



Kirk in the Hills

Annual Report for the Year Ending
December 31, 2019

Annual Report to the Kirk

Nate Phillips, Senior Pastor/Head of Staff

March 2020

I love to tell the story of the first car I ever loved.

It was a red Ford Probe. The kind that had lights that flipped up and down like the cartoon “Go-Bots” that I used to watch on TV. I found it on a used car lot while shopping with a couple of friends and just had to have it. I signed up for a payment plan, hopped in, zipped the sunroof back, and engaged the “turbo” engine.

One of my first stops was to visit my best friend, Josh, and show off the new wheels. My chest puffed out as I pulled into his parent’s trailer on Shaw Hill Road. Josh hopped out his front door and his father, Greg, sauntered after him. The screen door slammed behind them.

Josh had ogling eyes. He swooped in and touched the red paint, excited about the adventures this car had in store for all of us.

Greg, on the other hand, was a skeptic. He snorted at the frivolity of the car.

“Leather seats, huh?”

“Yup!”

“Hot in the winter, cold in the summer.”

Balloon deflated!

God’s abundance is sort of like that Ford Probe. He has pulled up to our church home with the gift of resources that invite a response. We are called to find some middle ground between the tongue-wagging of the teenager and the finger-wagging of the parent. This report will offer some of the details of how we have been ambassadors of God’s gifts to us. I hope you will find that we have cultivated a balance between adventure and responsibility, generosity and maintenance, hopeful action and capable stewardship

Stay warm,



Rev. Dr. Nathaniel D. Phillips



2019 Statistical Information

Membership as of January 1, 2019.....	1,633
Increases:	
By letter of transfer.....	8
By reaffirmation of faith.....	35
By profession of faith.....	8
Decreases:	
By letter of transfer.....	(7)
By death.....	(32)
By review or request.....	(9)
Net Change.....	+3

Membership as of December 31, 2019.....1,636

Weddings.....	12	Memorials/Funerals.....	28
Infant Baptisms.....	19	Adult Baptisms.....	1

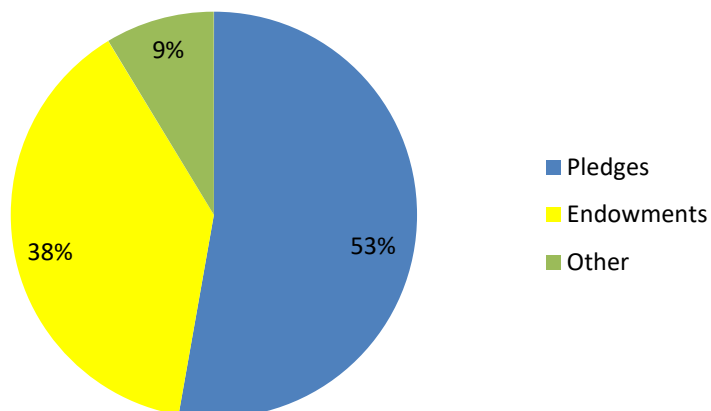
Average Sunday Morning Worship Attendance.....	595
8:00 a.m. Communion Service.....	26
9:15 a.m. Service.....	247
11:00 a.m. Service.....	153
Fox Run "Kirk West".....	32
Live Stream.....	64
Dinner Church.....	73

Average Sunday Morning Christian Education Attendance (Sept through June)	
Adult Education.....	252
Birth through Grade 12.....	236
Teachers.....	50

Your Pledge Matters

The Kirk's annual operating budget is funded from three sources: annual member pledges, certain endowment funds and other donations/income. The pie chart below shows the sources of funding in 2019. The 2020 annual budget assumes a very similar distribution regarding our sources of income.

