



# **BUSINESS SESSION**

## **GUIDE & SUPPORTING DOCUMENTS**

— WITH —  
**JOY**



**2024 ANNUAL MEETING  
CELEBRATION**

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REDEEMER COVENANT CHURCH,  
BROOKLYN PARK, MN

# The Northwest Conference in its 140th Annual Meeting // April 25-27, 2024

## Friday, April 26

2:15 p.m.	New Delegate Orientation	
2:30 p.m.	Business Session #1	
	Call to Order and Opening Prayer	Nikki Kahoud, NWC Chair
	Host Greeting from Redeemer Covenant Church	Dan Thompson, Pastor
	Approval of Minutes by NWC Executive Board from 2023 Annual Meeting	
	Approval of Agenda for 2024 Annual Meeting	
	Greetings from the Evangelical Covenant Church	Paul Lessard, ECC Vice President of Mission Priorities
	The Mission & Ministry of the Northwest Conference	Kara Stromberg, Superintendent NWC Staff
	Prayer	
4:00 p.m.	Workshops	
	<ul style="list-style-type: none"><li>• Living with Joy. Leading with Joy. – <i>Jon Kramka, NWC Director of Congregational Vitality</i></li><li>• Gen Z and Gen Alpha – Who are these Kids and Why Does it Matter for Your Ministry? – <i>Ginny Olson, NWC Director of Youth Ministry</i></li><li>• Breaking the Silo of Faith Formation – <i>Dave Cairns, Executive Director of Covenant Pines Ministries; Phil Tolbert, Executive Director, Lake Beauty Bible Camp; Kaela Stano, Director, Covenant Park Bible Camp; Chadwick Persons, Camp Director, Bluewater Covenant Bible Camp</i></li></ul>	
5:15 p.m.	Dinner (Reservations Required)	
6:30 p.m.	Worship Celebration	
	Message by Kevin Farmer, Lead Pastor, Epiphany Covenant Church	
	Special Offering for Unite	
7:45 p.m.	Fellowship	

## Saturday, April 27

8:30 a.m.	Worship	Courtland Pickens, Worship Director, Epiphany Covenant Church
	Devotions	Juan Lopez, Pastor, La Bendición Covenant Church
9:00 a.m.	Business Session #2	
	Call to Order and Opening Prayer	Dave Hugare, NWC Vice-Chair
	Mission Moment – BLESS Intentional Evangelism	Scott Nelson, Associate Superintendent
	The Mission & Ministry of Minnehaha Academy	Donna Harris, President
	Presentation and Vote on Minnehaha Academy Budget	Mike Huray, Chief Financial Officer
	Presentation and Vote on Northwest Conference Budget	Dan Riley, NWC Treasurer Sandy Norris, Director of Finance
	Presentation of the Northwest Conference and Minnehaha Academy Ballot and Vote	
	Changes to the Roster of Churches	Dave Hugare, NWC Vice-Chair
	City of Lakes Covenant Church (closed)	
	Mercy Commons Covenant Church (closed)	
	Epiphany Covenant Church (welcome)	
	Mission Moment – Joy Sightings	Kara Stromberg, Superintendent
	NWC Ministry Partners	
	Covenant Benefits	Video
	Ministerial Association	Brad Kindall
	Women Ministries	Rachel Kleinschmit
	Camping Ministry in the Northwest Conference	Chadwick Persons
	Covenant Ability Network	Dana Norton
	National Covenant Properties	Rollie Persson
	Covenant Trust Company	Steve Allison
	Ballot Results	Dave Hugare, NWC Vice-Chair
	Closing Announcements and Prayer	
	<i>Invitation to the 141st Northwest Conference Annual Meeting</i>	
	<i>Roseville Covenant Church, Roseville, MN / May 1-3, 2025</i>	
11:30 a.m.	Lunch (Reservations Required)	

**NORTHWEST CONFERENCE OF THE EVANGELICAL COVENANT CHURCH // APRIL 28-29, 2023 // BEMIDJI COVENANT CHURCH, BEMIDJI, MN & ONLINE // "ROOTED IN HOPE"**

**APRIL 28, 2023**

**NWC VIDEO:** Rooted in Hope Video – Part 1

**CALL TO ORDER – JAMES VOLLING, NWC CHAIR**

Northwest Conference (NWC) Chairperson Jim Volling called the meeting to order at 2:31 pm. He reflected on several scripture passages that remind us that our faith is grounded in hope. Chairperson Volling led in prayer.

**HOST GREETING**

Pastor Todd Ertsgaard welcomed the delegates and meeting attendees to Bemidji Covenant and to the Northwoods. Bemidji is the first city on the Mississippi River and home to Paul Bunyan and Babe the Blue Ox.

**MINUTES FROM THE 2022 ANNUAL MEETING**

The 2022 Annual Meeting minutes were reviewed and approved by the NWC Executive Board at its July 18, 2022 meeting. A motion was made to authorize the Northwest Conference Executive Board, on behalf of the delegates, to approve the Minutes of the 2023 Annual Meeting at the next formal meeting of the NWC Executive Board. There was a second and the motion carried.

