blood Drive, MN Music Teachers Assn., MMTA Ensemble Festival, Lakes Area Choral, Community Band Concert, birthday parties, union meetings, polling site, VITA tax preparation site, DL Street Fair (parking lot), League of Women Voters



Agape ministry

750
people served

13
visitors seeking
assistance
each week

485
frozen meals
distributed

300
blessing closet
visits

42
bill pay
assistance given

20
agape meal
maker volunteers

5
blessing closet
volunteers



CHILDREN'S CHRISTMAS STORE

88
VOLUNTEERS

90
KIDS ATTENDED

\$1
Cost of each gift in
the store

700
Christmas gifts "sold"

\$670
total funds raised

\$335 given to Lakes Crisis Center, \$200 to FLC youth group and the remainder to the church to cover expenses.



2025

AFFILIATED MINISTRIES FINANCIAL REPORTS

For the year ended December 31, 2025



First Lutheran Quilters

Treasurer's Report | For the Year Ended December 31, 2025

Beginning Balance, January 1, 2025: \$ 1,848.07

Receipts:

Quilt Sales	\$ 805.00
First Lutheran Church	5.00
Check not cashed	150.00
Memorials	<u>20.00</u>

Total Receipts: \$ 980.00

Disbursements:

Oklee Quilting Supply	\$ 940.19
Jan Atkins, Supplies	31.94
Becker County Food Pantry	200.00
Judy Maxwell	<u>36.00</u>

Total Disbursements: \$ 1,208.13

Net Change in Assets: (\$ 228.13)

Ending Balance, December 31, 2025: \$ 1,619.94

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

First Lutheran Foundation

Treasurer's Report | For the Quarter Ended December 31, 2025

Bell Bank Checking Account

Beginning Balance, September 30, 2005: \$ 4,282.48

Deposits:

Donations & Memorials	
IMO Ted Heisserer—Anonymous	\$ 100.00
Wayne & Jean Benson	100.00
Mike & Dianne Fillmore	5,000.00
Building Fund—Paul & Pam Orth	2,000.00
Food Pantry—Koenig	500.00
Fidelity Transfers	<u>15,000.00</u>

Total Deposits: \$ 22,700.00

Disbursements:

MN Flyers Gymnastics	\$ 2,500.00
Becker County Food Pantry	6,300.00
Becker County Food Pantry	500.00
Fidelity Building Fund	2,000.00
Becker County DAC	3,214.00
Let's Go Fishing	1,287.00
Becker County Food Pantry	8,357.00
MN Flyers Gymnastics	2,142.00

Total Disbursements: \$ 26,300.00

Ending Balance, December 31, 2025: \$ 682.48

Donations Received as of December 31, 2025: \$ 8,899.00

Fidelity Balance

Ending Balance, December 31, 2025: \$ 825,732.70

Sub Account Balances

Seminary Fund (Symbol: FFNOX)	\$ 44,226.14
Building Fund (Symbol: SPMO)	15,514.22

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Funds Available to Award in 2025

Calendar 2025 Estimated Investment Cash Income (as of 12/31/24):	\$	68,012.00
Per Guidelines, 75% Available for Distribution in 2025:	\$	<u>51,009.00</u>

Previously awarded for 2025:

Becker County DAC	\$	4,214.00
2025 Scholarships		4,000.00
Teach Haiti		8,000.00
First Lutheran Church—VBS		5,312.38
1st Lutheran Church—Agape Fund		6,000.00
MN Flyers Gymnastics		4,642.00
Becker County Food Pantry		14,657.00
Let's Go Fishing		<u>1,287.00</u>
Total Awarded for 2025:	\$	48,112.38
Remaining Balance:	\$	<u>2,896.62</u>

Scholarships awarded in 2025 but not yet claimed/disbursed:

Keifer Lundmark	\$	1,000.00
Carter Mouw		1,000.00

Estimated Funds Available to Award in 2026

Calendar 2026 Estimated Investment Cash Income (as of 12/31/25)	\$	73,740.00
Less FFNOX	\$	879.00
Less SPMO		114.00
Net Estimated Cash Income:	\$	72,747.00
Per Guidelines, 75% Available for Distribution in 2026:	\$	<u>54,560.25</u>

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Women of FLC

Treasurer's Report | For the Year Ended December 31, 2025

Beginning Balance, January 1, 2025: \$ 1,885.43

Receipts

Circle Offerings	\$ 775.75
Recycling/Ruth Circle	39.26
Thankoffering	217.00
Sweets Bake Sale	730.00
Ruth Circle Pass thru	25.00
Brunch	119.00
Total	<u>\$ 1,906.01</u>