2019 Revenue by Source



2019 Operating Income Statement

(Preliminary, unaudited)

	2019 Actual			2019 Budget			Actual
	Supported by Annual Giving	Endowment Allocations	Total	Supported by Annual Giving	Endowment Allocations	Total	Better/(Worse) Budget
Income							
Pledges	\$ 1,787,782	\$ -	\$ 1,787,782	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 87,782
Other Donations	261,639	-	261,639	190,000	-	190,000	\$ 71,639
Other Income	32,913	-	32,913	30,316	-	30,316	\$ 2,597
Endowment Allocations	-	1,304,931	1,304,931	-	1,313,050	1,313,050	\$ (8,119)
Total Income	\$ 2,082,334	\$ 1,304,931	\$ 3,387,265	\$ 1,920,316	\$ 1,313,050	\$ 3,233,366	\$ 153,899
Expenses							
Employment Costs:							
Pastoral	\$ 423,769	\$ 41,062	\$ 464,831	\$ 426,923	\$ 41,062	\$ 467,985	\$ 3,154
Pastoral Resident	-	68,028	68,028	-	68,038	68,038	\$ 10
Christian Formation	109,878	10,000	119,878	120,657	10,000	130,657	\$ 10,779
Music	308,881	-	308,881	289,045	-	289,045	\$ (19,836)
Outreach Lay Staff	106,741	-	106,741	113,621	-	113,621	\$ 6,880
General & Administrative	423,736	-	423,736	424,026	-	424,026	\$ 290
Facilities Employment Costs	4,942	287,157	292,099	4,478	287,157	291,635	\$ (464)
Other Costs	66,090	-	66,090	24,643	-	24,643	\$ (41,447)
Sub Total Employment	\$ 1,444,037	\$ 406,247	\$ 1,850,284	\$ 1,403,393	\$ 406,257	\$ 1,809,650	\$ (40,634)
Program and Administrative Costs:							
Program							
Worship	\$ 5,630	\$ 237	\$ 5,867	\$ 5,250	\$ 2,207	\$ 7,457	\$ 1,590
75th Anniversary Allocation	8,000	-	8,000	-	-	-	\$ (8,000)
Miscellaneous Residency Expenses	-	2,609	2,609	-	6,930	6,930	\$ 4,321
Leadership Training & Materials	10,640	-	10,640	6,500	-	6,500	\$ (4,140)
Hospitality	20,527	-	20,527	15,000	-	15,000	\$ (5,527)
Membership & Stewardship	40,484	-	40,484	39,500	-	39,500	\$ (984)
Music	26,989	7,875	34,863	23,372	14,572	37,944	\$ 3,080
Christian Formation for Children, Families & Youth	19,089	26,818	45,907	18,182	26,818	45,000	\$ (907)
Christian Formation for Adults	12,410	14,292	26,703	12,500	16,936	29,436	\$ 2,733
Communications	15,754	9,615	25,369	14,500	9,615	24,115	\$ (1,254)
Deacons Fund Allocation	-	-	-	-	6,447	6,447	\$ 6,447
Outreach (10% of Pledge Budget & Fund	163,527	68,291	231,818	170,000	68,291	238,291	\$ 6,473
Per Capita - Annual Dues Paid to Presbytery,							
Synod and General Assembly	45,994	-	45,994	45,994	-	45,994	\$ (0)
General & Administrative	268,208	42,961	311,169	248,900	43,420	292,320	\$ (18,849)
Sub Total Program and Administrative	\$ 637,253	\$ 172,698	\$ 809,951	\$ 599,698	\$ 195,236	\$ 794,934	\$ (15,018)
Facilities Costs:							
Facilities Operating Costs							
Sub Total Facilities	\$ -	615,896	615,896	-	628,784	628,784	\$ 12,888
Total Expenses	\$ 2,081,290	\$ 1,194,841	\$ 3,276,131	\$ 2,003,091	\$ 1,230,277	\$ 3,233,368	\$ (42,764)
Surplus/(Deficit)	\$ 1,044	\$ 110,089	\$ 111,134	\$ -	\$ -	\$ -	\$ 111,135

**Balance Sheet
At December 31**

(Preliminary, Unaudited)

<u>Assets</u>	As of Dec 31, 2019	As of Dec 31, 2018
Cash and cash equivalents	\$ 1,061,563	\$ 926,002
Cash held in trust	129,503	129,455
Notes Receivable	667,596	667,569
Property and equipment, net of depreciation	12,747,250	12,694,788
Investments	29,895,167	27,022,234
Other assets	61,504	31,828
Total Assets	\$ 44,562,582	\$ 41,471,876
Liabilities and Net Assets		
<u>Liabilities</u>		
Deposits and Payroll Tax Withholdings	6,475	-
Cash In Trust	129,503	129,455
Total Liabilities	135,978	129,455
<u>Net Assets</u>		
** Without donor restrictions:		
General operating	111,134	58,760
Designated - Other	1,989,891	1,909,824
Designated - Property & equipment	12,747,250	12,694,788
Total unrestricted net assets**	14,737,141	14,663,372
*** With donor restrictions	29,689,463	26,679,049
Total Net Assets	44,426,604	41,342,421
Total Liabilities and Net Assets	\$ 44,562,582	\$ 41,471,876