**ECC VIDEO**

**GREETINGS FROM THE EVANGELICAL COVENANT CHURCH**

Marti Burger, Director of Vocational and Spiritual Development, expressed gratitude for the Northwest Conference, the place where she came to faith and received her call to ministry.

Rev. Burger brought greetings from the denomination and highlighted the 3 Strand Strong partnership between the church, the conference and the denomination. The work we do together is more than we could do alone. She invited us to join ECC President Tammy Swanson-Draheim in a season of prayer.

**NORTHWEST CONFERENCE SUPERINTENDENT REPORT**

Superintendent Kara Stromberg began her report by thanking delegates for joining together in our annual meeting celebration of God's work in our midst. She stated that ministry is bigger than the ministry of a single church.

Our denomination will be making some critical decisions at its upcoming annual meeting in June. Two churches, which are out of harmony, will be considered for involuntary removal. The vote is not to change our position on human sexuality, but rather to consider the recommendation of the Covenant Executive Board for removal from the roster of churches. Online delegates have been invited to Alexandria Covenant (Alexandria, MN) and Lakeview Covenant (Duluth, MN)

The NWC ministry priorities remain unchanged and are focused on Congregational Vitality, Church Planting, Children, Youth and Family, and the care and support of our pastors.

Church planting remains a priority. An interim church planting team has been formed to help strengthen new and existing church plants following a difficult few years of ministry. Our focus will shift temporarily from the starting of new congregations to coaching, resourcing, evaluating and implementing new ways to be more effective.

New initiatives include multi-ethnic leadership development and lay leader training, including finance team and board chair training.

Retiring board members Cindy Owen and Jim Volling were thanked for their years of service. And Mauricio Dell'Arciprete was recognized for his leadership with Latino ministries.

Superintendent Stromberg concluded her report with verses from Psalm 27 – "I remain confident of this. I will see the goodness of the Lord in the land of the living. Wait for the Lord; be strong and take heart and wait for the Lord."

**NWC MINISTRY STAFF PANEL**

Ministry staff joined the Superintendent. Each person was asked what brings them hope in their areas of ministry over-

sight. Opportunities to gather and learn, development of new and young leaders, our ability to provide resources, partnerships with churches and other ministries (including the ECC) which allow for greater ministry, the commitment of pastors to each other, and our ability to encourage.

Delegates were encouraged to submit questions which will be answered during the Saturday morning business session.

The Superintendent took a point of privilege to recognize Jon Kramka's leadership of AIL (Adventures in Leadership) for the past 20 years. She highlighted Jon's hands-on approach to teach and coach and his commitment to equipping next generations for godly leadership. A prayer was offered for AIL and for Jon.

### **PRAYER**

Superintendent Stromberg led the delegates in a time of corporate prayer. Scripture passages were read to focus our attention on Adoration, Confession, Thanks and Supplication.

The meeting was adjourned.

### **WORKSHOPS**

Delegates were dismissed to a time of learning. Workshops included:

- Your Mission, Your Community: The Six Critical Questions of Context led by Dr. Martin Giese
- We Love Our Church! How Do We Cultivate Pastoral Fortitude and Fruitfulness as a Church Staff led by Rev. Marti Burger
- Trauma Informed Youth Work led by Ash SanFilippo, Tree-House Ministries

### **WORSHIP CELEBRATION**

Worship was led by a team of musicians from Bemidji Covenant. Six Candidates for Ordination in the Evangelical Covenant Church were recognized and prayed for. An offering was taken for the Bemidji Community Food Shelf. Rev. Colleen Nelson, pastor of Bethlehem Covenant Church, Minneapolis, MN, shared a message titled, "Rooted in God's Presence."

### **APRIL 29**

Delegates and attendees gathered at 8:30 am for a time of worship, led by musicians from Bemidji Covenant. Pastor Galen Nordin, pastor of Lancaster Covenant Church, Lancaster, MN, encouraged all through his words of witness to remember that roots matter, foundations matters, and our commitment to the Bible as the only perfect rule for faith, conduct and doctrine ("Where Is It Written?") keep us rooted in hope. He closed by leading the assembly in My Hope Is Built on Nothing Less.

### **NWC VIDEO: Rooted in Hope Video – Part 2**

Chairman Jim Volling called the meeting to order.

### **APPROVAL OF AGENDA FOR 2023 ANNUAL MEETING**

It was brought to the Chairman's attention that the agenda had not yet been approved. A motion to approve the agenda was made and seconded. The motion carried.

### **NWC STAFF Q & A**

Questions focused on church planting in the NWC, resources for senior adult ministry, discipleship resources for youth, and the upcoming vote at the ECC Annual Meeting to remove Awaken Covenant Church, St Paul, MN, from the roster of Covenant churches. Superintendent Stromberg closed this time in prayer, asking God to "lead and guide us in these hard times and to provide a way forward."

### **THE MISSION AND MINISTRY OF MINNEHAHA ACADEMY**

A video was shown highlighting the Shine Line, a phone line created by this year's kindergartners to spread joy and encouragement through Bible verses, prayer and songs. President Donna Harris explained that The Shine Line is an example of the intentional core faith formation opportunities incorporated into the school's curriculum.

Minnehaha adopted a phone free policy at the beginning of the school year. This social experiment has encouraged greater connection at a time when authentic, strong relationships are essential in navigating the challenging times in which we live.