Disbursements

Benevolences	
Lutheran Campus Ministries/Moorhead	\$ 100.00
REACH/Backpacks	100.00
LWR Ministries/Shipping	100.00
Christmas Gift to Missionary	100.00
LWR Where Needed Most	50.00
Radio Ministry	75.00
FLC Youth Program	100.00
LWR Delivery Reimbursement Local	50.00
Haiti Medical Ministry	630.00
Total	<u>\$ 1,305.00</u>

Women of the ELCA

Thankoffering to Churchwide	\$ 237.00
NW MN ½ Circle Offerings	387.88
NW MN Convention Offering	100.00
Convention Registration for Delegate	100.00
NW MN Scholarship Fund	50.00
WELCA Triennial Offering	100.00
Conference Convention Offering	50.00
Total	<u>\$ 1,049.88</u>

Local Unit Expenses

FLC Office Expenses	\$ 125.00
Circle Pass thru to Radio Ministry	25.00
Gift card for office	28.44
Total	<u>\$ 178.44</u>

Total Disbursements \$ 2,533.32

Less Ruth Circle recycling money 77.17

Ending Balance, December 31, 2025: \$ 1,180.95

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

2026

FISCAL YEAR INTERIM FINANCIAL STATEMENTS

For the period ended March 31, 2026



Statement of Financial Position

March 31, 2026

Assets

Bank

Midwest Bank (See Note 2)	-4,215.10	
Mission Investment Fund	8,398.35	
Petty Cash	100.00	
Midwest MMDA xx4151	327,071.44	
Midwest CD xx5728	<u>225,000.00</u>	
Total Bank		556,354.69

Accounts Receivable

Accounts Receivable	<u>530.26</u>	
Total Accounts Receivable		530.26

Other Current Assets

Patriot Payroll Prefund Deposit	<u>17,000.00</u>	
Total Other Current Assets		17,000.00

Fixed Assets

Group 0 - Construction in Progress	18,097.50	
Group 2 - Land Improvements	158,008.42	
Group 4 - Building Improvements	111,544.65	
Group 5 - Furniture Fixtures & Equipment	98,573.61	
Accumulated Depreciation All	<u>-41,298.09</u>	
Total Fixed Assets		344,926.09

Other Long-Term Assets

FL Foundation Investments	<u>18,785.28</u>	
Total Other Long-Term Assets		<u>18,785.28</u>

Total Assets

937,596.32

=====

Liabilities

Current Liabilities

Accounts Payable	5,749.02	
Credit Card Payable	<u>4,770.88</u>	
Total Current Liabilities		10,519.90

Other Current Liabilities

401k Match Payable	381.90	
Copier Overage Allowance	1,521.04	
Donations Pending Acceptance (See Note 3)	80,046.22	
Facility Deposits	500.00	
Pass Through		
FLC Foundation	185.00	
MAHUBE-OTWA	7,500.00	
Noisy Offering	1,479.78	
Northwestern MN Synod	<u>20.00</u>	
Total Pass Through	<u>9,184.78</u>	
Total Other Current Liabilities		91,633.94

Long Term Liabilities

MMCDC Loan 1050002107	<u>171,593.01</u>	
Total Long Term Liabilities		<u>171,593.01</u>

Total Liabilities

273,746.85

=====

Net Assets

Net Assets with Donor Restrictions	461,419.53	
Net Assets with Vision Council Designations	41,497.83	
Net Assets without Donor Restrictions	3,698.45	
General Fund	<u>157,233.66</u>	

Total Net Assets

663,849.47

=====

Total Liabilities + Net Assets

937,596.32

=====

See Notes to Interim Financial Statements on page 39.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Statement of Activities

July 1, 2025–March 31, 2026

Revenues

Contribution Revenues

Non-ELCA Offering	6,000.00	
Offering	<u>509,129.79</u>	
Total Contribution Revenues		515,129.79

Major Revenues

Sponsorship Revenue	<u>255.00</u>	
Total Major Revenues		255.00

Service Revenues

Program Revenue	<u>869.00</u>	
Total Service Revenues		869.00

Miscellaneous Revenues

Miscellaneous Revenue	4.90	
Rental Revenue	<u>7,136.32</u>	
Total Miscellaneous Revenues		<u>7,141.22</u>

Total Revenues

523,395.01

=====

Expenditures

Operating Expenses

Benevolence

ELCA Mission Support	23,018.77	
Miscellaneous Ministry Support	<u>1,100.00</u>	
Total Benevolence		24,118.77

Member Care & Outreach

Communications	4,420.00	
Evangelism & Marketing	500.00	
Parish Health	<u>966.00</u>	
Total Member Care & Outreach		5,886.00