*Current Estimated (Insured) Value of Property and Furnishings = \$69,075,870

** Designated net assets are designated for a particular use but are not restricted by the donor

*** Net assets with donor restrictions are donations restricted to a specific use by the donor

The Kirk has no permanently restricted assets

Pooled Investments Year over Year Market Value Change by Fund

		Audited	(Preliminary, unaudited)	
		12/31/2018	12/31/2019	Market Value Change
		Market Value	Market Value	2019 B/(W) 2018
FACILITIES				
1	Kirk Facilities	\$ 16,470,014	\$ 18,595,491	\$ 2,125,478
2	Technology Fund	1,124,541	1,284,044	159,503
3	Kelly Memorial (maint)	103,414	116,662	13,248
4	Bells of Blessing (maint)	175,429	207,169	31,740
5	DeWindt Altar Garden	51,950	58,602	6,652
6	Kirk Gardens	42,497	47,943	5,446
7	Columbarium Maintenance	527,083	633,317	106,234
	Total	\$ 18,494,927	\$ 20,943,229	\$ 2,448,302
	Percent of Total Investments	73.2%	73.2%	
CURRENT MINISTRIES				
8	Kyes Lectures	\$ 151,262	\$ 171,841	\$ 20,579
9	Stephen Ministries	44,074	51,940	7,865
10	Miller Communication Fund	197,879	213,501	15,622
11	Current Ministries	778,539	878,357	99,818
12	Deacon's Fund	126,461	149,716	23,254
13	Adult Education	120,923	133,409	12,485
14	Clifford Residency Fund	2,587,291	2,924,364	337,073
	Total	\$ 4,006,431	\$ 4,523,128	\$ 516,697
	Percent of Total Investments	15.9%	15.8%	
MUSIC				
15	DeWindt Special	\$ 33,246	\$ 37,578	\$ 4,331
16	Marriott Memorial	43,617	49,294	5,677
17	Music	276,745	313,479	36,734
18	Hofley Family Music	653,807	742,593	88,787
	Total	\$ 1,007,415	\$ 1,142,944	\$ 135,529
	Percent of Total Investments	4.0%	4.0%	
YOUTH				
19	Hall (Christian Education)	\$ 117,056	\$ 132,049	\$ 14,994
20	Youth Ministries	606,037	683,761	77,724
	Total	\$ 723,092	\$ 815,810	\$ 92,718
	Percent of Total Investments	2.9%	2.9%	
OUTREACH & MISSION				
21	DeWindt/Harrington (Theo Ed.)	\$ 179,841	\$ 199,450	\$ 19,609
22	Lay (New Church Development)	76,038	85,857	9,818
23	Outreach & Mission	287,385	324,598	37,213
24	O'Hara (Missional)	499,603	570,631	71,028
	Total	\$ 1,042,868	\$ 1,180,535	\$ 137,667
	Percent of Total Investments	4.1%	4.1%	
	SUB TOTAL ENDOWMENTS	\$ 25,274,734	\$ 28,605,646	\$ 3,330,913
ADDITIONAL POOLED INVESTMENT FUNDS				
	Undesignated Bequests or Gifts	\$ 139,728	\$ 25,559	\$ (114,169)
	Capital Reserve	410,202	442,938	32,736
	Columbarium Expense	60,219	69,384	9,164
	Operating Equity	464,183	523,674	59,491
	Undesignated Memorials	78,698	93,170	14,471
	Artifacts & Instruments	35,713	42,280	6,567
	Bible Fund	44,624	52,535	7,911
	Carillon	13,819	16,361	2,541
	50th Anniversary - New Ministries	24,158	27,041	2,883
	Capital Campaign	104,990	85,872	(19,118)
	Accent Pontiac	546,639	-	(546,639)
	Total	\$ 1,922,974	\$ 1,378,812	\$ 2,477
	Percent of Total Investments	7.1%	4.6%	
	TOTAL VALUE OF INVESTMENTS	\$ 27,197,707	\$ 29,984,459	\$ 2,786,751
(Includes cash in the Pooled Fund Checking Account at Year End)				

