



The Episcopal Church of the Incarnation
3257 Lohr Road
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November 11, 2007

Dear Friends and Members of Incarnation,

Since the beginning of my term as Senior Warden last May, I have had the privilege of serving together with a very dedicated, energetic and dynamic Bishop's Committee. This year we have made significant progress improving Incarnation's administration and finances. We settled our insurance claims resulting from last year's embezzlement and successfully negotiated with the Prosecuting Attorney's Office and the Washtenaw County Court to obtain monthly restitution payments to cover the losses not covered by our insurance. Through a combination of budget cuts and fundraising we have stabilized our finances and continue to make progress towards retiring the debt we accumulated last year. We have revitalized a number of key parish committees including the Finance Committee, the Fundraising Committee, and the Pastoral Care Committee. We are instituting changes to make the church's finances and business practices more transparent and accountable to our parishioners. I want to thank everyone on the Bishop's Committee and the Finance Committee who helped make these things happen and who continue to work diligently on these issues.

Incarnation remains a vital congregation in its ministry both to our congregants and in its ministry and advocacy outside of the parish. Not many congregations make the kind of difference in the broader community that Incarnation continues to make through its outreach efforts.

Our faith community is still faced with very real challenges. Given our debt situation, I do not think it would be fiscally responsible for the Bishop's Committee to propose the kind of faith budgets we've adopted in the past that rely on increasing income significantly beyond our member's annual pledges. As we face the challenge of presenting a balanced budget for the Church's consideration at the Annual Meeting in January, we will need to know how much we can realistically expect to receive in member contributions towards Incarnation's operating budget and towards the repayment of the loans that cover the building addition now serving as our Parish Hall, youth classrooms and church office. Once we have received pledges for 2008, we will be able to plan our budget accordingly.

A significant challenge that we are now facing is that if we only receive the amount in pledges that we received for 2007, balancing our budget would require making tough decisions that could result in cuts to some of the following budget items:

- Further cuts to Joe Summers' hours
- Cuts in youth programming staff
- Cuts in music programming staff

Our long term goals are precisely the opposite: we are seeking to return Joe to full time employment, we vitally need youth programming that supports our children in their walk in faith, and we desire a vibrant music program that enriches our worship on Sundays. Cutting our staff support in these areas does not bring us closer to the kind of faith community that many of us have long been striving for.

I would ask you to prayerfully consider what you can pledge to Incarnation this year. We will need to receive your pledges by December 2, 2007 in order to adequately prepare our 2008 budget for the Annual Meeting. If you would like to discuss your pledge, or anything about Incarnation's finances, please contact me, our Junior Warden Lisa Zuber, our Treasurer Ed Hagopian or any other member of our Bishop's Committee.

Yours in Christ,

Joseph McDonald
Senior Warden