



Kirk in the Hills
Annual Report for the Year Ending
December 31, 2020

Annual Report to the Kirk
Nate Phillips, Senior Pastor / Head of Staff
March 2021

A group of blind men heard that a strange animal, called an elephant, had been brought to the town, but none of them were aware of its shape and form. Out of curiosity, they said: "We must inspect and know it by touch, of which we are capable". So, they sought it out, and when they found it they groped about it. The first person, whose hand landed on the trunk, said, "This being is like a thick snake". For another one whose hand reached its ear, it seemed like a kind of fan. As for another person, whose hand was upon its leg, said, the elephant is a pillar like a tree-trunk. The blind man who placed his hand upon its side said the elephant, "is a wall". Another who felt its tail, described it as a rope. The last felt its tusk, stating the elephant is that which is hard, smooth and like a spear."

This ancient Indian parable about the blind men and the elephant can teach us a great number of things. It can remind us that our limited point of view, while valuable, might not provide the absolute truth we might think it does. It can offer a warning for those that are prone to quarrel - there may be more to the story. But I prefer to think of it in a positive way - as an encouragement to be in community.

Through our combined lenses, we can better appreciate what's real.

This annual report provides a lens for appreciating what is real about Kirk in the Hills. The financial footing for our church is strong and these pages will help to illustrate that. However, this report is only part of the "elephant." I hope that my State of the Kirk address (excerpts included in this report), the tremendously positive feedback we are receiving from our Anniversary Campaign feasibility study, the ongoing strength of our outreach and formation programs, our worship presence - both in person and online, and the talented effort from our pastors and staff, help to offer a complete picture of the good health of our church.

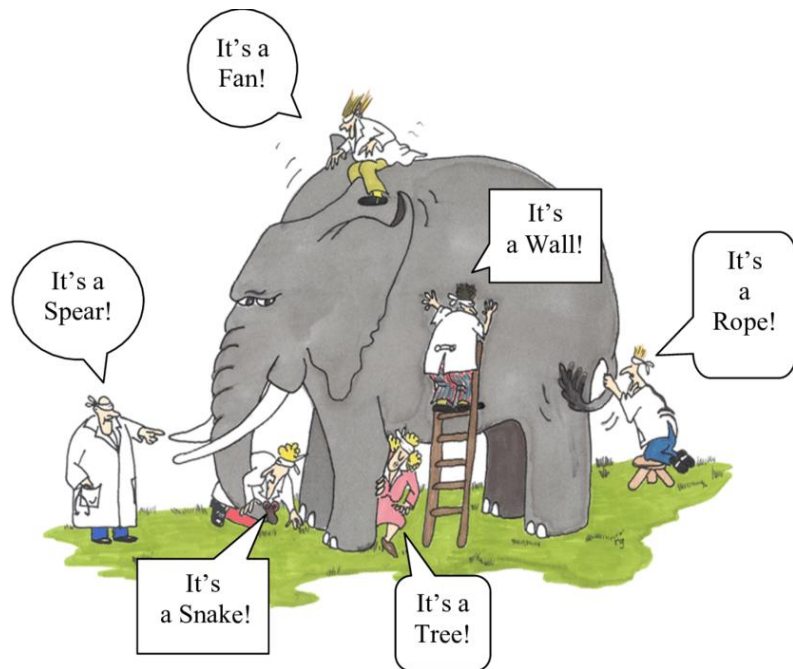
We offer deep thanks to Karen Bowman, Director of Finance, the Board of Trustees, and the Kirk Session, for their excellent work in offering this thorough picture. May it help you to see some aspect of what we have all come to know ...

The Kirk is home.