Good News: Enrollment continues to increase. Students continue to achieve as individuals and teams. The school continues to look for ways to partner with churches and pastors.

### **PRESENTATION AND VOTE ON AMENDMENTS TO MINNEHAHA ACADEMY BYLAWS**

Proposed changes to the Minnehaha Academy bylaws were presented at the 2022 annual meeting. The bylaw amendment changes the length of service for members of the Board of Trustees from 5 years to 3 years. The Northwest Conference Executive Board is bringing this motion to the delegates so a second is not required. No discussion. The motion carried.

### **PRESENTATION AND VOTE ON MINNEHAHA ACADEMY BUDGET**

Mike Huray, Chief Financial Officer, reported that Minnehaha has received a clean audit for the fourth year in a row. Mr. Huray reviewed the financial reports on pages 15-17 in the Business Session Guide and he presented the FY2024 budget (page 18). This budget includes increased compensation and benefits for staff. The motion to approve the budget comes from the NWC Executive Board so a second is not required. No discussion. The motion carried.

### **CHANGES TO THE ROSTER**

Churches to be deleted from the roster of churches include:

- Community Covenant Church, Lake Bronson, MN
- The Gallery Covenant Church (dba Last City Covenant Church), St Paul, MN
- Highland Community Church, Cokato, MN
- Evangelical Covenant Church, Rush City, MN
- Nueva Vida Covenant Church, Monticello, MN

Fellowship groups that have closed or withdrawn include:

- The Crossing Covenant Church (Houlton, WI)
- The Door Covenant Church (Blaine, MN)
- Genesis East Covenant Church (North St Paul, MN)
- Roots Covenant Church (St Paul, MN).

A motion was made and seconded to approve the removal of these five member churches and four fellowship groups from the roster of churches in the Northwest Conference. No discussion. The motion carried.

### **PRESENTATION AND VOTE ON AMENDMENT TO NWC BYLAWS**

Proposed changes to the Northwest Conference bylaws were presented at the 2022 annual meeting. The bylaw amendment allows for online voting as well as voting by written ballot. The Northwest Conference Executive Board is bringing this motion to the delegates so a second is not required. Discussion followed with a concern for the integrity of executive session in a hybrid meeting. The motion carried.

### **PRESENTATION AND VOTE ON NORTHWEST CONFERENCE BUDGET**

Dan Riley, NWC Treasurer, reviewed church giving for the last 5 years and reported on anticipated giving for the current year. Sandy Norris, Director of Finance, reviewed the financial reports on pages 7-9 in the Business Session Guide and presented the 2023/24 budget. The new budget includes reduced expenses in church planting and personnel as well as reduced church giving. The Executive Board and NWC staff will actively review and manage expenses to stay within income.

The motion to approve the 2023/24 budget was made by the NWC Executive Board. Discussion followed with concern expressed for a deficit budget and reduced church giving. The motion carried.

### **PRESENTATION OF THE NORTHWEST CONFERENCE BALLOT**

Ballots were distributed. Nominees for the NWC Executive Board (5-year terms) are Rev. Dave Hugare, Lakeview Covenant, Duluth, MN; and Mike Mrosko, Excelsior Covenant, Excelsior. Nikki Kahoud, Rochester Covenant, Rochester, MN, is the Board Chair nominee (1 year term). Chairman Volling asked for nominations from the floor for the NWC Executive Board. No nominations were received. A motion to close the ballot was made and seconded. No discussion. The motion carried.

Nominees for the Minnehaha Academy Board of Trustees (3 year terms) are Dave Cairns, Epiphany Covenant, Minneapolis, MN; Milton Dodd, Plymouth Covenant, Plymouth, MN; and John Schroeder, Restoration Covenant, Lakeville, MN. Chairman Volling asked for nominations from the floor for the MA Board of Trustees. No nominations were received. A motion to close the ballot was made and seconded. No discussion.

The motion carried.

The delegates voted.

### **AFFILIATE MINISTRY REPORTS**

Delegates and attenders heard from affiliate ministries in the Northwest Conference. Greetings and reports were given by: Phil Tolbert, Executive Director, Lake Beauty Bible Camp, representing the 5 camps in the Conference; Rachel Kleinschmidt, Women Ministries; Grant Wennerberg, Solid Rock School of Discipleship; Dana Norton, Covenant Ability Network; Jill Hall, National Covenant Properties; and Steve Allison, Covenant Trust Company. A video was shown highlighting the work of Covenant Benefits.

### **BALLOT RESULTS**

Chairperson Volling presented the ballot results stating Rev. Dave Hugare and Mike Mrosko were elected to the NWC Executive Board and Dave Cairns, Milton Dodd and John Schroeder were elected to the MA Board of Trustees. Nikki Kahoud was elected as NWC Chairperson for a one-year term.

Invitation to the 140th Northwest Conference Annual Meeting  
April 25-27, 2024  
Redeemer Covenant Church  
Brooklyn Park, MN

Chairperson Volling thanked Bemidji Covenant Church for their wonderful hospitality. He expressed his joy and privilege in serving the Northwest Conference for the past 10 years.

Jonathan Wilson made a motion to express appreciation to Jim Volling for his service over time and overtime. The motion was seconded and carried.

