



Incarnation Lutheran Church 2020 Annual Report



From the Senior Pastor

Last fall, I trained for and completed a half marathon distance for the first time in my life. I'm not a runner. I don't particularly like it. But, what else was there to do during the shutdown?

My chosen course for the half marathon was to do two loops (plus a little more) around both Lake Bde Maka Ska and Lake of the Isles. At first it went surprisingly well and a sustainable pace, adequate hydration and a gorgeous day created a false confidence that achieving this once in a lifetime goal was going to be a piece of cake. Until it wasn't!

Around mile 10, I turned for my last loop around Lake of the Isles. The gradual incline connecting the two lakes felt mountainous. My legs felt like someone was slowly pouring concrete in them and with each step the concrete gradually hardened. My knees would randomly buckle, if ever so slightly, having never known what a mile 10 or 11 or more felt like.

And then the mind games began—a dueling conversation vacillating between mocking and motivating, chiding and cheering on. In one ear, "Come on, Kai! You are 57. Who are you trying to impress?" "Just walk it out. No one will know." In the other, I'd hear the voices of my kids cheering me on as my wife held out her phone with each loop I ran. "You've got this!" "Do something you've never done!"

And, I did.

Oh, it hurt in ways I had never experienced in my body.

And, it was gratifying in ways I could never have imagined.

Does it feel like we are on mile 10 of the pandemic in our culture, our community, our church without walls? We get glimpses of the goal as the vaccine begins to be administered, but it's hard to imagine getting there. Each step feels harder because the isolation deepens our disconnection, the anxiety paralyzes our action and the uncertainty unleashes our fears—for ourselves, for our loved ones, for our community, for our country.

And the dueling cultural conversations . . . Oh, Lord, the dueling conversations! Mask—no mask! It's no big deal—more than 400,000 have died! Open up for the economy—keep closed for our safety!

So, at mile 10, let me say this to you, "We've got this!" "Let's do something we've never done!"

I say that because I sense it in you. I say that because I trust it in our God.

Thank you for your generosity and your ability to adapt even as we have been physically apart for more than nine months. You adjusted much of your giving to online and quickly shifted your gatherings to Zoom allowing us to provide ministry to our "church without walls" and, at the same time, fully fund our Outreach Ministry Partners who are doing frontline work for the

escalating needs present in our local community.

"We've got this!"

As we turn the corner on a new year (mile 10, 11, 12, etc...), We will continue to adapt to the new realities and prepare for a new time when we can come together again.

A few weeks ago, we celebrated the ending of ministry at Incarnation for Pastor Jeanne Hartfield. What a season. What a gift she was to so many over the course of a generation. As we move forward, we won't be filling her position with another full-time pastor. We are in the process of reshaping the roles of some of our primary pastoral and ministry leaders, and then adding a .5 time leader for Care and Connections to both fill the gaps in ministry and also look forward to new ways of engaging our community in faith formation.

At our annual meeting in February of 2020, we launched four pathways. In March, the shut down happened. Though we had to make many adjustments along the way, we are still heading down these four pathways:

Anchor Church: Finding a collaborative partner to extend our ministry beyond Hodgson Road.

- At the end of last year, the synod invited us into a conversation with Lutheran Church of the Redeemer on Dale Street and Hwy 94. The community is both socioeconomically and ethnically diverse.
- We had our first meeting with leaders in January. We ask that you pray for an openness to where those conversations may lead.

Re-Shaping Student Ministry

- Last fall, we hired Interserve, a student ministry consulting group, to both lead the high school ministry after Kristin Bloxham left and to lead a task force in shaping the next iteration of student ministry.
- It is apparent that connections with families, mentors and new leadership opportunities for students in our community will be significant areas of focus.

Developing a Servant Culture

- We adjusted Becky Benson's job description to focus on our outreach servant ministries and our ministry of volunteer engagement.



- More than 150 people made a new commitment to serve through our "I'm In" Campaign this fall. As we open up, those opportunities will also open up.

Technology for the 21st Century

- This one was planned, then forced upon us with the pandemic.
- We hired a 2/3 time Media Arts Director this summer.
- The position is already expanding to full-time this year.

This fall we also launched a Racial Justice Task Force. We look forward to how their work will be integrated into the ongoing life of our church without walls.

Progress. Halting progress at times. Stumbling progress (like my mile 10 and beyond) at times. But, we moved forward.

Knowing what I went through on mile 10-13, I know the journey forward will not always be easy. But, with all the other voices out there competing for our attention, let's let the voice of Jesus be our guide and inspiration.

In this world you have tribulation, but be of good cheer, I (and by extension, we) are overcoming the world.

Love one another as I have first loved you. By this, everyone will know you are my disciples.

We've got this! Let's do something we've never done!