Stay Warm,



Rev. Dr. Nathaniel D. Phillips



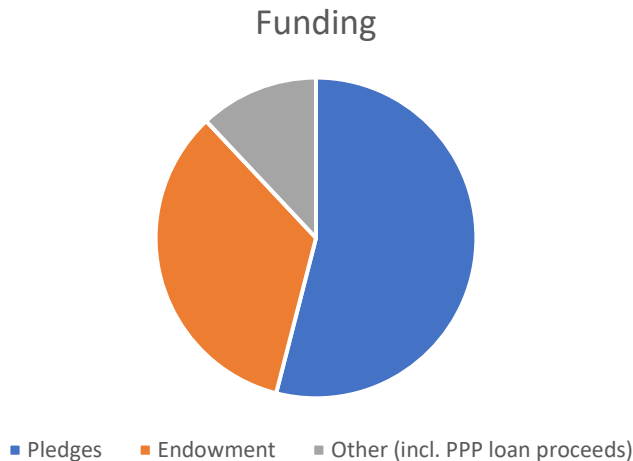
2020 Statistical Information

Membership as of January 1, 2020.....	1,636
Increases:	
By letter of transfer	11
By reaffirmation of faith	18
By profession of faith (15 youth through confirmation + 4 adults)	19
By request to be added to membership rolls again (former members)	6
Decreases:	
By letter of transfer	(5)
By death.....	(26)
By review or request	(22)
Net Change.....	+1
Memberships as of December 31, 2020	1,637
Weddings	9
Memorials/Funerals.....	12
Infant Baptisms	18
Adult Baptisms	3
Average Weekly Worship Attendance.....	506
(based on online viewing attendance numbers and the limited in-person services during 2020)	

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 2020. The 2021 annual budget assumes a very similar distribution regarding our sources of income.

2020 Revenue by Source



2020 Operating Income Statement

Preliminary (unaudited)	2020 Actual			2020 Budget			Actual
	Supported by Annual Giving	Endowment Allocations	Total	Supported by Annual Giving	Endowment Allocations	Total	Better/(Worse) Budget
Income							
Pledges	\$ 1,666,563	\$ -	\$ 1,666,563	\$ 1,710,000	\$ -	\$ 1,710,000	\$ (43,437)
Other Donations	189,316	-	189,316	180,000	-	180,000	\$ 9,316
Other Income	414,894	-	414,894	30,816	-	30,816	\$ 384,078
Endowment Allocations	-	1,172,994	1,172,994	-	1,328,639	1,328,639	\$ (155,644)
Total Income	\$ 2,270,774	\$ 1,172,994	\$ 3,443,768	\$ 1,920,816	\$ 1,328,639	\$ 3,249,455	\$ 194,314
Expenses							
Employment Costs:							
Pastoral	\$ 314,113	\$ 41,013	\$ 355,126	\$ 325,601	\$ 41,013	\$ 366,614	\$ 11,488
Pastoral Resident	-	31,581	31,581	-	69,957	69,957	\$ 38,376
Christian Formation	73,320	-	73,320	97,090	-	97,090	\$ 23,770
Music	172,017	-	172,017	194,620	-	194,620	\$ 22,603
Music Resident	-	61,483	61,483	-	62,053	62,053	\$ 570
Outreach Lay Staff	55,837	-	55,837	74,960	-	74,960	\$ 19,123
General & Administrative	331,302	-	331,302	305,375	-	305,375	\$ (25,927)
Facilities Employment Costs	0	175,543	175,543	(75,890)	286,055	210,165	\$ 34,622
Other Costs	556,803	-	556,803	437,831	-	437,831	\$ (118,972)
Sub Total Employment	\$ 1,503,392	\$ 309,621	\$ 1,813,013	\$ 1,359,587	\$ 459,078	\$ 1,818,665	\$ 5,652
Program and Administrative Costs:							
Program							
Worship	\$ 6,322	-	\$ 6,322	\$ 7,479	-	\$ 7,479	\$ 1,157
75th Anniversary Allocation	8,000	-	8,000	8,000	-	8,000	\$ -
Miscellaneous Residency Expenses	-	-	-	3,420	-	3,420	\$ 3,420
Leadership Training & Materials	2,121	-	2,121	6,500	-	6,500	\$ 4,379
Hospitality	3,128	-	3,128	15,000	-	15,000	\$ 11,872
Membership & Stewardship	24,289	-	24,289	39,500	-	39,500	\$ 15,211
Music	13,734	31,050	44,784	1,410	51,550	52,960	\$ 8,176
Christian Formation	11,144	43,676	54,820	18,208	53,454	71,662	\$ 16,842
Communications	12,446	9,972	22,417	14,500	9,972	24,472	\$ 2,055
Deacons Fund Allocation	-	-	-	0	6,487	6,487	\$ 6,487
Outreach (10% of Pledge Budget & Fund)	127,988	62,804	190,791	130,933	66,756	197,688	\$ 6,897
Per Capita - Annual Dues Paid to Presbytery, Synod and General Assembly	49,888	-	49,888	49,888	-	49,888	\$ (0)
PNC Committee	5,828	-	5,828	-	-	-	-
General & Administrative	286,911	29,973	316,884	258,900	57,311	316,211	\$ (673)
Sub Total Program and Administrative	\$ 551,798	\$ 177,474	\$ 729,271	\$ 553,737	\$ 245,530	\$ 799,267	\$ 75,823
Facilities Costs:							
Facilities Operating Costs	36,749	685,900	722,649	7,492	624,031	631,523	\$ (91,126)
Sub Total Facilities	\$ 36,749	\$ 685,900	\$ 722,649	\$ 7,492	\$ 624,031	\$ 631,523	\$ (91,126)
Total Expenses	\$ 2,091,939	\$ 1,172,994	\$ 3,264,934	\$ 1,920,816	\$ 1,328,638	\$ 3,249,455	\$ (9,651)
Surplus/(Deficit)	\$ 178,835	\$ -	\$ 178,835	\$ (0)	\$ 0	\$ (0)	\$ 178,835

