



2025 Annual Report

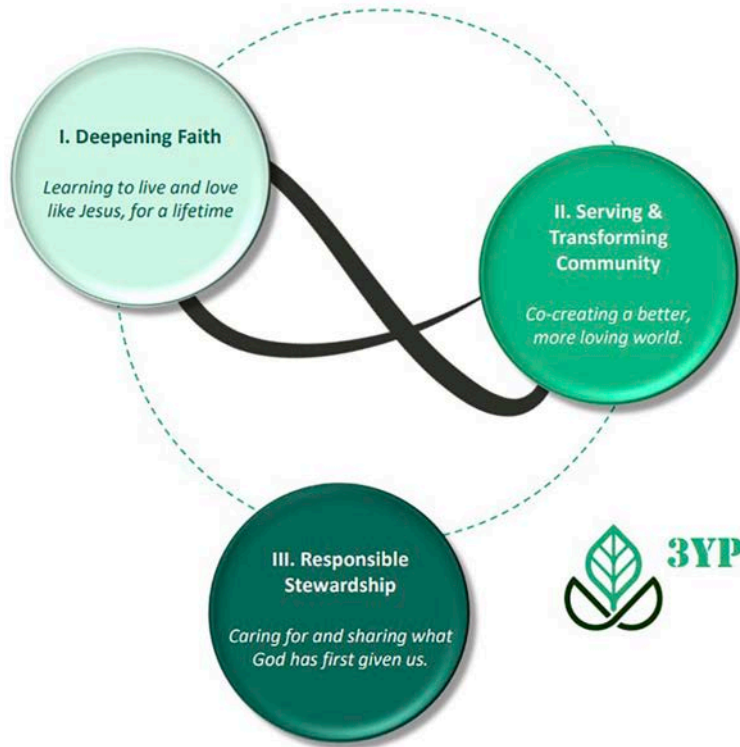


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2026 Annual Meeting

The Three-Year Plan



Agenda for the Annual Congregational Meeting February 22, 2026

1. Call to Order
2. Adoption of the Agenda
3. Opening Prayer
4. Review & Adoption of Minutes for the 2025 Congregational Meeting
5. Leadership Reports:
 - a. Message from Pastor Kai
 - b. Council Updates: 2025 Priorities Achieved
6. Treasurer's Report
 - a. 2025 Financial Review
7. 2026 Budget Proposals
 - a. Review & Adoption of 2026 Budget
 - b. 2026 Building for Our Future Capital Projects
8. Staff Recognition for Years of Service Milestones in 2026
9. New Business/Questions
10. Closing Prayer
11. Adjourn

Message from the Pastors



Pastor Kai Nilsen



Pastor Joy McDonald Coltvet

In 2023, we created the framework for our three-year plan, ***Building for Our Future (BFOF)***, built on the three strategic pillars shown on page 3. In the spring and summer of 2024, we began the pre-appeal conversations to ascertain the level of support we might expect. In the fall of 2024, we publicly launched ***BFOF***, receiving over \$2.9 million in commitments through 2026.

Last year, 2025, we got to work! By the end of the year we had hired two new staff people to strategically focus on seniors and young adults, finished the windows in the office area, completed the roof replacement on the leakiest part of the roof, built out a solar field, completed the bidding process for the HVAC work to be completed in 2026, and supported our ministry partners for their ministry outside our walls.

Given the prudent oversight of our facilities team, we anticipate the total cost of our ***BFOF*** initiatives will be \$2,705,981 through 2026. As of 01/15/26, we have received \$2,559,188.

Thank you for your vision and faithfulness.

Included under each pillar is the interaction of each with ***Building for Our Future***.

1. Deepening Faith

- In July 2025, Patty Nilsen was hired as a half-time senior ministry leader to serve 800 active members over 65 years old. Her goals are to provide connection, conversation, and care. In addition to thriving ministries already in place, she has offered a grief support group and a caregiver support group.
- In 2025, we also expanded the hours of Mike Sell to engage in a discovery phase around the faith formation of young adults in and beyond Incarnation. We formed a new Young Adults Small Group and are scheduling a variety of opportunities for young adults in 2026.
- In 2025, Jim Meinen chaired a Preschool Task Force to discern the path forward for Incarnation Preschool. The team recommended, and the Church Council voted to partner with Lakes Area Discovery Center to launch ***Incarnation Discovery Center*** in 2026. We are creating a sustainable model that invites the community in to experience our hospitality and faith, while empowering inquisitive minds to soar out into the world.