A motion was made and seconded to adjourn. The motion carried.

Superintendent Kara Stromberg closed the meeting in prayer, giving thanks for current and newly elected board members.

Respectfully submitted,  
Cheryl Theilen



DECEMBER 2023

### *Hello Covenant Family,*

Thank you for the many ways you have been partnering and praying with me and the Covenant denominational team this year. I send each of you my gratitude and thanks! We have been through a significant season of change and are just at the beginning of living into a new ministry structure. It is my hope and prayer that these changes will allow us to resource and partner with you more intentionally as together we join God in God's mission to see more disciples among more populations in a more caring and just world.

Please know that our denominational team is praying for you too! Each of our ministry teams has selected a regional conference to pray for this year. If you would like to send your prayer requests, we would love to receive them. We want you to know there is a concerted effort to lift you up in prayer. This is one of the many ways we can live into our Three Strand Strong commitment. I pray our good and faithful God will provide for all your needs and amplify the many ways you demonstrate the love of Christ in word and deed in your community. I pray you will be encouraged even when circumstances are challenging, knowing that God is always at work. I pray the joy of the Lord will be your strength.

The psalmist writes, "Your love, O Lord, forever will I sing; from age to age my mouth will proclaim your faithfulness" (Psalm 89:1). It is an honor, privilege, and joy to serve the Evangelical Covenant Church. This past year has been full of experiencing God's faithfulness to his beloved church; from the wonderful church anniversaries being celebrated to 100 years of the gospel coming to the Democratic Republic of Congo, God has been faithful. What a magnificent God we serve! Please continue to share your stories of how God is at work in and through your congregation with us. We love to celebrate these stories with you. They are a gift and encouragement to the whole church! Looking forward, I am excited to see how God will meet our youth as they gather for Unite 2024. I know there will be new and renewed commitments to Christ as well as responses to God's call to ministry and service.

I pray every blessing upon each of you this Advent and Christmas season. As you gather in your local church annual meetings, may you reflect and marvel at God's faithfulness to you this year.

*For God's glory and neighbor's good,*

**Tammy Swanson-Draheim**, PRESIDENT, EVANGELICAL COVENANT CHURCH





## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Executive Board and Management  
Northwest Conference of the Evangelical Covenant Church  
Minneapolis, Minnesota

We have reviewed the accompanying financial statements of Northwest Conference of the Evangelical Covenant Church (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Northwest Conference of the Evangelical Covenant Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*CarlsonSV JH*

Amery, Wisconsin  
January 11, 2024

**NORTHWEST CONFERENCE OF THE EVANGELICAL COVENANT CHURCH**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2023 and 2022**

<b>ASSETS</b>		
	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 187,893	\$ 288,557
Short-term investments	679,295	811,087
Due from churches	19,017	22,771
Total Current Assets	886,205	1,122,415
<b>OTHER ASSETS</b>		
Endowment fund investments	1,346,077	1,234,115
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment	269,918	285,870
Accumulated depreciation	(213,410)	(260,117)
Property and Equipment, Net	56,508	25,753
<b>TOTAL ASSETS</b>	<b>\$ 2,288,790</b>	<b>\$ 2,382,283</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,171	\$ 7,713
Accrued expenses	-	2,398
Other liabilities	116,166	125,560
Total Current Liabilities	120,337	135,671
<b>NET ASSETS</b>		
Without donor restrictions	2,127,787	2,185,238
With donor restrictions	40,666	61,374
Total Net Assets	2,168,453	2,246,612
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,288,790</b>	<b>\$ 2,382,283</b>

*(The accompanying notes are an integral part of these financial statements.)*

**NORTHWEST CONFERENCE OF THE EVANGELICAL COVENANT CHURCH**  
**STATEMENTS OF ACTIVITIES**

For the Years Ended June 30, 2023 and 2022

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>OPERATING ACTIVITIES</b>				
Revenues, Gains, and Other Support				
Contributions and grants				
Member church contributions	\$ 850,585	\$ -	\$ 883,338	\$ -
Appropriations from Evangelical Covenant Church	125,847	-	162,959	-
All other contributions	26,321	15,635	151,009	54,795
Proceeds from church closures	55,043	-	355,465	-
Program service revenue	117,287	-	251,650	-
Investment return, net	180,822	212	(302,507)	(1,180)
Miscellaneous revenue	57,299	-	-	-
Net assets released from restrictions	36,555	(36,555)	45,851	(45,851)
Total Support and Revenue	<u>1,449,759</u>	<u>(20,708)</u>	<u>1,547,765</u>	<u>7,764</u>
Expenses				
Program services	1,291,295	-	1,430,042	-
Support services				
Management and general	215,915	-	234,998	-
Total Expenses	<u>1,507,210</u>	<u>-</u>	<u>1,665,040</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(57,451)	(20,708)	(117,275)	7,764
<b>NET ASSETS, BEGINNING OF YEAR</b>	2,185,238	61,374	2,302,513	53,610
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,127,787</u>	<u>\$ 40,666</u>	<u>\$ 2,185,238</u>	<u>\$ 61,374</u>

(The accompanying notes are an integral part of these financial statements.)