Ministry Operations

Accounting Professional Services	1,377.39	
Assessments	4,304.00	
Building Maintenance		
Building Supplies	479.71	
Improvements	7,256.79	
Maint Svcs & Contr	9,451.16	
Safety	2,386.75	
Repairs	9,651.62	
Tools & Equip	<u>789.12</u>	
Total Building Maintenance		30,015.15
Copier	3,193.03	
Custodial Supplies	4,505.02	
Furniture & Décor	150.00	
Groundskeeping	12,913.00	
Information Technology	4,427.81	
Insurance	9,617.90	
Office Supplies	5,104.85	
Postage	3,046.98	
Software & Services	4,206.53	

Continued on next page.

See Notes to Interim Financial Statements on page 39.

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Statement of Activities

Continued from page 35

Utilities			
Natural Gas	7,559.25		
Telecom	3,198.05		
Water & Electric	<u>32,058.85</u>		
Total Utilities		<u>42,816.15</u>	
Total Ministry Operations			125,677.81
Personnel			
Business Exp - Assoc Pr	720.92		
Business Exp - Lead Pr	39.55		
Cell Phone Reimbursement	940.00		
Continuing Ed - Assoc Pr	898.15		
Continuing Ed - Lead Pr	530.08		
Continuing Ed - Staff	1,012.40		
ELCA Fringe Benefits, Total	38,293.10		
Employee Recognition	165.85		
Employment Taxes	14,210.02		
Misc Personnel	463.76		
Payroll - Contractors	368.80		
Payroll - Employees	301,576.31		
Staff Fringe Benefits	5,078.33		
Travel - Pastor	397.65		
Travel - Staff	<u>110.78</u>		
Total Personnel			366,573.65
Spiritual Growth - Adults			
Devotional Books	902.45		
Fellowship	105.17		
Programs & Events	<u>427.41</u>		
Total Spiritual Growth - Adults			1,435.03
Spiritual Growth - Families			
Bible Camp Scholarships	170.00		
Christian Education	3,872.33		
Confirmation	145.40		
Graduate Recognition	89.88		
High School Ministry	162.05		
Service Projects	359.00		
YFM Admin	404.76		
Youth Ministry	<u>157.95</u>		
Total Spiritual Growth - Families			5,445.96
Worship Celebration			
Altar Supplies	767.14		
AV Technology Equipment	157.33		
Broadcasting	3,634.00		
Copyrights & Licenses	1,602.43		
Music Equipment	91.08		
Sheet Music	<u>65.95</u>		
Total Worship Celebration		<u>6,317.93</u>	
Total Operating Expenses			535,455.15

Continued on next page.

See Notes to Interim Financial Statements on page 39.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Statement of Activities

Continued from page 36

Other Operating Expenses			
Depreciation	16,732.35		
Total Other Operating Expenses		16,732.35	
Total Expenditures			552,187.50
			=====
Other Revenues			
Interest Revenue	2,889.78		
Total Other Revenues			2,889.78
			=====
Other Expenditures			
Interest Expense		6,739.51	
Internal Service Charges (See Notes to Interim Financial Statements, Note 4)		1,505.92	
Bank Service Charges		627.50	
Total Other Expenditures			8,872.93
			=====
Transfers			
Transfers In			
Internal Service Charges	1,511.17		
Released from Restrictions	335.00		
Total Transfers In		1,846.17	
Transfers Out			
To Building & Grounds	-5,091.30		
Total Transfers Out		-5,091.30	
Total Transfers			-3,245.13
			=====
Total Change in Net Assets for the General Fund			-38,020.77
			=====

See Notes to Interim Financial Statements on page 39.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Schedule of Net Assets by Fund