2. Serving and Transforming Community

- We committed to keep our ministry partners fully funded with the BFOF fund through 2026.
- See page 7, for our Ministry Outside the Walls impact.

Message from the Pastors *continued*

3. Responsible Stewardship

- We built a solar field on our property as a way to care for God's creation.
- In our work to build a more efficient financial process, we transitioned our financial operating system to QuickBooks at the beginning of 2026.
- We are growing our giving to the operating budget so that we can sustainably support all of our ministries. In 2025, we increased our operating giving by 7.6% while also giving over \$1,000,000 to BFOF.

God is up to something at ILC. We are so grateful for the active leadership of staff and council. We can't express our thanks enough for you, the good people of Incarnation. We look forward to co-creating a better, more loving world in 2026.

Peace,
Pastor Kai and Pastor Joy

From the Congregation Council



Ted Trahan
Council President 2026

"Our 2025 accomplishments started right here with your affirmation of the Three-Year Plan priorities and 2025 budget approvals. This is the beginning of our 2505 success."

As we reflect on 2025, we celebrate a year of growth and faithful commitment to our shared mission. Guided by our Three-Year Plan, we advanced priorities that deepen faith, serve and transform our community, and steward our resources responsibly. **Your prayers, participation, and generosity made these accomplishments possible.**

This past year, we completed significant facility improvements through the *Building for Our Future* campaign. The Phase I roof replacement and installation of a solar array marked significant steps toward sustainability and long-term stewardship. We also enhanced accessibility and security throughout our facility, ensuring that our spaces remain welcoming and safe for all.

Another strategic priority for 2025 was to develop a plan to expand the use of our facility. This work included assessing how space is used today, updating policies and materials for weddings, funerals, and other events, and creating clearer guidelines for community engagement. These efforts ensure that our spaces serve both ministry and community needs, advancing our vision of Incarnation as a welcoming and sought-after place for our families and communities.

The *Building for Our Future* campaign enabled us to invest directly in Young Adult and Senior Ministries, providing the dedicated staff support necessary to expand

From the Congregation Council *continued*

these programs. After significant focus on developing our Preschool Ministry growth strategy, we launched a new partnership with Lake Area Discovery Center. Beginning with the 2026–2027 season, the **Incarnation Discovery Center** will provide expanded early childhood, faith-based programming, reinforcing our commitment to lifelong faith formation.

Beyond our strategic priorities, 2025 was filled with vibrant ministry life and community impact. Vacation Bible School (VBS) brought incredible energy to our facility, welcoming **over 250 children and 100 volunteers** for a week of faith, fun, and learning. Our Senior Choir performed at **Carnegie Hall**, a milestone that shows the depth of musical talent within our congregation. In partnership with Feed My Starving Children (FMSC), our community came together for the annual MobilePack™ event, preparing **614,304 meals** with the help of **1,785 volunteers**, making a tangible difference for families around the world. Year-round, we continued to support **Hunger Ministry** partners through initiatives like multiple Ralph Reeder Food Shelf drives, including the recent holiday baking campaign, which collected **2,735 pounds of food!** Whether serving **Families in Transition** locally or engaging in diverse **Global Ministries**, we remain deeply grateful for the partnerships that allow us to live out our vision of being a church without walls. These efforts, along with numerous fellowship gatherings, educational forums, and service projects, reflect the heart of Incarnation, a congregation committed to worship, learning, and serving both locally and globally.

Financially, we maintained strong health through consistent giving and generous contributions to the *Building for Our Future* campaign. Congregational engagement remained a cornerstone of our work, with quarterly Discussion Forums and Lifetimes articles providing transparency and celebrating milestones.

Looking ahead to 2026, we are excited to build our momentum by advancing our 2025 focus areas: maturing new ministries, continuing facility improvements, strengthening the LADC preschool partnership, and realizing the full-year benefits of solar energy powering our facility.

Finally, we extend our heartfelt gratitude to the incredible people who make this work possible. To our dedicated Incarnation staff, numerous committees and action groups, the many volunteers who give their time and talents, and to our congregation families who faithfully support and participate in ministry. Thank you! Your commitment and generosity are the foundation of everything we accomplish together. We look forward to continuing this journey with you in 2026.