**NORTHWEST CONFERENCE OF THE EVANGELICAL COVENANT CHURCH**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended June 30, 2023 and 2022**

	<b>2023</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries and benefits	\$ 669,180	\$ 167,295	\$ 836,475
Fees for services	-	8,348	8,348
Advertising and promotion	2,138	534	2,672
Ministries expenses			
Planting churches	247,911	-	247,911
Healthy churches	219,163	-	219,163
Other ministries	16,215	-	16,215
Office expenses	27,980	6,994	34,974
Information technology	6,704	1,676	8,380
Occupancy	12,899	3,225	16,124
Travel and transportation	10,059	2,515	12,574
Conferences, conventions, and meetings	62,170	15,543	77,713
Depreciation	-	9,315	9,315
Insurance	1,823	456	2,279
Other expenses	15,053	14	15,067
<b>TOTAL</b>	<b>\$ 1,291,295</b>	<b>\$ 215,915</b>	<b>\$ 1,507,210</b>

  

	<b>2022</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries and benefits	\$ 770,183	\$ 192,546	\$ 962,729
Fees for services	1,113	5,400	6,513
Advertising and promotion	4,266	1,066	5,332
Ministries expenses			
Planting churches	313,846	-	313,846
Healthy churches	164,299	-	164,299
Other ministries	38,351	-	38,351
Office expenses	26,619	6,680	33,299
Information technology	7,411	1,853	9,264
Occupancy	4,674	1,169	5,843
Travel and transportation	14,586	3,646	18,232
Conferences, conventions, and meetings	72,356	18,060	90,416
Depreciation	-	3,993	3,993
Insurance	2,338	585	2,923
Other	10,000	-	10,000
<b>TOTAL</b>	<b>\$ 1,430,042</b>	<b>\$ 234,998</b>	<b>\$ 1,665,040</b>

*(The accompanying notes are an integral part of these financial statements.)*

**Northwest Conference  
Proposed 2024-2025 Budget**

	<b>Approved Budget 2023-2024</b>	<b>Proposed Budget 2024-2025</b>	
<b>Principal released from Restriction</b>			
For Planting	22,083	53,350	
For CYF	10,443	9,350	
For Vitality	10,436	21,349	
For Operations	55,000	63,847	
Total Savings/Investment Spending	97,962	147,895	
<b>Current Income</b>			
Church Contributions	850,000	925,000	increase justified by observing current year actual based on amount needed to balance budget
Individuals and Organizations - Undesignate	75,000	33,000	
Individuals and Organizations - Designated			
Total donations	925,000	958,000	
Bequests			
ECC Share - New Church Appropriations	82,300	74,050	
ECC for Coaching	4,970	7,405	
ECC Living Legacy	92,811	84,049	
ECC Missional Vitality (offset Rural Ministry)	0	5,000	
Honoraria	1,000		
Registration fees (LunchBox and Rural Impact)			
Rental Income			
Employee Retention Tax Credit	44,928		
Interest/Investment Income	82,412	85,035	
<b>Total Current Income</b>	1,233,421	1,213,539	
<b>Available to fund Mission and Ministry</b>	1,331,383	1,361,434	
<b>Congregational Vitality</b>			
Revitalization and Training	8,600	11,100	
Compassion, Mercy & Justice	20,500	18,000	
Leadership Training	11,500	11,350	
Rural/Small Town Ministry	16,500	16,500	
Pastoral Care and Support	15,000	10,000	
<b>Church Planting</b>			
New Church Appropriations	172,100	148,100	based on existing and projected church plant support
Assessment and Training	4,000	5,000	
New Church Support	21,630	27,650	
<b>Children, Youth and Family</b>			
Children and Family	25,800	3,600	Anticipate Lunchbox being funded through ECC
Youth Ministry	17,850	15,100	
<b>Supporting Expenses</b>			
Personnel - Salaries	668,680	707,809	includes Associate Superintendent
Personnel - Benefits	203,126	218,191	
Staff Travel	20,500	20,300	
Boards/Commissions/Meetings	53,000	45,400	
Office	32,464	48,402	
IT/Communications	34,418	35,612	
Insurance	8,300	8,300	
Professional Services/Consultants	11,592	11,020	
<b>Total Mission and Ministry Expense</b>	1,345,560	1,361,434	
<b>Budget Surplus (Deficit)</b>	(14,177)	0	



## INDEPENDENT AUDITORS' REPORT

Board of Trustees and Finance Committee  
Minnehaha Academy  
Minneapolis, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Minnehaha Academy (a nonprofit organization) which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnehaha Academy as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Minnehaha Academy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnehaha Academy's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Minnehaha Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnehaha Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 3, 2023

