



A world filled with God's
grace and love.

Jesus came to help us imagine and co-create
a better, more loving world.

**Incarnation Lutheran Church
Congregation Informational Meeting
February 22, 2026**



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Agenda

1. **Opening Prayer**
2. Leadership Reports:
 - i. Message from Pastor Kai
 - ii. Council Priorities in 2026
3. Treasurer's Report
 - i. 2025 Financial Review
 - ii. 2026 Budget Proposal
 - iii. 2026 Building for Our Future Capital Projects
4. Staff Recognition for Years of Service Milestones in 2026
5. Closing Prayer

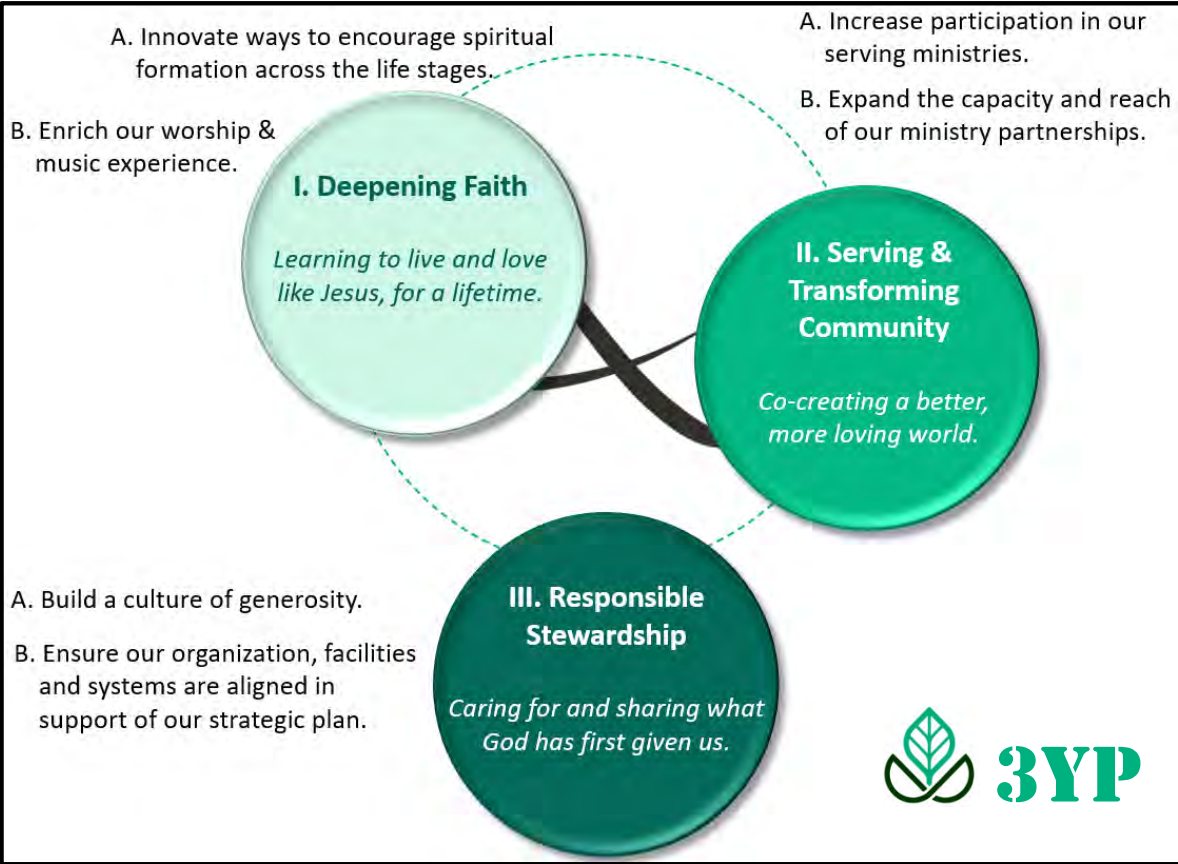
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Leadership Report



Message from Senior Pastor Kai Nilsen



2026 Council Priorities

1. Complete the Three-Year Plan (3YP) capital projects scheduled for 2026.
2. Initiate the next 3-year plan for ministries and facility.
3. Support the transition of the preschool to Incarnation Discovery Center.
4. Continue engaging with the congregation, staff, and committee members to share progress.



