



OUR SAVIOR'S
LUTHERAN CHURCH
FOUNDATION
Jubilee Society

January 26, 2025

Our Savior's Lutheran Church Foundation

2024 Annual Report to the Congregation

Helping people turn their personal blessings into Christian significance.

A Thought from Pastor Karen

The Our Savior's Lutheran Church Foundation serves Jesus with the members of the congregation by planting faith, nurturing hope and sharing God's love.

The Foundation plants hope for the future by sharing funds with new ministries, ministries outside of our walls, and ministries of the congregation needing to be renewed. Nurturing hope happens each time the Foundation answers the call to continue to provide support to ongoing ministries like foreign missions and other ministries of the ELCA. God's love is shared as the Foundation endeavors to provide resources to the congregation in support of the building and grounds that serve as our congregation's mission center.

I have a challenge for the Our Savior's congregation to consider. Future generations of this congregation will need the ability to focus their offering dollars on staff and programing. In 2024, the mortgage debt on the building was retired. Now may be the time to endow the maintenance and upkeep of the building. Please prayerfully consider giving a gift of any size to further the mission of the Our Savior's Lutheran Church Foundation.

Yours in Christ,

Pastor Karen Young Trenne

Letter from the Board Chair

I believe the Our Savior's Lutheran Church Foundation supported its mission in 2024:

"Helping people turn their personal blessings into Christian significance."

Since its inception in 1978, the Foundation has made a significant difference by supporting various ministries at our church. The past year has been a continued time of change for our congregation. We are excited about the new opportunities ahead.

Foundation assets total \$3.7 million, which is a significant increase from the prior year end value. The portfolio return was 14.61% in 2024. Foundation assets will be reduced by \$36,600 due to pending grant requests that will be paid in 2025. The long-term performance of the investment portfolio has been positive since it was established.

Grants totaling \$147,000 were approved as outlined later in this report. Each year the Foundation provides funds to support the work of our church. During the past six years, the Foundation has given \$790,700 to Our Savior's to support various ministry needs. This would not be possible without your help.

During 2024, the Foundation received contributions of \$38,819. This is a significant increase from the previous year. We are grateful for your support of the Foundation. There are several options available to make contributions. The types of contributions include memorial gifts to honor someone special to you, a financial contribution or a gift as part of your estate plan. Gifts can also be made online at oslchurch.com.

The Jubilee Society was created to recognize individuals who have made gifts to the Foundation or have included a provision for a gift in their estate plan. I invite you to consider joining the Jubilee Society. A complete list of members can be found at the church website, oslchurch.com. Please contact me, any of the other board members or the church office if you have questions or need assistance. Your attorney, accountant or financial planner can help you with this process. The SD synod office on the campus of Augustana University also offers estate planning services through Lutheran Planned Generosity.

I am grateful for all our board members and their commitment to the Foundation. I appreciate their leadership, guidance and support. The second term of Dean Mertz ended in 2024. He is not eligible to serve another term per Foundation bylaws. The first terms of Betsy Sittig and Curt Olson ended in 2024. They have agreed to serve a second term through 2027. Each of our board members is committed to our church and firmly supports the mission of the Foundation.

Thank you for your support of the Foundation.

Dennis Hanneman

OSLCF Board Chair, 2024

Agenda
Our Savior's Lutheran Church Foundation
Annual Meeting
January 26, 2025

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes from prior Annual Meeting
4. 2024 Grant Awards and Contributions
5. Growth of Foundation and Financial Statements
6. Nominations for new board members
7. Adjournment

OSLCF Board of Directors- 2024

Dennis Hanneman (2020-22) (2023-25) Chair	Jaysen Stevenson (2021-23) (2024-26) Treas.
Betsy Sittig (2022-24)	Debby Olson (2023-25)
Curt Olson (2022-24) VP	Dean Mertz (2019-21) (2022-24) Sec
Dean Buckneberg (2023-25)	Chris Fischer (2023-25)
Brian Sittig (2024-26)	

Members serve a three-year renewable term, limited to 2 consecutive terms. Terms begin following the annual meeting.