Sincerely,
Your Congregation Council
<https://www.incarnationmn.org/about/council/>

Church Outside the Walls

171

Ministry Partner Volunteers

Ralph Reeder, Solid Ground,
LifeHaven, Tanzania, Holy Hammers,
and Hunger Advocacy

\$412,972

Total Donations to

Ministry Partners,
Feed My Starving Children
and the ELCA

400

Block Party Attendance

Churchwide Initiative
Supported by CYF Staff



Feed My Starving Children

\$180,000

RAISED

1,743

VOLUNTEERS

614,304

MEALS PACKED



Church Outside the Walls

Advocacy

Incarnation's Hunger Awareness and Advocacy group continues to lead us as we work together to end hunger—locally, nationally, and globally.

- Our annual “Offering of Letters” in May, through Bread for the World, encouraged participants to contact senators/representatives to continue protecting and strengthening nutrition programs that help children reach their full potential, especially through SNAP (Supplemental Nutrition Assistance Program) and WIC (Women, Infants, and Children) funding. In December, we encouraged support for the ELCA's World Hunger program through Good Gifts.

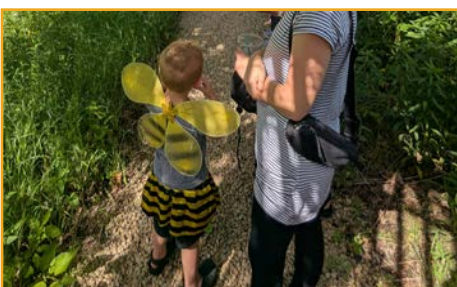
New Ministry: Creation Care

In 2025, Incarnation formed a Care of Creation team with 20+ members. Through our participation in worship and learning for ages, we focused on the gift of God's creation and our responsibility to care for it.

The highlight of our ministry was the implementation of a solar array on our parking lot after three years of study, work with the city, and generous financial gifts from Building for Our Future.

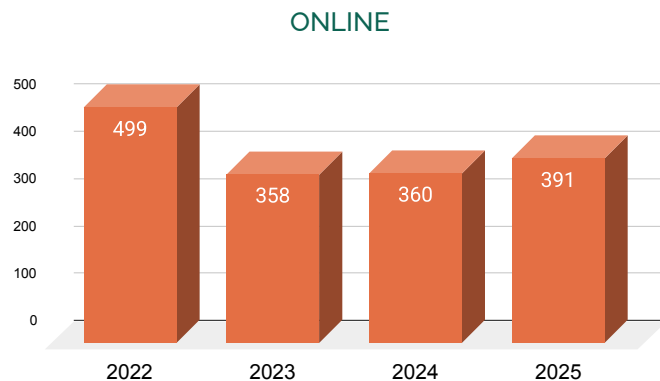
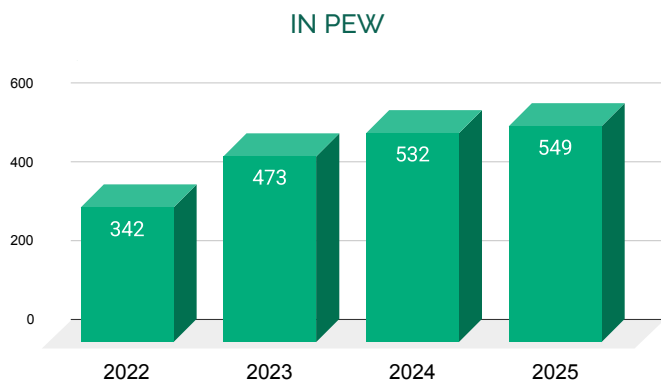
We also:

- Made use of a \$10,000 grant from BizRecycling to improve recycling efforts in our building
- Revitalized a dormant pollinator/labyrinth space into a “Peace Garden”, using grant monies available through VLAWMO (Vadnais Lake Area Water Management Organization)
- Planned the upgrade of several HVAC units to heat pumps scheduled for 2026.