Balance Sheet

Preliminary (unaudited)

<u>Assets</u>	<u>As of Dec 31, 2020</u>
Cash and cash equivalents	\$ 1,489,420
Cash held in trust	\$ 182,257
Notes Receivable	\$ 423,505
Property and equipment, net of depreciation	\$ 12,474,230
Investments	\$ 31,967,709
Other assets	\$ 63,947
Total Assets	<u>\$ 46,601,066</u>
Liabilities and Net Assets	
<u>Liabilities</u>	
Deposits and Payroll Tax Withholdings	7,314
Unearned Revenue	113,326
Cash In Trust	\$ 182,257
Note Receivable	<u>\$ 385,664</u>
<u>Total Liabilities</u>	<u>688,560</u>
<u>Net Assets</u>	
** Without donor restrictions: Total unrestricted net assets**	12,584,753
*** With donor restrictions	<u>33,327,752</u>
<u>Total Net Assets</u>	<u>45,912,505</u>
Total Liabilities and Net Assets	<u>\$ 46,601,066</u>

** 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)	
	12/31/2019	12/31/2020	Market Value Change
	Market Value	Market Value	2020 B/(W) 2019
FACILITIES			
1 Kirk Facilities	\$ 18,595,491	\$ 19,616,162	\$ 1,020,670
2 Technology Fund	1,284,044	\$ 1,391,921	\$ 107,877
3 Kelly Memorial (maint)	116,662	\$ 122,550	\$ 5,887
4 Bells of Blessing (maint)	207,169	\$ 228,650	\$ 21,481
5 DeWindt Altar Garden	58,602	\$ 61,559	\$ 2,957
6 Kirk Gardens	47,943	\$ 50,363	\$ 2,420
7 Columbarium Maintenance	633,317	\$ 717,544	\$ 84,228
Total	\$ 20,943,229	\$ 22,188,749	\$ 1,245,520
Percent of Total Investments	69.8%		
CURRENT MINISTRIES			
8 Kyes Lectures	\$ 171,841	\$ 189,078	\$ 17,238
9 Stephen Ministries	51,940	\$ 57,324	\$ 5,384
10 Miller Communication Fund	213,501	\$ 235,081	\$ 21,579
11 Current Ministries	878,357	\$ 922,714	\$ 44,357
12 Deacon's Fund	149,716	\$ 165,236	\$ 15,520
13 Adult Education	133,409	\$ 140,510	\$ 7,102
14 Clifford Residency Fund	2,924,364	\$ 3,119,190	\$ 194,826
Total	\$ 4,523,128	\$ 4,829,133	\$ 306,006
Percent of Total Investments	15.1%		
MUSIC			
15 DeWindt Special	\$ 37,578	\$ 41,472	\$ 3,894
16 Marriott Memorial	49,294	\$ 54,402	\$ 5,108
17 Music	313,479	\$ 328,299	\$ 14,819
18 Hofley Family Music	742,593	\$ 800,541	\$ 57,947
Total	\$ 1,142,944	\$ 1,224,713	\$ 81,769
Percent of Total Investments	3.8%		
YOUTH			
19 Hall (Christian Education)	\$ 132,049	\$ 138,719	\$ 6,669
20 Youth Ministries	683,761	\$ 718,277	\$ 34,516
Total	\$ 815,810	\$ 856,996	\$ 41,185
Percent of Total Investments	2.7%		
OUTREACH & MISSION			
21 DeWindt/Harrington (Theo Ed.)	\$ 199,450	\$ 213,814	\$ 14,364
22 Lay (New Church Development)	85,857	\$ 94,757	\$ 8,900
23 Outreach & Mission	324,598	\$ 340,995	\$ 16,397
24 O'Hara (Missional)	570,631	\$ 646,228	\$ 75,597
Total	\$ 1,180,535	\$ 1,295,794	\$ 115,259
Percent of Total Investments	3.9%		
SUB TOTAL ENDOWMENTS	\$ 28,605,646	\$ 30,395,385	\$ 1,789,739
ADDITIONAL POOLED INVESTMENT FUNDS			
Undesignated Bequests or Gifts	\$ 25,559	\$ 2,080	\$ (23,478)
Capital Reserve	442,938	\$ 488,827	\$ 45,890
Columbarium Expense	69,384	\$ 74,683	\$ 5,300