**MINNEHAHA ACADEMY  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 11,507,608	\$ 10,754,609
Accounts Receivable, Net	338,922	1,707,442
Promises to Give, Net	922,011	1,252,964
Investments	15,395,104	13,622,727
Inventories	22,191	21,777
Prepaid Expenses	187,961	177,254
Right of Use Assets	274,848	-
Property, Plant, and Equipment:		
Land	1,092,952	1,092,952
Construction in Progress	91,608	230,419
Buildings and Improvements	74,569,041	73,998,206
Furniture and Equipment	4,853,103	5,221,682
Total	80,606,704	80,543,259
Less: Accumulated Depreciation	(22,315,581)	(20,565,030)
Net Property, Plant, and Equipment	58,291,123	59,978,229
 Total Assets	 \$ 86,939,768	 \$ 87,515,002
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 683,007	\$ 706,114
Accrued Expenses	25,000	20,000
Accrued Salaries	511,856	430,676
Accrued PTO and Sick Pay	266,441	309,374
Prepaid Tuition and Programs	746,190	915,366
Lease Liabilities	274,041	-
Capital Leases Payable	-	39,058
Notes Payable, Net	-	2,551
 Total Liabilities	 2,506,535	 2,423,139
<b>NET ASSETS</b>		
Without Donor Restrictions	67,793,526	68,786,258
With Donor Restrictions	16,639,707	16,305,605
Total Net Assets	84,433,233	85,091,863
 Total Liabilities and Net Assets	 \$ 86,939,768	 \$ 87,515,002



**MINNEHAHA ACADEMY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>			
Tuition and Fees	\$ 21,187,591	\$ -	\$ 21,187,591
Less: Financial Aid and Tuition Remission	(8,416,526)	-	(8,416,526)
Net Tuition and Fees	12,771,065	-	12,771,065
Contributions	1,437,529	588,757	2,026,286
Transportation	285,611	-	285,611
Auxiliary Activities	998,324	-	998,324
Rental Income	282,962	-	282,962
Special Events	136,138	-	136,138
Interest, Dividends and Capital Gains, Net	359,838	462,283	822,121
Realized and Unrealized Gains on Investments	-	1,314,846	1,314,846
Other Income, Net	271,289	-	271,289
Net Assets Released from Restrictions	2,031,784	(2,031,784)	-
Total Revenues, Gains, and Other Support	18,574,540	334,102	18,908,642
<b>OPERATING EXPENSES</b>			
Program Services	14,662,306	-	14,662,306
Management and General	1,937,231	-	1,937,231
Fundraising	598,692	-	598,692
Total Expenses, before Depreciation	17,198,229	-	17,198,229
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION</b>	1,376,311	334,102	1,710,413
Depreciation and Amortization	2,369,043	-	2,369,043
<b>CHANGE IN NET ASSETS</b>	(992,732)	334,102	(658,630)
Net Assets - Beginning of Year	68,786,258	16,305,605	85,091,863
<b>NET ASSETS - END OF YEAR</b>	\$ 67,793,526	\$ 16,639,707	\$ 84,433,233

**MINNEHAHA ACADEMY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>			
Tuition and Fees	\$ 20,002,788	\$ -	\$ 20,002,788
Less: Financial Aid and Tuition Remission	(8,071,775)	-	(8,071,775)
Net Tuition and Fees	11,931,013	-	11,931,013
Contributions	1,508,571	440,801	1,949,372
Transportation	196,010	-	196,010
Auxiliary Activities	1,040,001	-	1,040,001
Rental Income	235,681	-	235,681
Special Events	108,335	-	108,335
Interest, Dividends and Capital Gains, Net	42,768	498,962	541,730
Realized and Unrealized Losses on Investments	-	(2,471,535)	(2,471,535)
Other Income, Net	3,850,444	-	3,850,444
Net Assets Released from Restrictions	1,024,085	(1,024,085)	-
Total Revenues, Gains, and Other Support	19,936,908	(2,555,857)	17,381,051
<b>OPERATING EXPENSES</b>			
Program Services	14,486,098	-	14,486,098
Management and General	1,827,118	-	1,827,118
Fundraising	832,654	-	832,654
Total Expenses, before Depreciation	17,145,870	-	17,145,870
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION</b>	2,791,038	(2,555,857)	235,181
Depreciation and Amortization	2,610,429	-	2,610,429
<b>CHANGE IN NET ASSETS</b>	180,609	(2,555,857)	(2,375,248)
Net Assets - Beginning of Year	68,605,649	18,861,462	87,467,111
<b>NET ASSETS - END OF YEAR</b>	\$ 68,786,258	\$ 16,305,605	\$ 85,091,863



## FY2025 Proposed Operating Budget

	<b>FY2024 Forecast</b>	<b>FY2025 Budget</b>
<b><i>Enrollment</i></b>	<b>863</b>	<b>877</b>
 <b>REVENUE</b>		
1 Net Tuition Revenue	12,625,004	13,170,436
2 Student Fee Revenue	471,134	505,327
3 Unrestricted Contributions	1,802,000	1,857,860
4 Transportation Income	256,260	262,500
5 Endowment Distribution	690,400	705,000
6 Investment Income	625,000	485,000
7 Auxillary Revenue	627,041	630,150
8 Other Revenue	826,000	909,000
<b>9 TOTAL INCOME</b>	<b>17,922,839</b>	<b>18,525,273</b>
 <b>EXPENSES</b>		
10 Wages, Salaries & Benefits	12,680,617	13,748,498
11 Admin, Advancement, Marketing, Admissions	609,742	574,285
12 General Operations	636,959	801,814
13 Instructional & Curriculum	612,370	763,986
14 Athletics	201,600	234,500
15 Summer Program & Extended Day	294,913	309,000
16 Facilities Operations	913,054	917,200
17 Student Transportation Expense	590,000	607,700
18 Strategic Planning	555,550	-
19 Depreciation	2,376,311	2,499,252
20 Capital Lease Payments	39,938	39,938
21 Contingency	-	50,000
22 Other Expenses	500,700	505,500
<b>23 TOTAL OPERATIONAL EXPENSES</b>	<b>20,011,754</b>	<b>21,051,673</b>
 <b>24 CHANGE IN OPERATING NET ASSETS</b>	 <b>(2,088,915)</b>	 <b>(2,526,400)</b>
25 Adjust for Non-Cash Items		
26 Add Back Depreciation & Contingency	2,376,311	2,549,252
 <b>27 ADJUSTED CHANGE IN NET ASSETS</b>	 <b>287,396</b>	 <b>22,852</b>