July 1, 2025–March 31, 2026

Funds	Starting Balance	Amount Changed	Ending Balance
Funds with Donor Restrictions			
Adult Faith Formation	130.77	297.77	428.54
Agape	1,517.55	36,229.50	37,747.05
Altar Guild & Paraments	3,944.72	50.00	3,994.72
Angel Tree	42.98	-	42.98
Building & Grounds	9,353.97	(6,748.87)	2,605.10
Christmas Store	3,019.43	226.19	3,245.62
Creation Care	853.86	-	853.86
Dream Big	6,503.58	184,042.38	190,545.96
Flowers & Beautification	346.03	1,879.56	2,225.59
Hospitality	529.58	(514.03)	15.55
Kitchen Updates	177,952.62	(638.51)	177,314.11
Library	67.26	-	67.26
Missionary Support	14,419.62	(2,097.57)	12,322.05
Music Fund	3,585.19	(1,442.06)	2,143.13
National Youth Gathering	1,578.79	-	1,578.79
Parish Nurse	4,538.75	(4,538.75)	-
Sound & Technology	150.00	1,765.01	1,915.01
VBS	9,004.27	(4,632.47)	4,371.80
Women of FLC	2,210.64	(698.43)	1,512.21
YFM Activities	18,758.52	(3,807.18)	14,951.34
YFM Programming	3,633.90	(95.04)	3,538.86
Total Funds with Donor Restrictions	262,142.03	199,277.50	461,419.53
	=====	=====	=====
Funds with Vision Council Designations			
Building Reserve	14,304.56	7,091.30	21,395.86
Sabbatical Fund - Assoc Pastor	9,564.73	-	9,564.73
Sabbatical Fund - Lead Pastor	7,287.24	-	7,287.24
Sabbatical Pulpit Supply	3,250.00	-	3,250.00
Total Funds with Vision Council Designations	34,406.53	7,091.30	41,497.83
	=====	=====	=====
Funds without Donor Restrictions			
38 Memorials	3,673.13	25.32	3,698.45
General Fund	195,254.43	(38,020.77)	157,233.66
Total Funds without Donor Restrictions	198,927.56	(37,995.45)	160,932.11
	=====	=====	=====
Total Net Assets	495,476.12	168,373.35	663,849.47
	=====	=====	=====

See Notes to Interim Financial Statements on page 39.

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Notes to Interim Financial Statements

Note 1: Key Terms in Treasurer's Report

The following definitions explain terms used in the Treasurer's Report on page 13:

- **Operating Revenue** – Total of Contributions, Major Gifts, Service, and Miscellaneous revenues.
- **Total Revenue** – Operating Revenue **plus** Interest Revenue.
- **Total Operating Expense** – Total Expenditures **plus** Bank Service Charges and Internal Service Charges.
- **Operating Surplus/Loss Before Depreciation and Interest** – Total Revenue **minus** Total Operating Expense (excluding Depreciation).
- **Net Interest Expense** – Interest Expense **minus** Interest Revenue.
- **Operating Surplus/Loss After Interest** – Total Revenue **minus** (Total Operating Expense minus Depreciation plus Net Interest Expense).

Note 2: Cash Sweep Account Agreement

First Lutheran Church maintains a cash sweep agreement with Midwest Bank. Under this arrangement, the majority of operating cash is held in a higher-yield Money Market Demand Account (MMDA), while the checking account maintains a minimal balance. When disbursements cause the checking account balance to fall below zero, funds are automatically transferred from the MMDA to cover the shortfall. The negative checking account balance reflected on this report represents outstanding checks that had been issued but not yet presented for payment as of March 31, 2026, and does not indicate an overdraft condition.

Note 3: Donations Pending Acceptance

In accordance with First Lutheran Church's gift acceptance policy, contributions above a specified threshold require formal acceptance by the Vision Council before being incorporated into the Church's operating or designated funds. The liability reflected on this report represents funds received but not yet formally accepted, which are held separately pending Vision Council action. This treatment ensures proper governance over significant gifts and accurate presentation of the Church's net assets.

Note 4: Internal Service Charges

During FY26, two projects generated costs that were initially recorded in the General Fund: the Dream Big Capital Campaign and the in-house printing of the church membership directory. To avoid overstating General Fund expenses, direct costs attributable to the Dream Big Capital Campaign were subsequently transferred out of the General Fund and into the Dream Big fund, where they are more appropriately reflected.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

2025 FISCAL YEAR FINANCIAL STATEMENTS

For the years ended June 30, 2025 and June 30, 2024.



Table of Contents

Statement of Financial Position.....	42
Statement of Activities	43
Statement of Cash Flows	44
Statement of Net Assets by Fund	45
Budget Variance Report.....	46
Notes to Financial Statements.....	47

About These Financial Statements

The following pages include a summary of our church’s financial activity for Fiscal Year 2025. These statements were prepared by our staff to help give a clear picture of our income, expenses, and overall financial position for the year. They have not been audited, reviewed, or compiled by a Certified Public Accountant, and no outside assurance has been provided. They’re meant to be an internal snapshot for informational purposes and to support transparency with our congregation.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

First Lutheran Church of Detroit Lakes

Statement of Financial Position

June 30, 2025 & June 30, 2024

		June 30,	
		2025	2024
1	Assets		
2	Cash & Cash Equivalents	\$ 90,138	\$ 176,097
3	Investments	\$ 237,678	225,000
4	Other Current Assets	51,763	26,194
5	Fixed Assets, Net	325,880	245,901
6	Total Assets	\$ 705,459	\$ 673,191
7	Liabilities		
8	Current Liabilities	\$ 32,579	\$ 11,022
9	Long Term Liabilities	177,404	217,451
10	Total Liabilities	\$ 209,983	\$ 228,473
11	Net Assets		
12	Without Donor Restrictions	\$ 219,030	\$ 161,931
13	With Donor Restrictions	276,447	282,787
14	Total Net Assets	\$ 495,476	\$ 444,718
15	Total Liabilities & Net Assets:	\$ 705,459	\$ 673,191