Peace,
Kai



**Incarnation Lutheran Church
Annual Congregational Meeting
February 7, 2021
AGENDA**

1. Call to Order
2. Adoption of the Agenda
3. Opening Prayer
4. Review and Adoption of Minutes for 2020 Congregational Meetings
5. Staff Recognition for Years of Service as of 2020
6. Words from Senior Pastor Kai Nilsen
7. Treasurer's Report
 - a. 2020 Financial Review
 - b. 2021 Budget Proposals
 - i. Review and Adoption of 2021 Operating Budget
 - ii. Review and Adoption of 2021 Mortgage Management Budget
8. Closing Prayer
9. Adjourn

**Incarnation Lutheran Church
Annual Congregation Meeting Minutes
Sunday, February 9, 2020**

Call to Order (Sally Lawless, 2020 Council President) Meeting started at 12:32 p.m. Our constitution requires a Quorum of 5% of voting members to hold a congregational meeting, which was 155 members. At the call to order, there were not enough members present to represent a Quorum. After waiting for approximately 20 minutes, it was proposed that we hold the meeting with 142 members. - MSC

1. Adoption of the Agenda (Sally Lawless, 2020 Council President) Agenda was unanimously adopted - MSC
2. Opening Prayer by Pastor Joel Vander Wal
3. Hymn of Praise: *Praise to the Lord*, LBW 543

4. Review and Adoption of Minutes for (3) 2019 Congregational Meetings

- Reference appended 2019 Annual Report for recorded minutes Motion to approve minutes - MSC

5. Staff Recognition for Years of Service as of 2019
 - Denise Floe, Director of Small Group Ministry: 25 years
 - Barb Stockton, Assistant Preschool Teacher/Nursery: 20 years
 - Julie Durbin, Receptionist/Secretary/Worship/CYF: 19 years
 - Greta Grosch, Band Member for Cont. Worship: 18 years
 - Rebecca Benson, Director of Serve and Inviting Ministries: 18 years
 - Lisa Setter, Lead Preschool Teacher: 17 years
 - Jeanne Hartfield, Pastor for Adult Form & Pastoral Care: 17 years
 - David Ellison, Director of Worship & Music: 15 years
 - Cynthia Ellison, Choir Director of Good News Singers: 15 years
 - Cheryl Harding, Assistant Preschool Teacher: 14 years
 - Denise Haechrel, Assistant Preschool Teacher: 13 years
 - Erin Thorstad, Director of Communications: 12 years
 - Catherine Smith, Lead Preschool Teacher: 12 years
 - Vicki Sommerfeldt, Choir Director of Joyful Noise: 12 years
 - John St. Martin, Custodian: 12 years
 - Rick Gravley, Facilities Manager: 11 years

- Gregory Dorr, Custodian: 11 years
- Ryan Butler, Band Member for Cont. Worship: 11 years
- Kristin Bloxham, Dir of HS and YA Ministries: 11 years
- Sean Turner, Coord of Contemporary Worship & Music: 11 years
- Jacy Smith, Band Member for Cont. Worship: 10 years
- Rebecca Christiansen, Director of Children's Ministries: 8 years

- Carol Wahlstrand, SPARK Worship Leader: 5 years
- Stefanie Straka, Coord of Nursery & Children's Ministries: 5 years
- Richard Omland. Visitation Pastor: 5 years



- Joe Richardson, Band Member for Cont. Worship: 5 years
- Karen Dullum, Food Coordinator: 5 years
- Nate Bergengren, Leader of CYF Music: 5 years
- Marilee Giere, Food Coordinator: 5 years

6. 2019–A Brief Look Back (video slideshow of highlights & memories)

7. Preserving the Core and Stimulating Progress (Senior Pastor Kai Nilsen)

- a. Observations of Core
- b. Pathways for 2020

- i. Anchor Church
- ii. Technology
- iii. Multigenerational Worship
- iv. Servant Culture

8. 2019 Treasurer's Report (Roger Schlichting, 2020 Council Treasurer)

- a. Reference Statement of Financial Position (pages 1-2) in Financial Report

9. Review and Adoption of 2020 Operating Budget (Roger Schlichting, 2020 Council Treasurer)

- a. Reference 2020 Proposed Operating Budget (page 3) in Financial Report
- b. Motion to approve the proposed 2020 Operating Budget - MSC

10. Review and Adoption of 2020 Mortgage Management Budget (Roger Schlichting, 2020 Council Treasurer)

- a. Reference 2020 Proposed Mortgage Management Budget (page 4) in Financial Report
- b. Motion to approve the proposed 2020 Mortgage Budget - MSC

11. Constitution Amendments

- a. The churchwide assembly met in 2019 and in coordination with the following amendments, the 2019 Churchwide Assembly authorized the secretary of the Evangelical Lutheran Church in America to:
 - i. strike "synodical" and replace with "synod"
 - ii. strike "the congregation" and replace with "this

congregation" where appropriate

- iii. make editorial changes so that the Model Constitution for Congregations follows the Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America and the Constitution for Synods.

b. A copy with the proposed amendments is available to view at <https://incarnationmn.org/wp-content/uploads/2019/12/Incarnation-Constitution-2020-Proposed.pdf>

c. Motion to adopt constitution amendments - MSC

12. Hymn of Praise - Now Thank

We All Our God, LBW 534

13. Closing Prayer (Pastor Jeanne Hartfield)

14. Adjournment Motion to adjourn - MSC Meeting Adjourned at 1:39 p.m.

Incarnation Lutheran Church Congregation Meeting Minutes Sunday, November 22, 2020

Meeting called to order by Congregation Council President Sally Lawless at 11:36 a.m.