# CHANGES TO CHURCH MEMBERSHIP

## **CHURCHES JOINING THE EVANGELICAL COVENANT CHURCH AND THE NORTHWEST CONFERENCE**

Epiphany Covenant Church, Minneapolis, MN

Organized: 2018

Planter: Rev. Kevin Farmer

## **CHURCHES TO BE DELETED FROM THE ROSTER OF THE NORTHWEST CONFERENCE AND THE EVANGELICAL COVENANT CHURCH**

City of Lakes Covenant Church, Minneapolis, MN

Organized: 2013

Joined the ECC and NWC: 2018

Closed: 2023

Edina Covenant Church dba Mercy Commons Covenant Church, Edina, MN

Organized: 1944

Joined the NWC: 1944

Joined the ECC: 1945

Closed: 2024

# WHAT ARE WE EVEN TALKING ABOUT?!?

## YOUR GUIDE TO COVENANT ACRONYMS

<b>AC</b>	Adventurous Christians (Camp on the Gunflint Trail, operated by CPM. See below.)	<b>DL</b>	Develop Leaders (ECC ministry priority that engages leaders ... some people still call it DOOM—see below.)
<b>AIL</b>	Adventures in Leadership (Wilderness leadership experience for high schoolers at AC)	<b>DOOM</b>	Department of Ordered Ministry
<b>AM</b>	Annual Meeting (Highest decision-making body of the NWC & ECC, also called Gather)	<b>ECC</b>	Evangelical Covenant Church (If you didn't know this, we can't help you)
<b>BBC</b>	Bluewater Bible Camp (Camp serving our churches in north central MN)	<b>LBBC</b>	Lake Beauty Bible Camp (Camp serving much of MN, SD and WI)
<b>BOOM</b>	Board of Ordered Ministry (Credentialing board for clergy ... the buck stops here)	<b>LMDJ</b>	Love Mercy Do Justice (ECC ministry priority that engages with churches in developing community ministries)
<b>CAN</b>	Covenant Ability Network (Homes for adults with disabilities)	<b>MA</b>	Minnehaha Academy
<b>CHET</b>	Centro Hispano de Estudios Teológicos (Training program for Hispanic leaders)	<b>MDD</b>	Make and Deepen disciples (ECC ministry priority overseeing Christian formation, evangelism, and other things)
<b>CIC</b>	Covenant Initiatives for Care	<b>MUUUCE</b>	Most Ultimate Unbelievable Urban Camping Experience (Overnight middle school event)
<b>CKC</b>	Covenant Kids Congo (Mission partnership with World Vision)	<b>MW</b>	Midwinter (Weeklong gathering for pastors each January)
<b>CMB</b>	Covenant Ministries of Benevolence	<b>NCP</b>	National Covenant Properties (loans to churches)
<b>COMS</b>	Committee on Ministerial Standing (NWC committee of credentialed pastors who screen pastors in the credentialing process)	<b>NPTS</b>	North Park Theological Seminary (Covenant Seminary in Chicago)
<b>CPBC</b>	Covenant Park Bible Camp (Serving churches in NE region of the NWC ... not to be confused with Covenant Pines. See below)	<b>NPU</b>	North Park University (Covenant University in Chicago)
<b>CPBC</b>	Covenant Pines Bible Camp (Serves Twin Cities churches)	<b>NWC</b>	Northwest Conference (Mission region of the denomination)
<b>CPM</b>	Covenant Pines Ministries (Includes CPBC and AC. See above).	<b>PCP</b>	Paul Carlson Partnership (Medical ministry in Congo to honor Paul Carlson, martyred Covenant missionary)
<b>CL</b>	Covenant Living Communities (Where you can live and reminisce with other Covenanters when you grow up)	<b>SG</b>	Serve Globally (ECC ministry priority)
<b>CLGV</b>	Covenant Living of Golden Valley (see CL)	<b>SSC</b>	Start and Strengthen Churches (ECC ministry priority focusing on church planting and congregational vitality)
<b>CTC</b>	Covenant Trust Company (show me the money!)	<b>TMI</b>	Too much information
<b>CWRD</b>	Covenant World Relief + Development (Covenant relief efforts worldwide)	<b>UNITE</b>	(ECC senior high youth event, formerly called CHIC)
<b>CYF</b>	Children, Youth & Family (... it's just shorter)	<b>VIM</b>	Vision, Intention and Means (What you need to be a healthy and missional church)

What else would you add? \_\_\_\_\_  
 (Prizes available at registration table for any we missed)