Notes: 1 Redner bequest spent on Audio Video improvements in Refectory
2 Balance of unspent funds - Global Ministry, Acoustic
3 All Accent Pontiac funds were transferred prior to 12/31/19

Investment and Endowment Information

- Our investments are managed by a professional management company, SEI Investments, selected by the Board of Trustees in 2011 and evaluated and selected again in 2016. The Investment Committee of the Board meets at least quarterly with the management company to review the performance of the portfolio.
- The use of the Endowments is governed by the Session of the Kirk, supported by recommendations of the Board of Trustees. Written policies govern both the Investments and the Endowments.
- The funds are invested in a mix of assets based upon the recommendation of SEI with the oversight and approval of the Investment Committee of the Board of Trustees. These investments generated combined realized/unrealized gains of \$4,802,742 in 2019. For the three years ended December 31, 2019, the funds returned an average of 9.31%.
- In 2019, the Investment Committee recommended a change in the withdrawal rate of the Endowment Funds, from 5% to 4.75% per year of a calculated average, in order to prolong the life of the investments. This recommendation was approved by the Board of Trustees and Session in 2019. The ultimate objective is to reduce the annual withdrawal rate to 4%, which is in line with other non-profit Endowments and will keep the funds “generationally neutral” – meaning that the Kirk will reap the benefits of the invested funds for many generations to come.

In addition to the 2019 Operating Budget Support of \$1,304,931 from Kirk Endowments, an additional \$211,965 was withdrawn from Endowments and Special Funds for non-budgeted items as follows:

- \$130,483 from the Ann Redner bequest for the new Audio/Video installation in the refectory
- \$37,309 from the Capital Reserve fund to purchase and install a new dishwasher in the refectory kitchen; \$2,312 from the Capital Reserve fund to purchase new conference tables for Abbey 28
- \$20,000 from the Capital Campaign fund for Global Missions in Nicaragua
- \$13,721 from the Capital Campaign fund for Acoustic improvements in the sanctuary
- \$5,384 from the Columbarium Expense fund for expenses related to interment costs
- \$2,477 from the Bells of Blessing Fund for repairs to the bells
- \$280 from the Bible Fund to purchase Bibles

Receipts to the Endowments

The Kirk received no bequests or special gifts into the Endowment Fund in 2019.

Other funds totaling \$68,923 were received into the Endowments as follows:

- \$36,000 to the Columbarium Maintenance Fund from the sales of niches (net of returns)
- \$25,848 to the Facilities Fund from mortgage interest from three mortgages the Kirk holds
- \$4,695 to the Columbarium Prepaid Expense Special Fund
- \$2,081 to several funds in smaller gifts and cash receipts

For additional information, please contact the Business Office at the Kirk.

Outreach Spending 2019

The Outreach & Mission Committee of Session was responsible for overseeing the spending of their budgeted amount for 2019. The funds were spent in the following manner:

Local Programs and Missions

Accent Pontiac	\$ 50,000
Hope Against Trafficking	30,000
Homelessness and hunger ministries via different agencies	28,308
Habitat for Humanity of Oakland County	20,000
Ministries with and in Pontiac	24,000
Theological Education for Kirk pastors and seminary student	11,667
Outreach Strategic Planning	1,690
Mission Conference and Guest Speakers	2,134
Other- Miscellaneous Expenses	529
2019 Funding Carried to 2020 (to be disbursed in 2020)	26,990

Regional Programs and Missions

Westminster and Fort Street Programs	6,500
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National and International Programs and Missions

Belize	15,000
Mission Trip to Puerto Rico	8,000
Good Shepherd Orphanage (Haiti)	7,000

Total 2019 Budget Spending	\$ <u>231,818</u>
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Giving other than through our operating budget:

(Kirk members donate through the Kirk directly to these ministries)

Christmas Adopt a Family	\$ 24,124
Support for Belize Mission	19,986
CROP Walk	12,682
Good Shepherd Orphanage- Haiti	6,089
Backpack Project	4,287
Church World Service - Blanket Fund	1,831
Camp Skyline	1,008

Total Other Giving	\$ <u>70,007</u>
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Giving other than money:

November 7K challenge - hours worked	7,000 in total
November 5K Run	More than 100 Participants
Poverty & Hunger Awareness Food Drive	2,000 lbs of Food for Gleaners
Angel Tree Gifts sent to CARE House	More than 300 Toys and Gifts

Excerpts from Pastor Nate's "State of the Kirk" address on January 26.