Methods of Council Communication

- Quarterly congregation discussion forums.
- Council member presence and congregation interaction every Sunday at the Welcome Kiosk.
- Lifetimes articles.
- Response to Congregation feedback, including email to council@incarnationmn.org.



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2025 Statement of Financial Position

ASSETS

Current Assets

Cash & Cash Equivalents	1,028,532
Fidelity CD Fund and Brokerage Accts	390,720

TOTAL CURRENT ASSETS 1,419,252

Long Term Assets:

Endowment	884,241
ELCA Mission Fund- Cemetery	4,986

TOTAL LONG-TERM ASSETS 889,227

TOTAL ASSETS \$ 2,308,479

LIABILITIES

Current Liabilities:

Accts Payable & Accrued Liabilities	9,640
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NET ASSETS

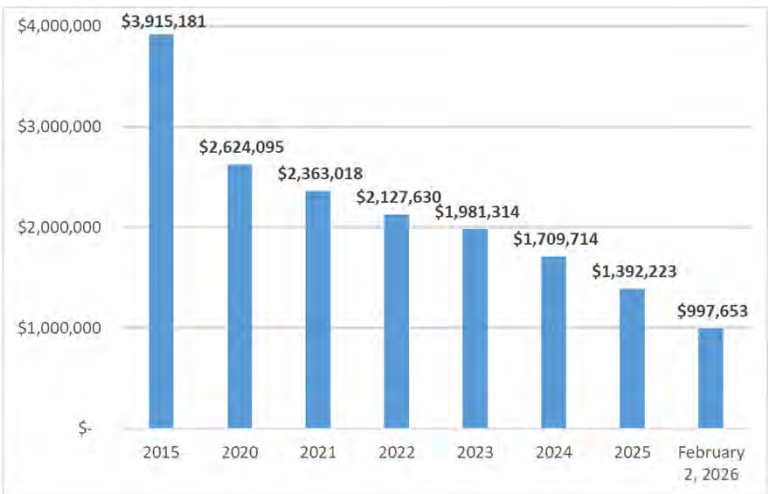
Unrestricted	86,522
Temporarily Restricted	1,363,820
Permanently Restricted	848,449

TOTAL NET ASSETS 2,298,791

TOTAL LIABILITIES & NET ASSETS \$2,308,431*

* A \$48 difference between assets and liabilities resulted from a preschool transaction error that also impacted the operating budget.

Mortgage Reduction



Thank you for your generous financial support!

- ✓ Continued commitment to mortgage reduction
- ✓ Early BFOF giving supported 2025 capital projects
- ✓ Consistent ministry partner support
- ✓ Expansion of ministry programming, thanks to all of you!



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2025 Year End Financials

REVENUE PLAN

	2025 Budget	2025 Actuals
General Giving	2,177,540	2,174,045
Mortgage & Deferred Maintenance Giving	321,000	307,354
BFOF Giving - Programming & Ministry Partners	134,166	114,137
Other Income	70,950	200,491

TOTAL

2,703,656 2,796,427

SPEND PLAN

Ministry	210,183	175,469
Ministry Partners	137,400	132,449
Administration	261,727	293,870
Facilities	136,060	137,217
Mortgage & Deferred Maintenance	298,100	284,850
Salaries & Benefits	1,657,989	1,670,999

TOTAL

2,701,459 2,694,848

- To improve efficiency and clarity, the Operating and Mortgage budgets have been consolidated.
- Mortgage and deferred maintenance financials are separate budget line items; dedicated giving is very much appreciated.