Church Within the Walls

Average Weekly Worship Attendance — in Pew and Online



Small Group Ministry



2025 Statistics

Baptisms:	11
Confirmed:	38
Member Deaths:	23
Transferred/Inactive:	5
New Members:	31
Baptized Membership as of 12-31-2025:	3,597
Baptized Membership as of 12-31-2024:	3,609



Church Within the Walls

31

New Members
Received in 2025



45-65
weekly

Kairos (Adult Education)
(some events drawing
100+ people)



90-110
monthly

PrimeTimers
Entertainment,
Fellowship & Fun



Music Department Annual Report



Sean Turner
Minister of Worship,
Music & the Arts

What a year! The music department experienced tremendous growth and enriching worship experiences in 2025!

Involvement in our ensembles grew significantly this past year! Our ILC Brass ensemble welcomed two new instrumentalists. Our children's choir, under the direction of Kathleen Johnson, grew to 28 participants, and our handbell ensembles increased to 51 ringers! We welcomed 9 new members to the senior choir this year and added twenty-two new anthems to our repertoire. Members of the Senior Choir attended the National Lutheran Choir's annual tune-up, which led to an invitation to sing at Carnegie Hall this past June! Singing at Carnegie Hall was an experience we will never forget!



Amy Maakestad, Director
of Traditional Worship



We had wonderfully impactful worship experiences with Emmy Award-winning actor T. Michael Rambo, renowned vocalists Patty Peterson and Jennifer Grimm, and the New Orleans-style worship of Jack Brass. In addition, we had great fun with the North Metro Ukulele Club and vocal group The Pistachio Singers. The Senior choir had the unique privilege of singing with cantor Inbal Sharett-Singer on a very special Sunday, when we hosted cantor Inbal and Rabbi Marcia Zimmerman from Temple Israel.



Kathleen Johnson, Director
of Joyful Noise Choir



We were blessed to have over 76 adult volunteer musicians participate in worship services this year. We also welcomed 15 musicians from organizations such as

the Minnesota Orchestra and Minnesota Opera to support special services for our community.

In keeping with our outreach mission, we were grateful to host the Glee Club concert for Wingspan — an organization in the Twin Cities that supports developmentally disabled adults. In addition, the music department hosted a December concert featuring Chorus Polaris and Bells of the Lakes as well as the American Guild of Organists Professional Development Day. The music department also provided the musical support for the Bega Kwa Bega Tanzania ministry event held at Incarnation.

In 2025, the Incarnation Music Series experienced exponential growth! We had 1,230 people in attendance, with over 400 first-time guests (up from 826 in 2024).



I am so grateful for the overwhelming support of this community, the value it places on music as a vehicle for spiritual growth, and eagerly anticipate witnessing how the gift of music will impact the lives of our congregation and guests in 2026!



Faith Formation Annual Report

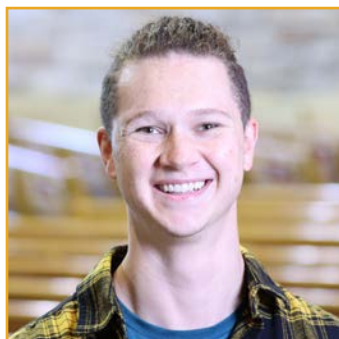
Pastor Joy McDonald Coltvet supervises the Faith Formation team and works together with many members of Incarnation who lead various aspects of Adult Faith Formation, including the Small Groups Leaders Team.



Lydia Holden, Director of Children & Family Ministry



Nate Bergengren, Formation Leader for Teens & Families



Michael Sell, Formation Leader for High School



Patty Nilsen, Senior Ministry Leader

ILC KIDS

Lydia Holden leads this ministry area, and in 2025, *Jenny Ballman* was hired as Formation Leader for Children in addition to her role as Nursery Coordinator.

2025 ILC KIDS IN NUMBERS

- Number of Kids Registered for ILC Kids: 110
- Number of ILC Kids Volunteers: 30
- Number of Kids Registered for VBS: 190
- Number of VBS Youth Volunteers: 75
- Number of VBS Adult Volunteers: 30 (I would love to see this number grow in 2026!)
- Number of students who celebrated their First Communion: 9

2025 ILC KIDS HIGHLIGHTS!

- **Family Funday Sundays:** To give families the opportunity to worship together and help kids know they, too, have a place in worship, we introduced Family Funday Sundays. In the 2025-2026 school year, we had/have six Family Funday Sundays.
- **Interactive Bible Workshop:** In October, we invited 3rd-5th-grade children and their parents to a Bible Workshop, where we learned together how to use scripture in our everyday lives.
- **ILC Kids Sing in Worship:** In 2024, we reintroduced music into ILC Kids. With the help of Nate Bergengren, ILC Kids continues to begin each week with music. This year, the kids had the chance to share some of the music we sing with the rest of the congregation in worship on December 14.