See Notes to Financial Statements on page 47.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

First Lutheran Church of Detroit Lakes

Statement of Activities

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributed Support			
General Offering	\$ 716,721	\$ 76,024	\$ 792,745
Special Offering	-		-
Miscellaneous	136	109	245
Total Contributed Support	\$ 716,857	\$ 76,133	792,990
Other Revenue			
Rental Revenue	\$ 9,980	\$ -	\$ 9,980
Program Revenue	1,789	37,208	38,997
Interest Revenue	13,236	3	13,238
Total Other Revenue	\$ 25,005	\$ 37,210	62,215
Total Revenue and Support	\$ 741,862	\$ 113,344	\$ 855,205
Expenses			
Benevolence	\$ 35,046	\$ 7,887	\$ 42,933
Hospitality	46	19,638	19,684
Member Care & Outreach	2,332	11	2,343
Ministry Operations	151,308	15,283	166,591
Personnel	471,183	1,162	472,345
Social Assistance	110	32,357	32,467
Spiritual Growth for Adults	2,337	125	2,462
Spiritual Growth for Families	8,233	15,633	23,866
Worship Celebration	10,148	6,211	16,359
Miscellaneous	27,543		27,543
Total Expenses	\$ 708,287	\$ 98,307	\$ 806,594
Revenue in Excess of Expenses	\$ 33,575	\$ 15,036	\$ 48,611
Other Financial Uses			
Transfers In	\$ 34,827	\$ 13,184	\$ 48,010
Transfers out	(13,184)	(34,827)	(48,010)
Total Other Financial Uses	\$ 21,643	\$ (21,643)	\$ -
Change in Net Assets	\$ 55,218	\$ (6,607)	\$ 48,611
Net Assets, July 1	\$ 140,037	\$ 304,681	\$ 444,718
Change in net unrealized gains & losses on investments	\$ -	\$ 2,147	\$ 2,147
Net Assets, Jun 30	\$ 195,254	\$ 300,222	\$ 495,476

See Notes to Financial Statements on page 47.

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First Lutheran Church of Detroit Lakes

Statement of Cash Flows

For the Year Ended June 30, 2025

		June 30,	
		2025	2024
1	Cash flows from Operating Activities		
2	Change in Net Assets	\$ 50,758	\$ (29,064)
3	Adjustments to reconcile change in net assets to net		
4	cash provided by operating activities		
5	Depreciation	16,173	7,559
6	Changes in Assets and Liabilities		
7	Other Current Assets	(25,569)	(9,194)
8	Accounts Payable	21,557	1,391
9			
10	Net cash provided by operating activities	\$ 62,918	\$ (29,307)
11	Cash flows from Investing Activities		
12	Purchase of Investments	\$ (237,678)	\$ (225,000)
13	Sales of Investments	225,000	325,000
14	Purchase of Fixed Assets	(96,152)	(69,021)
15			
16	Net cash provided by investing activities	\$ (108,830)	\$ 30,979
17	Cash flows from financing activities		
18	Proceeds from long-term debt	\$ -	\$ 67,355
19	Payment of long-term debt	(40,047)	(7,549)
20			
21	Net cash provided by financing activities	\$ (40,047)	\$ 59,806
22	Net change in Cash, Cash Equivalents, and Restricted Cash	\$ (85,959)	\$ 61,478
23	Cash, Cash Equivalents, and Restricted Cash, July 1	\$ 176,097	\$ 114,619
24	Cash, Cash Equivalents, and Restricted Cash, June 30	\$ 90,138	\$ 176,097

See Notes to Financial Statements on page 47.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