Operating Equity	523,674	\$ 550,097	\$ 26,423
Undesignated Memorials	93,170	\$ 102,828	\$ 9,658
Artifacts & Instruments	42,280	\$ 46,663	\$ 4,383
Bible Fund	52,535	\$ 57,508	\$ 4,973
Carillon	16,361	\$ 18,057	\$ 1,696
50th Anniversary - New Ministries	27,041	\$ 28,551	\$ 1,510
Capital Campaign	85,872	\$ 85,314	\$ (558)
Total	\$ 1,378,812	\$ 1,454,609	\$ 75,797
Percent of Total Investments	4.6%		
TOTAL VALUE OF INVESTMENTS	\$ 29,984,459	\$ 31,849,994	\$ 1,865,536

Notes:

* Redner bequest spent on Audio Video improvements in Refectory

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 \$1,729,571 in 2020. For the three years ended December 31, 2020, the funds returned an average of 2.67%.
- 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 2020 Operating Budget Support of \$1,172,994 from Kirk Endowments, an additional \$42,726 was withdrawn from Endowments and Special Funds for non-budgeted items as follows:

- \$25,029 from the Ann Redner bequest for the new Audio/Video installation in the refectory
- \$7,155 from the Capital Campaign fund for Acoustic improvements in the sanctuary
- \$8,212 from the Columbarium Expense fund for expenses related to interment costs
- \$1,900 from the Bells of Blessing Fund for repairs to the bells
- \$430 from the Bible Fund to purchase Bibles

Receipts to the Endowments

The Kirk received no bequests or special gifts into the Endowment Fund in 2020

Other funds totaling \$63,655 were received into the Endowments as follows:

- \$36,500 to the Columbarium Maintenance Fund from the sales of niches (net of returns)
- \$22,070 to the Facilities Fund from mortgage interest from three mortgages the Kirk holds
- \$5,085 to the Columbarium Prepaid Expense Special Fund

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

Outreach Spending 2020

The Outreach & Mission Committee of Session was responsible for overseeing the spending of their budgeted amount for 2020. The funds were spent in the following manner:

Local Programs and Missions

Accent Pontiac	\$50,000
Homelessness and hunger ministries via different agencies	\$6,830
Habitat for Humanity of Oakland County	\$4,000
Ministry With Pontiac	\$12,405
Theological Education for Kirk pastors and seminary student	\$9,000
Foster Care	\$8,000
First Presbyterian Church - Pontiac	\$2,500
Hope Warming Center	\$4,000
Southwest Detroit Immigrant & Refugee Ctr	\$5,000
Central Detroit CDC	\$4,000
Oakland Literacy Council	\$1,500
Centro La Familia Pontiac	\$4,000
The Fallen and Wounded Soldiers Fund	\$1,500
Covenant House of Michigan	\$4,000
The Power Company Kids Club	\$8,000
Building Beds 4 Kids	\$4,000
Center for Success	\$4,000
Open Door Outreach Center	\$4,000
MIMI, Inc	\$3,000
Micah 6 Community	\$10,000
Young Adult Mission Trip	\$5,000
Humble Design	\$4,000
Baldwin Center	\$3,000
Life Remodeled	\$1,000
Other- Miscellaneous Expenses	\$1,385