**Previous Meeting Minutes
Annual Meeting of the OSLCF
January 28, 2024**

1. Dennis Hanneman, Board Chair, called the annual meeting of Our Savior's Lutheran Church Foundation (OSLCF) to order following the adjournment of the congregational annual meeting. Copies of the OSLCF 2023 Annual Report to the Congregation were distributed to attendees.
2. The agenda on page 3 of the report was approved as were the minutes from the annual meeting held January 29, 2023.
3. Dennis highlighted and summarized the grants made for 2023, as shown on page 5, totaling \$142,600. These funds will be disbursed as the work is completed in 2024.
4. The OSLCF portfolio value as of December 31, 2023 was \$3,463,241. The investment return was +15.78% (net) and the total earnings (income plus capital appreciation) were \$486,722. Interest rates appeared to have stabilized at attractive levels. Fixed income holdings should provide positive earnings and the diversification benefits they traditionally have provided. Additional information was shared on page 6 in the Report from Lauer Capital Management Ltd.
5. Paceline Accounting Group provided the Information on pages 8-9 of the report. The graph on page 7 is a tremendous summary on the growth of the Foundation since inception in 1978 to present. Dennis shared that this is a wonderful story and the success of the Foundation through the past 4 plus decades.
6. Dennis introduced and thanked the current Board Members: Jaysen Stevenson, Betsy Sittig, Debby Olson, Curt Olson, Dean Buckneberg, Chris Fischer and Dean Mertz for their service on the Board over the past year. Dennis encouraged anyone who would like to serve on the Foundation Board to please let him know as there is still one remaining opening on the board. Board opening(s) are filled in accordance with the board's governance structure.
7. Dennis referenced Interim Senior Pastor Paul N. Svingen's Pastoral Letter as found on page 1. We are blessed as a church to have a Foundation that supplements and supports the overall ministry and programs of Our Savior's Lutheran Church.
8. The meeting was adjourned.

Respectfully submitted,

Dean Mertz

OSLCF Secretary

Our Savior's Lutheran Church Foundation 2024 Grant Awards and Contributions

Grant Awards

Grants totaling \$147,000 were approved for 2024. Certain grants totaling \$36,600 were expensed in 2024, but will be disbursed in 2025. The following areas of ministry were addressed with the grants:

- ELCA Missionary support- \$10,000
- Lutheran World Relief - \$10,000
- Nursing Expansion - \$26,600
- Resurface Parking Lots- \$59,230
- Repair Garage in West Parking Lot- \$17,693
- Woodshop Ministry - \$2,788
- Reusable Bags for Congregation- \$1,500
- New Keyboard for Celebrate Center- \$5,000
- Elevator Repair- \$6,336
- Youth Ministry Scholarships- \$5,000
- Sound System Celebrate Center- \$2,253 Plus \$20,000 in 2025
- Easter TV Broadcast- \$600

Funds within the Foundation

The Foundation supports the mission of our church in many ways. Several categories of funds are maintained within the Foundation. Funds can be used in a manner consistent with the purpose of the fund or intent of the donors in some cases. We welcome requests from anyone for grant consideration. Following is a list of funds and balances as of 12/31/23:

- General Endowment- \$1,577,012
- Building Maintenance- \$293,770
- Choir- \$147,905
- Parish Nursing- \$71,595
- Senior Ministry- \$519,658
- Youth- \$22,128
- Foreign Mission- \$225,890
- Missionary Support- \$247,757
- Media Ministry- \$126,842
- Music/Arts for Kids- \$120,985

Contributions Received

During 2024, the Foundation received contributions totaling \$35,819. This is a significant increase from the prior year. Foundation gifts can vary significantly from year to year. Your gifts are greatly appreciated and will help support ministry at Our Savior's for many years to come. We are blessed by the generosity of so many people.. Thank you for your support.

REPORT FROM LAUER CAPITAL MANAGEMENT LTD

Asset Allocation & Portfolio Characteristics

The Our Savior's Lutheran Church Foundation portfolio value as of December 31, 2024, was \$3,746,631. The 2024 investment return was +14.61% (net) and the total earnings (income plus capital appreciation) were \$507,135.