First Lutheran Church of Detroit Lakes

Schedule of Net Assets by Fund

For the Year Ended June 30, 2025

	FY25 Receipts	FY25 Disbursements	FY25 Transfers	FY25 Balance
Funds with Donor Restrictions				
Adult Faith Formation	\$ 50	\$ -	\$ -	\$ 131
Agape	23,735	31,911	(110)	1,518
Altar Guild & Paraments	-	129	-	3,945
Angel Tree	3	-	-	43
Building & Grounds	6,005	33	-	9,354
Christmas Store	1,338	1,191	-	3,019
Creation Care	-	-	-	854
Dream Big	6,609	105	-	6,504
Flowers & Beautification	6,885	6,714	-	346
Hospitality	12,966	17,677	1,992	530
Kitchen Updates	1,445	2,926	-	177,953
Library	-	-	-	67
Missionary Support	2,357	-	-	14,420
Music Fund	1,112	3,093	-	3,585
National Youth Gathering	100	7,336	3,000	1,579
Parish Nurse	1,250	-	-	4,539
Phase 1	10,000	-	(31,537)	-
Sound & Technology	4,805	2,922	(3,171)	150
VBS	10,825	4,346	-	9,004
Women of FLC	2,171	2,457	-	2,211
YFM Activities	12,534	8,875	-	18,759
YFM Programming	173	5,467	-	3,634
Total Funds with Donor Restrictions	\$ 104,362	\$ 95,181	\$ (29,827)	\$ 262,142
Funds with Vision Council Designations				
Building Reserve	8,075	398	6,627	14,305
Sabbatical Fund - Assoc Pr	-	-	766	9,565
Sabbatical Fund - Lead Pr	-	-	791	7,287
Sabbatical Pulpit Supply	-	-	-	3,250
Total Funds with Vision Council Designations	\$ 8,075	\$ 398	\$ 8,184	\$ 34,407
Funds without Donor Restrictions				
Memorials	3,451	3,127	-	3,673
General	742,892	709,317	21,643	195,254
Total Funds without Donor Restrictions	\$ 746,343	\$ 712,444	\$ 21,643	\$ 198,928
Total Net Assets	\$ 858,780	\$ 808,022	\$ -	\$ 495,476

See Notes to Financial Statements on page 47.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

First Lutheran Church of Detroit Lakes

Budget Variance Report

For the Year Ended June 30, 2025

	FY25 Actual	FY25 Budget	Variance Favor/(Unfavor)
Revenue and Support			
Contributed Support			
General Offering	\$ 716,721	\$ 733,840	\$ (17,119)
Special Offering	-		-
Miscellaneous	136		136
Total Contributed Support	\$ 716,857	\$ 733,840	(16,983)
Other Revenue			
Rental Revenue	\$ 9,980	\$ 7,400	\$ 2,580
Program Revenue	1,789	9,221	(7,432)
Interest Revenue	13,236	11,236	2,000
Total Other Revenue	\$ 25,005	\$ 27,857	(2,852)
Total Revenue and Support	\$ 741,862	\$ 761,697	\$ (19,835)
Expenses			
Benevolence	\$ 35,046	\$ 36,100	\$ 1,054
Hospitality	46	-	(46)
Member Care & Outreach	2,332	3,150	818
Ministry Operations	151,308	138,550	(12,758)
Personnel	471,183	513,920	42,737
Social Assistance	110	-	(110)
Spiritual Growth for Adults	2,337	4,100	1,763
Spiritual Growth for Families	8,233	28,500	20,267
Worship Celebration	10,148	9,550	(598)
Miscellaneous	27,543	13,011	(14,532)
Total Expenses	\$ 708,287	\$ 746,881	\$ 38,594
Revenue in Excess of Expenses	\$ 33,575	\$ 14,816	\$ 18,759
Other Financial Uses			
Transfers In	\$ 34,827		
Transfers out	(13,184)		
Total Other Financial Uses	\$ 21,643	\$ -	\$ 21,643
Less Loan Principal	\$ 40,407	\$ 14,816	\$ 25,591
Change in Net Assets	\$ 14,811	\$ -	\$ 14,811

See Notes to Financial Statements on page 47.

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Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

First Lutheran Church of Detroit Lakes, MN, ("Church") is a 1300-member congregation of the Evangelical Lutheran Church in America located in Detroit Lakes, MN. It is governed by a constitution and bylaws approved by the congregation. The individual responsible for the financial work of the congregation is the Director of Operations who is directly supervised by the Lead Pastor. Both the Lead Pastor and Director of Operations routinely report to the Vision Council, which is the governing board of the Church.

Basis of Accounting

The financial statements of the Church have been prepared on a modified-cash basis. The modified-cash basis of accounting differs from generally accepted accounting principles (GAAP) primarily in that revenues are recognized when received and expenses when paid, with certain adjustments for payroll, prepaid items, and other significant obligations. The Church's significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

The Church is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions represent amounts restricted by donors for specific purposes, while designated net assets represent amounts set aside by action of the Vision Council.

Revenue Recognition

Revenues are recognized when constructively received. Weekly offering and any revenue received from the week prior is recognized on Sundays. Limited exceptions include recognition of revenue when a facility deposit, which is treated as a liability when received, is forfeited and then recognized as revenue.