Regional Programs and Missions

Westminster and Fort Street Programs	\$6,150
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International Programs and Missions

Good Shepherd Orphanage	\$8,000
Argentina Children's Network	\$8,000
Centro de Servicios Comunitarios El Guaci	\$1,000
Seki Woman's Foundation	\$3,522

Total 2020 Budget Spending	<u>\$190,791</u>
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Giving other than through our operating budget:

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

5K	\$2,990
Covid Relief	\$32,183
Internet Fund	\$2,764
Medical Debt	\$14,000

Total Other Giving	<u>\$51,937</u>
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Excerpts from Pastor Nate's "State of the Kirk" address.

Worship

This year our worship experience was delivered, predominantly, through the Internet.

Our music program continued with "in person" drive in carillon concerts on a weekly basis. The classic car, Halloween, and Carols on the Carillon events were fantastic and creative. The devotional and quiet Vespers services that Glenn Miller put together gave stillness to our souls in the midst of great disruption. And, again, under Glenn's leadership the musicians diligently prepared rerecorded choral and solo music for worship and musical moments involving not only the Chancel Choir staff singers but also for special occasions involving the Girls' and Boys' Choirs.

If you haven't seen what they put together for our Mother's Day service, you really are missing something special.

Our online services, with the music, preaching, readings, and prayer, have been a lifeline for so many people in this time. While I cannot wait until we have the chance to meet again in person, the work we have done to establish this online platform did not happen overnight and from all of this, our reach has been exponential.

In the first few Sundays of the pandemic, we celebrated Palm Sunday and Easter. There was no procession of the palms and no Easter egg dash on the front lawn.

But between Facebook and the website, 842 people worshiped with us on Palm Sunday and a whopping 1,700 people from all over the country and world worshiped with us on Easter morning, which matched and exceeded the in-person attendances we had in 2019. The total number of all-time views for Easter was 2,779.

Even as we did our best to accommodate in-person services, using our garden service to our full advantage in the summer and deep into the fall and establishing a slick registration system to open up the sanctuary whenever we could, we saw a strong community of worshipers gathered together online week in and week out.

This was happening all year long. We had a total of 14,332 unique viewers this year in 22 countries, in December alone we had 3,878 people visit our website, and our email list grew by 154 people this year.

Mission

This outward facing response to the greatest challenge of our lifetimes was congruent to the first few words of our vision statement. We envision a world. Not just a church, a world. Jesus had an expansive vision for his message, not one confined to his most immediate followers. We are blessed to be a blessing.

And on we went, throughout the course of the year. We raised almost forty thousand dollars for our Covid Relief Fund and gave generously to support first responders, back to school efforts, and Presbyterian Villages of Michigan.

We even joined forces with Pontiac Community Foundation to offer ten \$1,000 gifts to small businesses in Pontiac suffering from the pandemic.

We raised thousands of dollars to relieve medical debt in the City of Pontiac. Our initial goal was to eliminate \$2.8 million in debt. I am pleased to report that, with the help of RIP Medical Debt that purchases the debt, we were able to eliminate - instead of \$2.8 million - almost \$5.5 million dollars of debt for over 5,000 families in Pontiac and Oakland County at an average of \$1,070 each.

Then, in September, under the leadership of Bobi Tallinger, Bob Heuer, Sheri Falvay, and Ann Manning, we participated in a modified version of the Crop Walk.

Usually the fundraising and recruitment for this effort to end world hunger relies on a heavy push during our “back to church” season. But, even at a distance, the Kirk won the coveted “shoe” trophy as the most generous participating church in the area with a record setting \$18,495 in donations.