We envision a world ... (mission)

This spring we hosted a mission conference that welcomed 120 people and 20 organizations to our refectory. We had more than 150 people register for our 5k race, which was an almost 50% increase. And our service challenge continued to grow - while Kirk members actually registered fewer hours – 4,100 last year and this year 3,700 - last year we had only 5 churches involved, this year we had 6. Last year we had over 6,000 hours of service in November, this year we had over 7,000.

But we aren't just putting our time and talent into mission, we are putting our treasure there, too. In addition to the \$130,000 in grants that were awarded to projects in Pontiac, Detroit, Belize, and Puerto Rico, this was the summer that we "Supported the Story", raising more than \$17,000 to support programs like a local homeless veteran's ministry, a blossoming soup kitchen in Pontiac, literacy programs, and eliminating school lunch debt for the entire Bloomfield School District. This fall we avenged last year's loss to the Methodist church and brought the Bronze Shoe back home for our CROP Walk fundraising. Then, on Christmas Eve, we collected more than \$20,000 (a 12% increase in Christmas offering from the year before) for local mission.

... where every heart experiences ... (worship)

We have a parish council that continues to grow an affiliative relationship with First Presbyterian Church in Troy and we've added Northminster Presbyterian Church, also in Troy.

We have an 8:00 a.m. service with a loyal following that comes early and stays late to be community together.

We have a monthly Sunday night "Dinner Church" service that is beginning to gel in the church culture thanks to our first-ever resident, Rev. Chris Hallam.

We have a satellite location officially named, "Kirk West" at the Fox Run Senior Living Center. Thirty to forty residents worship with us every Sunday via Livestream and, once a month, one of our pastors joins them to serve communion. We are expanding this ministry into Cedarbrook Senior Living this year.

Our traditional worship attendance numbers continue to be very strong. Our combined average weekly attendance for the 9:15 and 11 a.m. services remain steady with essentially the same attendance for the past four years.

Easter attendance was the highest in twenty years. Good Friday had the third most people on record (kept since 1985) and we have only had one other Maundy Thursday attended by as many people as we had this year and that was in 1988.

... God's transforming love... (formation)

There were almost 200 participants in our fall and winter small group series. In addition to the small groups, I lead a Books and Bibles study group on Friday mornings. Rev. Marjorie Wilhelmi initiated classes this past fall. There were 50 participants in the 11-week Alpha series, and our Sunday morning series in the fall averaged between 30 and 40 people in two classes, one at 10:30 a.m. and the other at 12:15 p.m. Our fall Kyes Series, featuring Andy Root, was a phenomenal evening of examining Bonhoeffer through the lens of youth ministry that more than 100 people enjoyed. This fall we welcome Gregory Boyle of Homeboy Industries in Los Angeles to the Kyes Series and we anticipate an even bigger crowd.

We are concluding an intentional period of interim youth ministry this year. Our Youth Discernment Team has been working for almost a year to rediscover what God is calling us toward with the young people in our community. We look forward to a new youth minister beginning this summer. Notably, we were selected by the "Imaginarium", out of Indiana Wesleyan University, to be one of 12 churches in the nation to receive a \$15,000 grant for youth ministry to come up with an innovative discipleship program over the course of 18 months.

Message from Jayne Zellers

This is the last Annual Report that I will put together for Kirk in the Hills. For the last twelve years, it has been my privilege to serve as Business Manager of this church, which has been my church for almost 40 years! Although my work is not necessarily pastoral, it has been a ministry, one that I have enjoyed and will miss as I move on to the next phase of my life.

For twelve years, you have trusted me with your donations, your stories, and your friendship. We've laughed together and sometimes even cried together. I have seen how devoted so many of you are to this church and how deeply you care about all aspects of it.