Expense Recognition

Expenses, with limited exception, are recognized when paid. Expenses recognized when incurred include: mission support to the Northwestern Minnesota Synod, payroll expenses related to the previous fiscal year, and prepaid expenses.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on hand and all highly liquid investments with original maturities of three months or less.

Restricted cash is considered to be all funds held by the Church that are restricted by the donor for a specific purpose.

Concentration of Credit Risk

The Church maintains cash balances with the Mission Investment Fund of the ELCA. Accounts at this institution are not insured by the FDIC.

Donor Pass Through Payables

The Due to Other Organizations account represents contributions collected and held at the end of the year for other organizations and missions. The Church's policy is to recognize the contributions received and deposited as a liability until paid to the beneficiary. Donor pass through payables are remitted to their respective organizations at least semi-annually.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Estimates are based on management's current understanding and are subject to periodic review. Accordingly, actual results could differ from those estimates.

Materiality

Amounts that are considered immaterial to the financial statements may be aggregated or presented within miscellaneous categories.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at their estimated fair value as of the donation date. The Church capitalizes items costing \$2,500 or more or which are donated at a fair value of \$2,500 or more (if acquired after April 1, 2023). Such assets are depreciated using the straight-line method over their estimated useful lives, ranging from 3 to 50 years. Routine maintenance and repair expenditures are expensed as incurred, whereas major improvements and betterments are capitalized. Donations are recorded as support at their estimated fair value and reported as unrestricted support unless donor-specified restrictions apply. When assets are placed in service in accordance with donor restrictions, the Church reclassifies them from donor-restricted to unrestricted net assets.

Income Taxes

The Church is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a religious organization.

Account Name Changes

For Fiscal Year 2025, certain account classifications were updated to better reflect the Church's ministry structure and operations. "Spiritual Growth for Youth" and "Spiritual Growth for Children" were combined into "Spiritual Growth for Families." "Business Management" was renamed "Ministry Operations." "Hospitality" and "Social Assistance" were added as separate categories to more clearly present related activity. Additionally, "Beautification," previously reported within Worship Celebration, has been reclassified to Ministry Operations.

Note 2: Designated Net Assets

The following net assets are recorded by the Church as designated as of June 30:

	2025	2024
Net Assets with Vision Council Designations		
Memorials Unspecified*	3,673	3,349
Sabbatical Fund - Assoc Pr*	9,565	8,799
Sabbatical Fund - Lead Pr*	7,287	6,496
Sabbatical Pulpit Supply Fund*	3,250	3,250
Total Net Assets with Designations	\$ 23,775	\$ 21,894
Total Net Assets	\$ 495,476	\$ 444,718

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Note 3: Net Assets with Donor Restrictions

The following net assets are recorded as donor restricted as of June 30:

	2025	2024
Net Assets with Donor Restrictions		
Adult Faith Formation	\$ 131	\$ 81
Agape	1,518	9,803
Altar Guild/Paraments	3,945	4,073
Angel Tree	43	40
Broadcast Ministry	-	-
Building and Grounds	9,354	3,383
Building Reserve	14,305	
YFM Programming	3,634	8,928
Christmas Store	3,019	2,872
Creation Care	854	854
Dream Big	6,504	-
Flower Fund	346	175
Hospitality	530	3,249
Kitchen Remodel/Updates	177,953	179,433
Library	67	67
Missionary Support	14,420	12,063
Music Fund	3,585	5,567
National Youth Gathering	1,579	5,814
Parish Nurse	4,539	3,289
Phase 1	-	21,537
Sound and Technology	150	1,438
VBS	9,004	2,525
Women of First Lutheran	2,211	2,497
YFM Activities	18,759	15,099
Total Net Assets with Restrictions	\$ 276,447	\$ 282,787
Total Net Assets	\$ 495,476	\$ 444,718

Note 4: Property and Equipment

Property and equipment consist of the following:

	June 30,	
	2025	2024
Fixed Assets		
Projects in Progress	\$ 98	\$ 41,098
Group 1 - Land	-	-
Group 2 - Land Improvements	158,008	108,438
Group 3 - Building	-	-
Group 4 - Building Improvements	93,767	84,735
Group 5 - Furniture, Fixtures, Equipment	98,574	20,023
Accumulated Depreciation, all	(24,566)	(8,393)
Total Fixed Assets	\$ 325,880	\$ 245,901

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Note 5: Long-Term Debt

The Church’s long-term debt consists of a 10-year note, amortized over 20 years, at an interest rate of 5%, held by Midwest Minnesota Community Development Corporation (MMCDC). The Church may draw up to \$225,000 on the note to finance construction projects related to improving the Church’s parking lot, brickwork on the south-side of the building, improvements to the south lawn, and any other improvements to the property. The Church has provided a certificate of deposit with a balance of \$225,000 as collateral. Interest expense for this loan totaled \$10,315.71 and \$6,589.00 for the years ended June 30, 2025 and 2024 respectively.