As of the end of December, the Foundation's asset allocation was 63% in domestic and international equities, 29% in fixed income, 2% in preferred stock, and 6% cash. Within the equity allocation, 94% is allocated to domestic equities and 6% to international equities. In 2024, the Foundation's overall equity return (domestic and international) was 21.72%. The domestic equity allocation returned 22.88% and the international allocation returned 6.32%. Over that same period, the S&P 500 index returned 25.02% and the aggregate US stock market (inclusive of small and mid-sized stocks) returned 23.77%. The international equity market (FTSE Global ex US index) returned 5.48% in 2023. As in 2023, dividend-orientated equities lagged the broad market in 2024. Equity market returns in 2024 continued to be led by a handful of large-cap technology orientated stocks. The Foundation's equity allocation is comprised of low-cost, diversified index funds with a modest tilt towards higher dividend income equities. Equity indexing is an efficient investment strategy and is the primary approach used in the Foundation's portfolio.

The Foundation's fixed income allocation earned 3.95% compared with 1.25% for the aggregate US investment grade bond market (Bloomberg Barclays US Aggregate Bond index). Interest rates, as measured by the 10-year US Treasury, ended the year at 4.60%, above its starting yield of 3.88%. Rising interest rates reduces the current value of bonds, which was the factor for subdued total returns in the bond market. The shorter average maturity of the Foundation's bond allocation helped it weather the rising interest rate environment.

2024 was considered by many to be the year where fixed income investments would provide meaningful gains on a total return basis. That scenario was delayed, as yields moved higher in 2024. Despite the low return of the bond market in 2024, the US investment grade bond market currently offers an attractive yield of approximately 5%. Bonds have a role to play and look attractive relative to the low yields of the 2008 to 2022. We continue to extend the maturity of the Foundation's bond portfolio to lock in these higher rates.

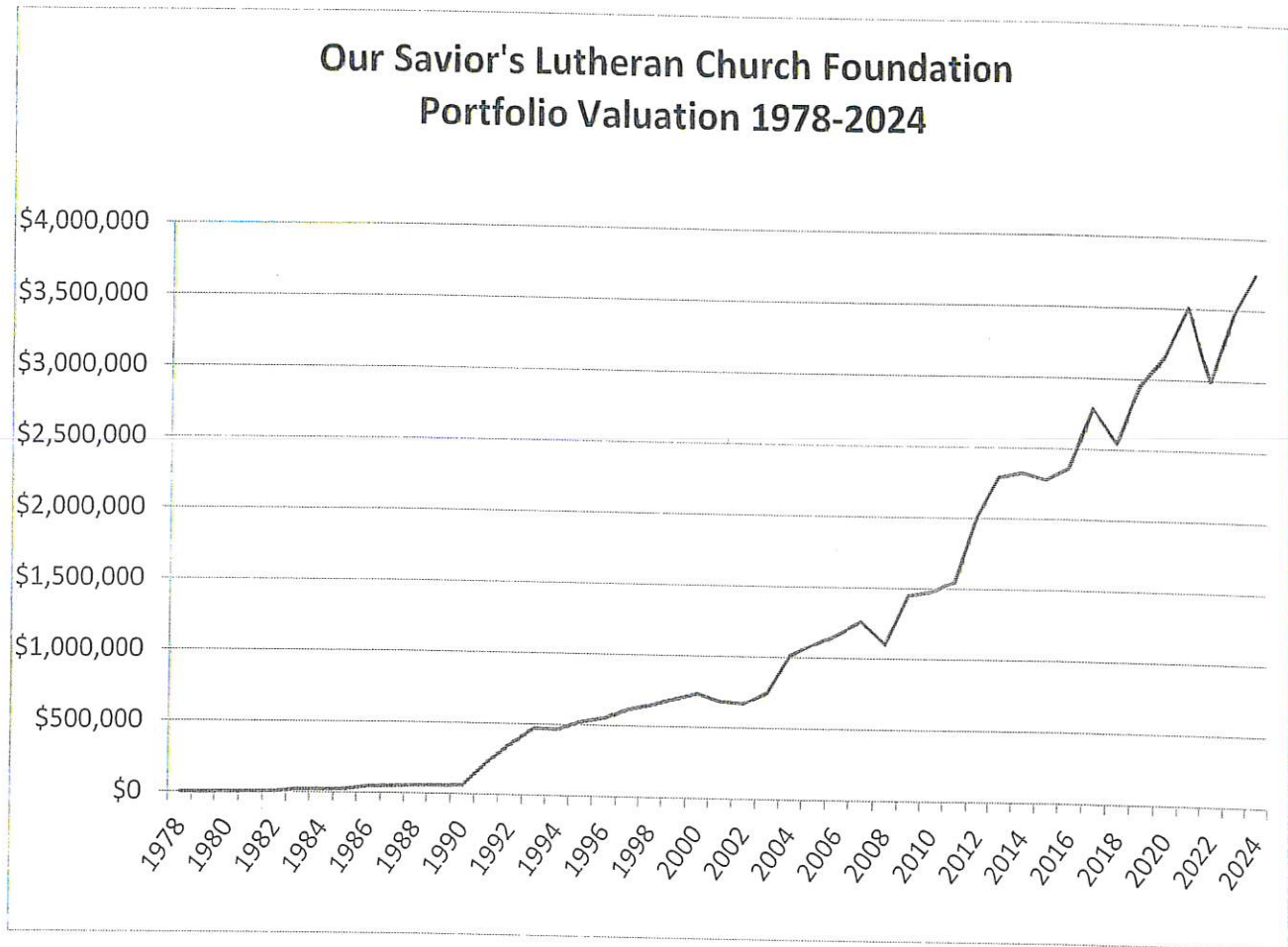
Equity markets are, by many metrics such as price-to-earnings and price-to-book ratios, expensive versus historical averages. Relative to the bond market, stocks also trade at rich valuations. While the underlying fundamentals such as corporate earnings and balance sheets remain healthy,