Opening Prayer by Congregation Council Vice President Erin Rowles.

The purpose of the meeting was to elect new members to the Congregation Council, Endowment Fund Committee.

The slate of nominees for the Congregation Council are Denise Fleming, Greta Grosch, and Heather Yost.

The slate of nominees for the Endowment Fund Committee are Vicki Engelen, Tim Skildum, Matt Rowles and Wayne Quehl for three years each and Jim Grubs for one year.

There were no nominations from the floor.

A motion to accept these nominated candidates as elected Congregation Council members, elected Endowment Fund Committee members was made and seconded. The vote of those present via a show of hands and verbal vote was unanimous.

Meeting was adjourned at 11:52 a.m.



Financials

2020 Income & Expense Report

Income	Actual	Annual Budget	Variance
General Income	\$1,896,747	\$2,230,000	\$333,253
Worship & Music	409	4,020	3,611
Children, Youth and Family	3,079	41,577	38,498
Small Group Ministry	465	1,500	1,035
Spiritual Formation	242	120	(122)
Wellness Ministries	2,141	9,848	7,707
Mission Trips	12,836	14,000	1,164
Facilities	2,142	8,000	5,858
Administration	9,452	31,144	21,692
TOTAL INCOME	\$1,927,513	\$2,340,209	\$412,696

Expenses	Actual	Annual Budget	Variance
Ministry Partners	\$134,100	\$134,100	\$0
Salary & Benefits	1,375,804	1,649,781	273,977
Worship & Music	13,270	24,700	11,430
Children, Youth and Family	31,376	84,671	53,295
Small Group Ministry	3,282	10,550	7,268
Engagement & Service	672	3,140	2,468
Spiritual Formation	4,109	9,000	4,891
Pastoral Care	220	2,950	2,730
Wellness Ministry	1,984	10,598	8,614
Generosity	2,950	7,760	4,810
Mission Trips	13,126	16,000	2,874
Facilities	94,541	149,563	55,022
Administration	196,363	234,475	38,112
TOTAL EXPENSES	\$1,871,797	\$2,337,288	\$465,491



Statement of Financial Position December 31, 2020

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$1,030,569
TOTAL	\$1,030,569

Long-term Investments

Endowment Investment fund	\$625,623
Endowment Money Market	54,549
ELCA Mission Investment Fund – Cemetery	243,243
TOTAL	\$923,415

TOTAL ASSETS	\$1,953,984
---------------------	--------------------

LIABILITIES:

Current Liabilities:

Accounts Payable and Accrued Liabilities	\$13,873
--	----------

Long-term Debt

TOTAL LIABILITIES	\$13,873
--------------------------	-----------------

Net Assets:

Unrestricted	\$145,296
--------------	-----------

Temporarily Restricted:

Misc. Temporarily Restricted Funds	597,767
Continuing Education Funds	15,599
Capital Campaign Funds	225,709
TOTAL	\$839,075

Permanently Restricted:

Endowment Fund	\$625,623
Cemetery	330,117

TOTAL Net Assets	\$1,940,111
-------------------------	--------------------

TOTAL LIABILITIES AND NET ASSETS	\$1,953,984
---	--------------------



2018-2020 Capital Campaign Report

Total Pledged for the Campaign	\$924,911
Pledges Paid to Date	858,067
Non-pledges Paid to Date	73,851
Total Received to Date	\$931,918

2020 Capital Campaign Income & Expense Report

	Actual	Annual Budget	Variance
TOTAL CAPITAL CAMPAIGN INCOME	\$402,193	\$400,000	\$(2,193)

Capital Campaign Expense	Actual	Annual Budget	Variance
5600 Mortgage	256,860	342,480	85,620
5601 Deferred Maintenance	50,000	50,000	0.00
5603 Capital Fund Banking Fees	94	0	(94)
TOTAL CAPITAL CAMPAIGN EXPENSES	306,954	392,480	85,526

Mortgage Balance 12/31/20 \$2,617,322

2021 Proposed Mortgage Management Budget

INCOME \$400,000

EXPENSE

Mortgage 342,480

Deferred Maintenance 50,000

TOTAL EXPENSE \$392,480

2021 Proposed Operating Budget

Income

General Income \$1,991,563

Worship & Music 1,120

Children, Youth and Family 39,859

Spiritual Formation 160

Facilities 3,000

Administration 12,464

TOTAL INCOME \$2,048,166

Expenses

Ministry Partners \$134,100

Salary & Benefits 1,486,901

Worship & Music 16,583

Children, Youth and Family 61,560

Small Group Ministry 6,600

Engagement & Service 1,600

Spiritual Formation 7,310

Pastoral Care 850

Generosity 18,000

Facilities 112,124

Administration 200,031

TOTAL EXPENSES \$2,045,659