Note 6: Pension and Benefit Plan

The Church participates in a pension and benefit plan through Portico. This is a defined contribution plan which covers all rostered clergy employed by the Church. Contributions are 10% of defined compensation for rostered clergy. The Church’s share of retirement benefits for clergy totaled \$14,374.52 and \$11,936.03 for the years ended June 30, 2025 and 2024, respectively.

Beginning in April 2024, the Church established a 401(k) plan for eligible non-rostered employees. Employer contributions are 3% of eligible wages. Contributions under this plan totaled \$4,636.14 and \$903.19 for the years ended June 30, 2025 and 2024, respectively.

Note 7: Miscellaneous Expenses

Miscellaneous expenses without donor restrictions include:

	June 30,	
	2025	2024
Miscellaneous Expenses		
Bank Service Charges	\$ 1,055	\$ -
Depreciation Expense	16,173	7,559
Interest Expense	10,316	6,589
Adjusting Entry to balance credit card for conversion in accounting software		(1,160)
Total Miscellaneous Expenses	\$ 27,543	\$ 12,988

Depreciation expense represents the allocation of the cost of capital assets over their estimated useful lives.

Interest Expense is the financing cost of the loan with MMCDC.

An adjusting entry was made at the close of Fiscal Year 2024 to balance credit card liabilities and facilitate the conversion of our previous accounting software.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Note 8: Transfers

Transfers from net assets without donor restrictions to Church-designated net assets are as follows:

	June 30,	
	2025	2024
Transfers from General Fund		
To Building Reserve	\$ 6,627	\$ -
To Hospitality	2,000	\$ -
To Broadcast Ministry (close)	-	2,857
In In/Out (close)	-	1,031
To National Youth Gathering	3,000	2,000
To Sabbatical Pulpit Supply	250	250
To Sabbatical Funds	1,307	3,189
Total Transfers	\$ 13,184	\$ 9,327

During the year ended June 30, 2025, the Church approved a transfer of \$2,000 from the General Fund (without donor restrictions) to the Hospitality Fund (with donor restrictions).

This transfer was authorized by the Vision Council to restore a positive fund balance within the Hospitality Fund and to support ongoing hospitality-related ministry activities.

This transfer represents a one-time reallocation of resources and does not establish an ongoing operating subsidy between funds.

Note 9 – Investments and Building Reserve Fund

In December 2024, First Lutheran Church established a Building Reserve Fund in partnership with the Foundation to support the long-term capital needs of the Church.

The Building Reserve Fund is funded through an internal designation of 1% of monthly offerings, which are periodically remitted to the Foundation for investment. As of June 30, 2025, contributions are remitted on at least a semi-annual basis.

Funds are invested by the Foundation in a pooled investment vehicle (ticker symbol: SPMO) and are reported as a long-term asset of the Church.

The Building Reserve Fund represents internally designated resources intended for future capital expenditures and is not subject to donor-imposed restrictions.

Note 10 – Interfund Loans

From time to time, the Church utilizes interfund loans to manage cash flow needs between funds, particularly in support of capital-related activities.

As of June 30, 2025, certain funds have advanced resources to other funds to support the timing of expenditures and receipts associated with the capital campaign. These amounts are expected to be repaid as funds become available within the receiving funds.

Interfund loans are internal in nature and are eliminated in the presentation of total net assets at the consolidated level.

The Church monitors these balances periodically to ensure appropriate repayment and alignment with the intended purposes of each fund.

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

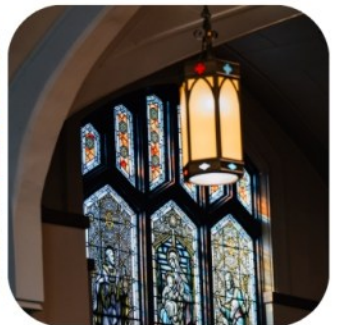
Note 11 – Miscellaneous Income

Miscellaneous income consists of incidental and non-recurring receipts that are not classified within the Church's primary revenue categories. For the year ended June 30, 2025, miscellaneous income totaled \$159.05.

This amount primarily includes reimbursements for small purchases made on behalf of individuals or ministry groups, minor cash overages identified during routine handling of petty cash, and nominal proceeds from a limited merchandise offering. These amounts are not material to the financial statements and are presented for completeness.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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