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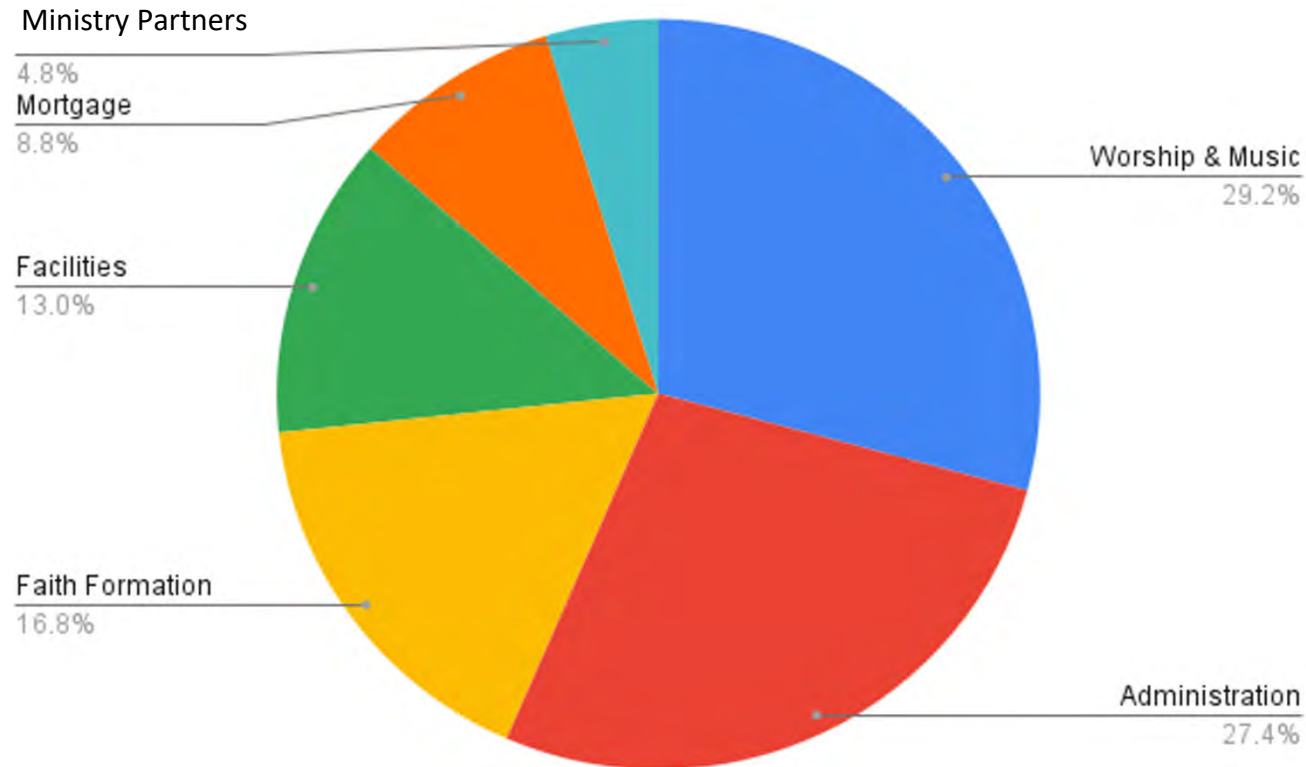
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2026 Budget Proposal

REVENUE PLAN	2026 PROPOSAL	
	2025 Actuals	(Budget)
General Giving	2,174,045	2,356,608
Mortgage & Deferred Maintenance Giving	307,354	294,200
BFOF Giving - Programming & Ministry Partners	114,137	102,000
Other Income	200,491	93,775
TOTAL	2,796,427	2,846,583
SPEND PLAN		
Ministry	175,469	264,510
Ministry Partners	132,449	123,300
Administration	293,870	283,918
Facilities	137,217	167,680
Mortgage & Deferred Maintenance	284,850	248,100
Salaries & Benefits	1,670,999	1,759,075
TOTAL	2,694,848	2,846,583

- To improve efficiency and clarity, the Operating and Mortgage budgets have been consolidated.
- Mortgage and deferred maintenance financials are separate budget line items; dedicated giving is very much appreciated.
- 2026 projections are based on 2025 General Giving trends with an 8.4% aspirational increase.