MIDDLE SCHOOL MINISTRY

Nate Bergengren leads this ministry area.

Here are the numbers that tell our story of growth and ministry this past year:

- **Confirmation:**
98 registered in 6-8 grade
- **Small Group Guides in 6-9th grade:**
19 guides
- **Confirmands, Fall 2025:**
38 ninth graders affirmed their Baptism
- **First Thursday:**
Average of 45 – this area of ministry grew from the previous year
- **Middle School Mystery Adventure Trip to Outlaw Ranch, Custer, SD:**
11 youth, 2 adults
- **Summer Stretch**
25
- **Block Party — Churchwide initiative supported by CYF staff**
 - 400 people attending
 - Music provided by the Teddy Holidays and *new this year:* the *Keepers* (a home-grown band of two brothers and one cousin)



HIGH SCHOOL MINISTRY

Mike Sell leads this ministry area.

High School Ministry at Incarnation is continuing to grow:

- Summer Canoe trip: 16 youth and 2 adults to the Apostle Islands through Camp Amnicon
- 38 9th graders introduced to High School Ministry with 15 or so regular attendance
- 25 Seniors (2025 Class) Blessed in person or in spirit at the blessing of the graduates
- High School Youth Group 16-20 weekly attendance
- High School Girls Group (Sundays and Wednesday Nights) Kicked off with service projects, Bible studies, and craft nights. Led by Tina Allie (Average attendance 5-6 and growing!)



YOUNG ADULT MINISTRY

In 2025, we expanded Mike Sell's hours to lead experiments in the Young Adult Ministry.

- New! Young Adults Small Group with 6 participants.
- Relational meetings and scheduling gatherings for 2026 in progress



Wellbeing Wednesday: Creative Painting

SENIOR MINISTRY

One of the pillars of the congregational three-year strategic plan was deepening faith across the lifespan, with a focus on seniors. In July 2025, *Patty Nilsen* was hired as a half-time senior ministry leader to serve:

- >800 active members over 65
- >160 widowed persons

Goals:

- Connection (opportunities for fun and fellowship)
- Conversations (spiritual growth & learning experiences)
- Care (support for health & life transitions)



Esther Circle Summer Luncheon

Actions:

- September 2025: 4-week Grief Support Group
- Monthly Primetimers Lunch & Learn (average attendance 80-100)
- November 2025 — 85 adults attend Kairos forum on senior ministry
- January 2026 — 4-week Caregiver Support Group

ADULT FAITH FORMATION AND SMALL GROUPS

We're grateful to all the teams that plan, encourage, and support adults learning, praying, and growing in faith and action together throughout this community, including Kairos, the Saint John's Action Team, Creation Care Team, Prayer Groups, Men's and Women's Groups, and more.

For many years, Incarnation has had a thriving Small Groups ministry that helps people get to know one another and grow in faith together in a deeper way. In 2025, we had 403 participants and 73 leaders for a total of 476 people who gathered at some point during the year in small groups. A total of 49 small groups either continued in 2025 (ongoing small groups) or existed for a short time for events such as Lent, Advent, or specific books. Twenty (of the 49) new small groups were created in 2025; most of those were seasonal/short-term groups (19), and 1 additional ongoing group was created.

The Small Groups Leaders Team is planning a gathering & lunch for Small Groups Leaders in late February. In partnership with the senior ministry, we are also experimenting with some small groups that meet for care and support, as well as new opportunities for spiritual practice together in 2026.