The Adopt-a-Family Christmas program followed suit. The Kirk always responds when the deacons make their annual appeal to help families in need. In 2016, the church gave \$21,590, in 2017, \$22,805, and in 2018 \$24,198. But this year, in a year when we couldn’t worship in the same space, where we haven’t seen each other much since last March, this church contributed \$29,105.

And, oh by the way, our toy collection for Angel Tree? It took a last-minute push, but we collected almost 900 toys for Care House and Micah 6 in Pontiac, up from 700 last year.

Even with all of this outpouring of financial support, I am probably most proud of our annual service challenge. This initiative, birthed by our beloved Pastor Fernando that we wish so well in his new role in Denver, was handled so ably by Julie Walker. She continued in our tradition of catalyzing churches in the effort, going from six last year to partnering with nine churches this year with a total of 8,423 hours of service in the month of November.

Formation

This year we have been made especially grateful for Pastor Angela’s dedication to this endeavor. She created an online formation universe where we connected with one another and the scriptures over zoom - with offerings almost every day of the week. She organized and created video and written devotionals for Lent, for this fall during the Made Well series, and for during Advent. If ever anyone doubted the importance of small group and bible study ministry, know that it was a lifeline for many this year.

And it wasn’t only with one another, we journeyed all over the world - from Asia, to Israel, to Africa - to learn about the faith and make new friends with Christians going through all of this with us. We also had a summer writer’s conference featuring best-selling authors that boasted sixty participants from five different churches.

She also picked up where Kecelyn left off with children’s ministry.

Beyond organizing weekly Zoom Sunday school, she drew our children and families together for “Back to School” and “Thanksgiving” prayers and created an outdoor Christmas Eve service for the children with live nativity.

The wellbeing of faith formation in children and youth is always going to be a high priority for us here at the Kirk. Which is why we were so focused on finding an excellent youth pastor this year. And we did! And it was such a joy to experience an ordination and installation in November.

Pastor Kelsey and her husband, Mike, joined us this summer as a result of a national search led by Anita Pinson and her nominating committee. Upon arrival, Kelsey immediately went to work building relationships with the youth, even with the limitations of the pandemic. She created the “Kirk Campfire” which is located off the refectory near the lake - where youth met regularly for study and fellowship.

She led a Covid-safe retreat where youth and leaders imagined a new program called “The Oasis” which will provide programming and space for youth as they counter their stress with the practices of faith. But, let’s face it, her greatest accomplishment so far to pull off one of the finest virtual Christmas pageants you will ever see!

Kirk in the Hills Officers 2020 Calendar Year

Elders

Class of 2020

Kevin Brinks
Don Guthrie
Alan Miller
Wendy Myers
Bobi Tallinger
Ryan Webb

Class of 2021

Helen Campbell
Nathan Conway
Jane Dittus
Kelley Klein
Keith Peters
Anita Pinson
* James Blair
* Clare Llope

Class of 2022

Tom Bustance
Bob Heuer
Heather Lorincz
Ruth Reading
Kimberly Shapiro
Brian Sliwinski

Deacons

Class of 2020

Joanna Drukker
Ann Hartzel Kneen
Catherine Klein
Julia Libcke
Keely Marple
Juli Musch
Gigi Newsham
Beth Sova
Carolyn Wells
Barbara Young Miller

Class of 2021

Claire Aboko-Venn
Michelle Anne
Rosemary Emerson
Hollie Eriksen
Terri Hanpeter
Sarang Kang
Steve McCollum
Marlene McCormick
Debbie McDowell
Bob O'Hara
Jeanne Weaver
* Joe Jakubiak
* Annie Weaver

Class of 2022

Jennifer Cruz
Denise Harris-Fiems
Ray Heald
Susan Heinrich
Edie Kuhn
Amy Maple
Dick Morris
Carolyn Steffen
Jennifer True
Vivian Yousif

Trustees

Class of 2020

Suzi Artzberger
Tracee Glab
Joan Hanpeter
Beth Kerr
Andy Paulson
Lara Witte

Class of 2021

Larry Biehl
Karin Elias
Christy Hay
Patrice Lockwood
Ford Meiser

Class of 2022

Mike Baird
Andrew Clopton
Beth Kerr
Bob Everett
Scott File
Meg Lentz

Church Treasurer – Jayne Dodge

*Indicates youth serving for one year