2026 Operating Budget



Total Budget: \$2,846,583

With your generosity **we've made a difference in ways that go beyond the budget:**

- ✓ FMSC – over 600,000 meals packed
- ✓ Ralph Reeder Food Shelf donations
- ✓ Red Cross Blood Donations
- ✓ Solid Ground Winter Coat Drive
- ✓ LifeHaven Holiday Gifts
- ✓ Preschool Fundraisers



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Building for Our Future Priorities

III. Responsible Stewardship

*Caring for and sharing what
God has first given us.*

Goals:

Build a culture of generosity

Ensure our organization, facilities and systems are aligned in support of our strategic plan

2025 Completions

- Area A (flat roof) repair.
- HVAC priority 1 Controls installed and priority 1 Rooftop Unit Design completed.
- Additional programming and staff support for Young Adult and Senior Ministry
 - Dedicated funding for Ministry Partners
 - Solar array activated



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Goals:

Build a culture of generosity

Ensure our organization, facilities and systems are aligned in support of our strategic plan

2026 Priorities

- **HVAC:** new rooftop units. Work estimated to start in the spring of 2026.
- **Parking lot area 1** (Large parking area on south side of the building) **and Parking lot area 2** (Entrance and exit areas of lot on west side of building) – waiting on bids.
- **Sanctuary update:** lighting design in progress. Work estimated to complete in fall of 2026.
- **Organ Repair:** wait listed.
- **Handbell Refurbishment:** Completion by September 2026.
- Continued **focus on young adult and senior ministries.**
- Continue **dedicated funding of Ministry Partners.**

Building for Our Future Priorities

As of January 15, 2026

Projects 2024	Cost		Projects 2025	Cost		Projects 2026	Anticipated Cost
Office Windows	70,000	✓	Roof	1,202,981	✓	HVAC-materials and install	575,000
Ministry Partners	42,000	✓	HVAC down payment	25,000	✓	Sanctuary update	100,000
Solar Panels	75,000	✓	Solar Install	291,000	✓	Parking area #1 and #2	100,000
			Ministry Partners	42,000	✓	Organ Repair Handbells	30,000 16,000
			Senior Ministry (.5 year)	20,000	✓	Ministry Partners	42,000
			Young Adult (.5 year)	15,000	✓	Senior Ministry leader	40,000
						Young adult leader	20,000
Total	187,000			1,595,981			923,000
Total				1,782,981			2,705,981

Total Contributions to BFOF (through 1/15/2026): \$2,559,188

Total Commitments to BFOF through 2026: \$2,912,194

We are very grateful to **Rick Gravley**, our Facility Manager, **and the facilities team** for their diligent work overseeing the completion of the projects in 2024 and 2025. Thus far, every significant facility project has come in at or below anticipated cost.

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Staff Anniversaries

Ten Years	
Jennifer Ballman	Formation Leader for Children's Ministry, Nursery Coordinator
Rachel Holder-Hennig	Band Member for Contemporary Worship

Five Years	
Charlie Crist	Audio/Visual Tech
Trygve Eggen	Audio/Visual Tech
Jolene Erickson	Lead Preschool Teacher
Andy Glischinski	Audio/Visual Tech
Jack Olson	Audio/Visual Tech

We appreciate all that you do for our community!

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Thank you for participating today.

Next Congregation Update:

Please join us for the next Council Communication Forum
Sunday, May 17, 2026