Statement of Financial Position

ASSETS

Current Assets

Cash & Cash Equivalents	1,028,532
Fidelity CD Fund and Brokerage Accts	<u>390,720</u>
TOTAL CURRENT ASSETS	1,419,252

Long Term Assets:

Endowment	884,241
ELCA Mission Fund- Cemetery	<u>4,986</u>
TOTAL LONG-TERM ASSETS	889,227

TOTAL ASSETS \$2,308,479

LIABILITIES

Current Liabilities:

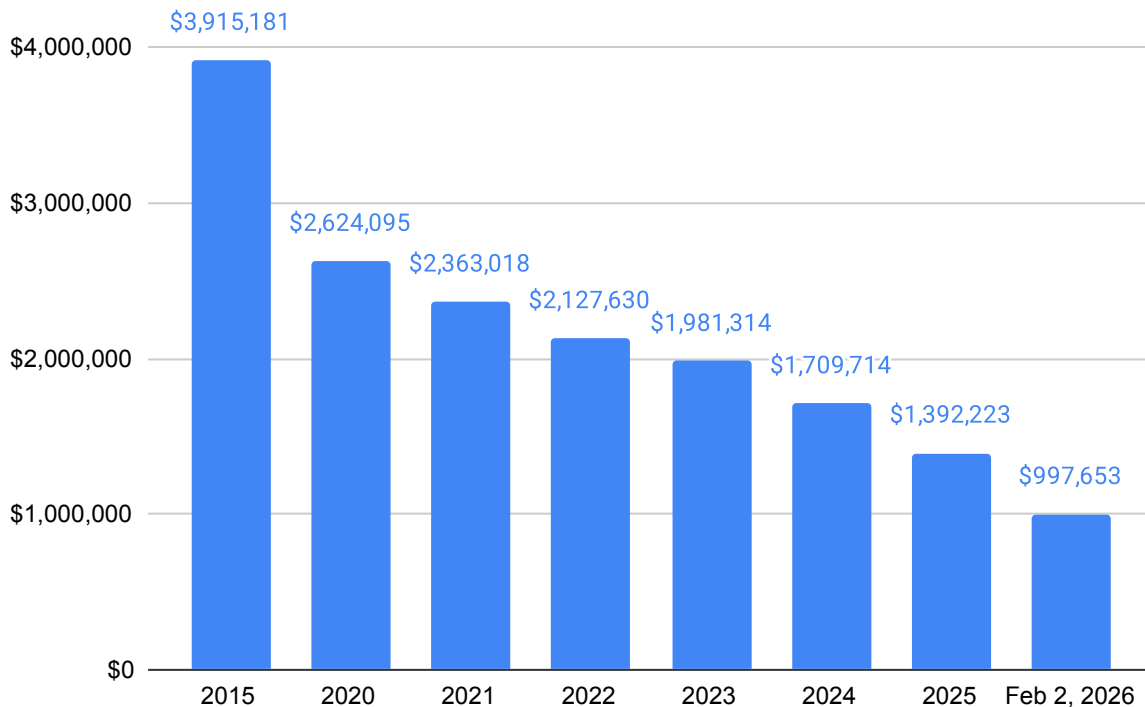
Accts Payable & Accrued Liabilities 9,640

NET ASSETS

Unrestricted	86,522
Temporarily Restricted	1,363,820
Permanently Restricted	<u>848,449</u>
TOTAL NET ASSETS	2,298,791