## MINNEHAHA ACADEMY BOARD OF TRUSTEE MEMBERS



### **Katie Craig (3 Year Term)**

From assisting in classrooms to volunteering in the theater department, my husband Jason and I have been an active part of the Minnehaha community for 18 years. Outside of Minnehaha, I work part time for Deirdre Handcrafted Jewelry where I focus on the communication aspects of running a small business. I also volunteer at Bethlehem Covenant Church as the Small Group Coordinator and mobilize volunteers for weekly community suppers. Faith is an integral part of my life, and I strive to be an agent of renewal for the world around me. I find joy in family dinners, walks with friends, and organizing anything. My youngest child, Curtis, will graduate in May, and my daughter Elsie is a junior at Hope College in Michigan. I hope to bring to the table the full experience of a Minnehaha education, from preschool through high school, established relationships with families and faculty in the MA community, and a deep appreciation for the role that a Minnehaha education plays in the lives of our students.



### **Sean Mahoney (3 Year Term)**

Sean Mahoney and his family are pleased to be part of the Minnehaha Academy community. Sean was born and raised in a small Minnesota town, studied chemistry in undergraduate and graduate studies, and then changed focus to pursue a law degree. Sean is now a patent attorney specializing in chemical and pharmaceutical inventions. Sean and his wife Ashley have four children. The Mahoneys are members of Plymouth Covenant Church.



### **Todd O'Bert (3 Year Term)**

Todd is President and CEO of Productive Corporation and has been in the IT Security space for the past 23 years. Prior to founding Productive, he helped found Workstations International where he directed divisions within both the Sales and Operational functions. Todd holds a Bachelor of Arts degree from St. Olaf College in Northfield, MN. He is actively involved at Bethlehem Covenant Church, Edgumbe Youth Hockey and Minnehaha Academy. He lives in St. Paul, MN, along with his wife, three children (MA Classes of 2018, 2021, and 2024) and 78 lb. Golden Doodle.

## NORTHWEST CONFERENCE EXECUTIVE BOARD



### **Dr. Jacob A. Gayle (5 year term)**

Dr. Gayle's career in global health, diplomacy and philanthropy has spanned several of the world's leading health, development and philanthropic institutions, including the Ford Foundation, the U.S. Centers for Disease Control and Prevention (CDC), the U.S. Agency for International Development (USAID), United Nations, World Bank and Carter Center. A recent retiree, he served at Medtronic plc as the Vice President of Social Impact, Vice President of Global Philanthropy and President of Medtronic Foundation. At Oberlin College, Gayle completed a B.A. in Psychobiology. His Ph.D. in International/Community Health, M.A. in Community Health Education and M.Sc. in Preventive Medicine were completed at The Ohio State University. Dr. Gayle received tenure as Associate Professor of Community Health at Kent State University before joining CDC in 1989. Gayle attends Sanctuary Covenant Church in Minneapolis.



### **Terri Russell (5 year term)**

Terri Russell is the Community Engagement Pastor at Salem Covenant Church in New Brighton, MN. She grew up in the Covenant Church in Owatonna, MN, and is blessed and humbled to be called to licensed pastoral work in the Covenant denomination and specifically at Salem. She oversees Connection, Adult Christian Formation, Missions, and Outreach ministries and enjoys being part of the Salem Community as both a pastor and member of the church family. She lives in Ham Lake, MN, with her husband Matt, and five of her six delightful kids ranging in age from 3 to 14 years old. She lost her oldest child, a son, at the age of five to complications of a bone marrow transplant. Though free time is hard to come by these days, she enjoys running with her husband, spending time with her family, cooking, and (win or lose) is a MN Vikings football fan!



### **Jonathan Wilson (1 year term)**

Pastor Jonathan Wilson hails from the prairie, having started his life in a small Nebraska town and then sojourned through high school in Saskatoon, Saskatchewan (that's Canada, eh?). He is married to Amy (since 1993), a Chicagoan whom he met during undergraduate studies at North Park College (now University). They are the proud parents of Hope and Holly. He has been in ministry for more than 20 years, having served churches in Arizona, Germany and the Chicago area before his current call to Salem Covenant Church in Pennock, MN. Ordained in 2004 by the Evangelical Covenant Church, Wilson later took doctoral studies part-time and completed his dissertation in 2015, graduating with a Ph.D. in Church History from the Lutheran School of Theology at Chicago.

## NORTHWEST CONFERENCE EXECUTIVE BOARD CHAIRPERSON



### **Nikki Kahoud (1 year term)**

Nikki was born and raised in south-central Washington state. A love for both reading and animals led her to college in upstate New York where she developed a passion for science, earned a degree in Animal Science, and met her husband, Rob. His job training involved a few cross-country moves until 7 years ago they finally settled in southeastern Minnesota in the Rochester area. Her husband is a doctor connected to Mayo. They are active members at Rochester Covenant Church and, most recently, Nikki has served as the Church Chair. After working in science for nearly a decade, she is now at home with her two daughters and working to restore their new hobby farm. God's plan to bring them to Minnesota was not what the Kahoud's would have guessed, but they are so glad that this is where they were able to set down roots.

DEVELOPING  
LEADERS.  
THRIVING  
CHURCHES.



**northwest** conference

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