prospective equity returns may be modest over the coming quarters as companies grow into their full market valuation multiples.

We appreciate the opportunity to be of service to Our Savior's Lutheran Church in investing these important assets and wish all the best for 2025.

Growth of the OSLC Foundation 1978-2024

Value as of 12/31/24- \$3,746,631



OUR SAVIOR'S LUTHERAN CHURCH FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

ASSETS

	<u>2023</u>
ASSETS	
Cash in checking	\$ 1,127
Investment portfolio	
Accrued interest & dividends	6,631
Cash and cash equivalents	18,883
Equities	3,158,314
Fixed Income	<u>286,044</u>
Total investment portfolio	<u>3,469,872</u>
TOTAL ASSETS	\$ <u>3,470,999</u>

LIABILITIES AND NET ASSETS

LIABILITIES	\$ 137,457
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NET ASSETS

Without Donor Restrictions	2,610,833
With Donor Restrictions	<u>722,709</u>
Total net assets	<u>3,333,542</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>3,470,999</u>

See Accountant's Compilation Report

OUR SAVIOR'S LUTHERAN CHURCH FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions - allocation	\$ 10,628	\$ -	\$ 10,628
Investment interest and dividend income	55,595	14,596	70,191
(Loss) on Investments	320,431	84,123	404,554
Net assets released	25,600	(25,600)	-
Total support and revenue	<u>412,254</u>	<u>73,119</u>	<u>485,373</u>
Expenses			
Program services	142,000	-	142,000
General and administrative	6,983	-	6,983
Fundraising	600	-	600
Total expenses	<u>149,583</u>	<u>-</u>	<u>149,583</u>
Change in fund balance	262,671	73,119	335,790
Prior period adjustment	(500)	-	(500)
Net assets beginning of period	<u>2,348,662</u>	<u>649,590</u>	<u>2,998,252</u>
Net assets end of period	<u>\$ 2,610,833</u>	<u>\$ 722,709</u>	<u>\$ 3,333,542</u>

See Accountant's Compilation Report