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

Mortgage Reduction

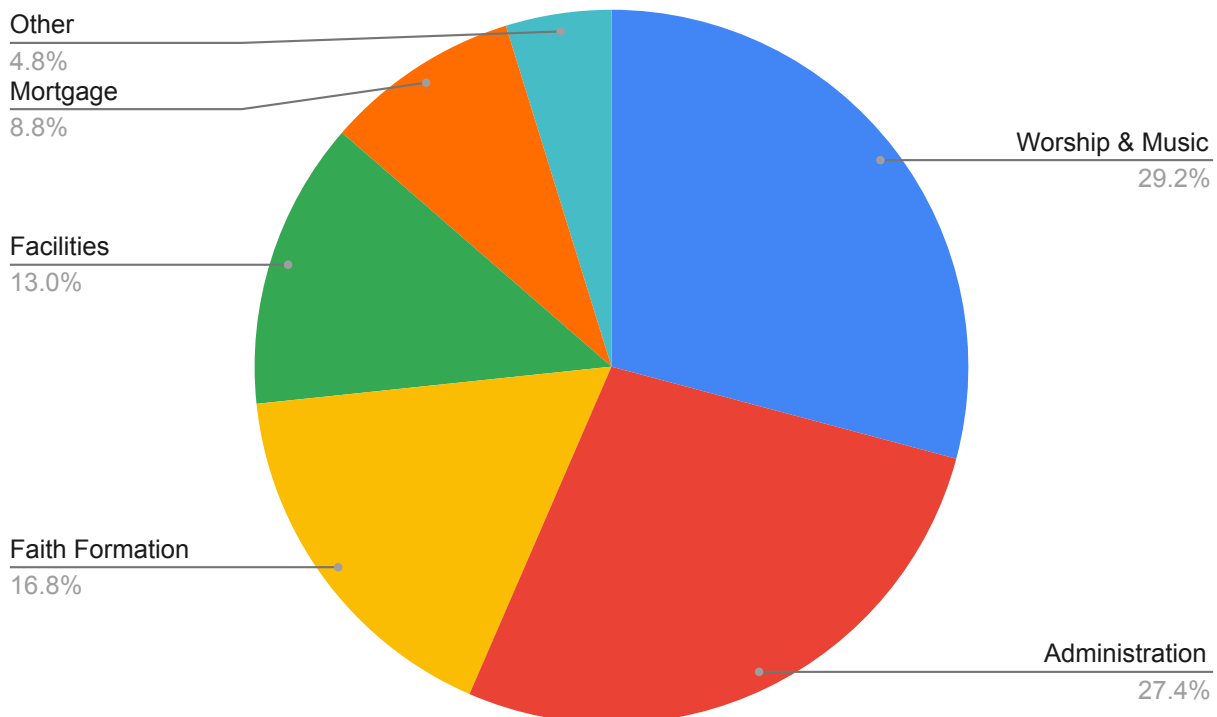


2026 Budget Proposal

REVENUE PLAN	2025 Budget	2025 Actuals	2026 PROPOSAL (Budget)
General Giving	2,177,540	2,174,045	2,356,608
Mortgage & Deferred Maintenance Giving	321,000	307,354	294,200
BFOF Giving - Programming & Ministry Partners	134,166	114,137	102,000
Other Income	70,950	200,491	93,775
TOTAL	2,703,656	2,796,427	2,846,583

SPEND PLAN	2025 Budget	2025 Actuals	2026 PROPOSAL (Budget)
Ministry	210,183	175,469	264,510
Ministry Partners	137,400	132,449	123,300
Administration	261,727	293,870	283,918
Facilities	136,060	137,217	167,680
Mortgage & Deferred Maintenance	298,100	284,850	248,100
Salaries & Benefits	1,657,989	1,670,999	1,759,075
TOTAL	2,701,459	2,694,848	2,846,583

2026 Operating Budget by Ministry



Building for Our Future Chart

Updated 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 Gravely, 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.

Annual Meeting Minutes, February 9, 2025

*Incarnation Lutheran Church
Annual Congregational Meeting Minutes
Sunday, February 09, 2025*

Submitted by Kevin Roloff, Secretary

Presiding Officer: Tracy Strantz

Other Scheduled Presenters: Mike Vant, Treasurer; Brad Solberg, Interim Administrator; Janet Karvonen-Montgomery, Pastor
ZOOM Facilitators: Greta Grosch and Gil Hartley

1. Welcome & Call to Order: Tracy Strantz
 - a. Quorum reached.
 - b. Review of process for voting, motions, and questions.
2. Adoption of the Agenda (MSC)
3. Opening Prayer: Pastor Janet Karvonen-Montgomery
4. Minutes of 2024 Congregational Meetings
 - a. Review and adoption of Minutes from February 18, 2024 (MSC)
5. Leadership Report
 - a. 2025 Council Priorities and Highlights, including:
 - i. Video message from Senior Pastor Kai Neilsen.
 - ii. Open the Facility Task Force.
 - iii. Proposed Amendment to Constitution and Bylaws C.12.05.
MOTION to approve a revision of the Bylaws as recommended by the Finance Committee and the Congregation Council (MSC).
6. Treasurer's Report: 2024 Financial Review and Highlights, including
 - a. Statement of Financial Position for 2024.
7. 2025 Budget Proposals
 - a. Review of 2025 Budget.
 - b. Adoption of 2025 Budget:
 - i. MOTION to Adopt Proposed 2025 Budget (MSC)
 1. Discussion and questions.
 - c. Review of Building for Our Future capital projects
 - i. MOTION to adopt proposed Building for Our Future capital projects (MSC)
8. 2025 Capital Projects Timeline
9. Staff Recognition for Years of Service as of 2024
10. New Business/Questions
11. Closing Prayer
12. Adjourn