Many of you have helped with the various business undertakings that have gone on in the last twelve years, as we moved from very basic technology for the office staff to the amazing things we now have the ability to use, like our campus-wide Wi-Fi, our very high-quality livestreaming productions, our interactive database, and the ability to donate via several methods, including Text to Give! These things were not on our radar twelve years ago, (in fact, some things did not exist twelve years ago) but most of you have embraced the changes and suggested even more!

We added an elevator, something that was planned for during the 50th anniversary celebration and campaign and finally realized in 2016. We added office space to accommodate the needs of a modern church, and we added very high tech audio/video equipment for use in the Refectory. Gone are the days of PowerPoint presentations that worked in rehearsal but failed in performance. I am sure no one misses those days.

I worked with three senior pastors, Norman Pritchard, Bob Sheldon, and Nate Phillips. Norman and Bob left a legacy for us that enriches the present. Nate brings his gifts to us for the present and the future. It has been a special privilege to work with each of them. In my time, the Kirk has had 15 associate or assistant pastors (and one bridge interim). Sometimes it felt as if the Kirk had a revolving door for associates, but that is the nature of their positions, and it has been a delight to work with each of them, sharing expertise in my field with them and learning the various aspects of their beliefs and faith from them. They all have enriched my life.

The Kirk's music is one of the joys that drew me in 40 years ago and it has been a very great pleasure to work with Glenn Miller and to be a small part of all he has done for this church.

I leave a very capable and talented administrative and building staff. These loyal folks work diligently behind the scenes to prepare for worship that proceeds seamlessly, communicates information to you in multiple ways, and keeps the building clean, warm (or cool) and hospitable. I've worked with them on a daily basis and I know how dedicated they are. I will miss them tremendously.

The trustees worked with me and trusted me with the financial dealings of the church from the start. We are blessed to have the resources of trustees who have experience in finance, law, insurance and investments and are willing to share their expertise for the good of the congregation. We did not always agree but we were always willing to converse until we reached consensus. I am pleased to call many of you "friend."

It is difficult to summarize twelve significant years of a career and life on a page. You can see from this report that the Kirk is in good financial condition. It will take considerable and continuing effort to keep it that way, so I encourage all of you to work at it. I wish all of you and the Kirk the best for many years to come.

With great sincerity,

Jayne Zellers

Kirk in the Hills Officers 2019 Calendar Year

Elders

Class of 2019	Class of 2020	Class of 2021
Steven Briggs	Kevin Brinks	Helen Campbell
Susan File	Don Guthrie	Nathan Conway
Gary Gallo	Alan Miller	Jane Dittus
Glenda Herb	Wendy Myers	Kelley Klein
Linda Juracek Lipa	Bob Tallinger	Keith Peters
John King	Ryan Webb	Anita Pinson
* Gabby Lorincz		

Deacons

Class of 2019	Class of 2020	Class of 2021
Kathe Cameron	Joanna Drukker	Claire Aboko-Venn
Amy Davis	Sarang Kang**	Rosemary Emerson
Rachael Deering	Ann Hartzell Kneen	Hollie Eriksen
David Haugh	Catherine Klein	Terri Hanpeter
Gretchen Jakubiak	Julia Libcke	Steve McCollum
Paul Lay	Keely Marple	Deborah McDowell
Ginny Llope	Juli Musch	Marlene McCormick
Lauren Richeson	Gigi Newsham	Michelle Ann
Maynard Timm	Beth Sova	Bob O'Hara
Judy Vindici	Carolyn Wells	Jeanne Weaver
*Andrew Ludden	Barbara Young Miller	
*Logan Miller		

Trustees

Class of 2019	Class of 2020	Class of 2021
Lee Gardner	Suzi Artzberger	Laurence Biehl
David Littleton	Tracee Glab	Karin Elias
Kay Maxwell	Joan Hanpeter	Alana Glass
James Tompkins	Beth Kerr	Christy Hay
Marge Whittemore	Andy Paulson	Patrice Lockwood
Judy Zorn	Lara Witte	Ford Meiser

Officer Nominating Committee Representing the Congregation at Large

Class of 2019

Elizabeth Beck
Joshua Bitterman
Barbara Littleton

Church Treasurer

Jayne Dodge

* Indicates youth serving for one year

** Indicates a two-year term, replacing Gigi Newsham



Kirk in the Hills

1340 West Long Lake Road
Bloomfield Hills, MI 48302