



Kirk in the Hills
Annual Report for the Year Ending
December 31, 2021

A Report from the Interim Head of Staff and immediate past Clerk of Session

A Year of Transition

2021 might best be remembered as a year of transition. The Kirk's beloved Director of Music, Glenn Miller, accepted a call to a parish on the east side of Detroit. The Kirk's fifth Sr. Pastor, the Rev. Dr. Nate Phillips, resigned and moved his family back to Delaware so that his wife could take her dream job.

As COVID risks lessened, we began the move back to in-person worship from totally virtual worship, classes and meetings. We were able to use technology to make virtual options a permanent part of our offerings.

The 75th Anniversary Campaign received pledges of \$4.1 million. That is more than any campaign since the Refectory Campaign in the mid-60s, and something to celebrate in the midst of a once-in-a-100-year pandemic. The prioritization for the spending of the campaign receipts is now under review by the Campaign Covenant Team, who will keep the congregation informed along the way.

Although it took 74 years, the Kirk now has a security camera system throughout the campus thanks to a session Task Force. Additional cameras and more work are needed for the security and safety of the church campus, but this was long overdue and a great start.

A By-Laws Task Force updated the church By-Laws for the first time since 2012. Session has resolved to re-evaluate the By-Laws every five years.

2022 will more than likely be another year of transition as the search for a new Director of Music will be ongoing through the early summer. The search process for the Kirk's sixth Sr. Pastor will include an interim Senior Pastor who will be proposed by the interim search committee. Once that is finalized, a committee will be appointed to complete a Self-Study and report its work to the Presbytery's Committee on Ministry, to Session, and to the congregation. When that is received, the Pastor Nominating Committee can be named and approved by the congregation.

You will see in this report that, despite the pandemic and the challenges it brought, Kirk in the Hills is in stable financial condition at the end of 2021. Unfortunately, 2022 does not look so promising. ***For the first time in recent memory, the Budget Committee presented a deficit budget, which the trustees and session reluctantly approved. A copy of the 2022 Budget is included on the last page of this report.***

We have a great deal for which to be thankful, yet the time, talent, and treasures of our congregation are needed now more than ever. Please pray for the Kirk. Please pray for its leaders. Finally, pray for what you might be able to do to step up your pledge and/or giving so that we can continue doing all we can in the name of Christ, here at Kirk in the Hills.



Robert P. Beck II

2021 Statistical Information

Membership as of January 1, 2021.....1,636

Increases:

By letter of transfer.....13

By reaffirmation or profession of faith.....38

Decreases:

By letter of transfer.....(5)

By death.....(33)

By review or request.....(6)

Net Change.....+7

Membership as of December 31, 2021.....1,643

Weddings.....14

Memorials/Funerals.....34

Infant Baptisms.....33

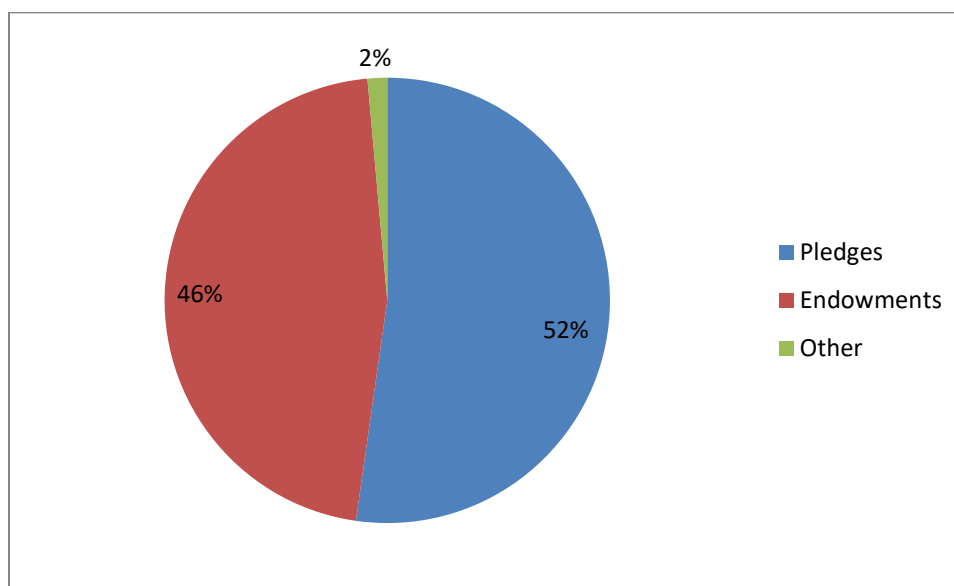
Adult Baptisms.....2

Average Sunday Morning Worship Attendance.....475
(includes both in-person and online viewing)

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 2021. The 2022 annual budget assumes a similar distribution regarding our sources of income.

2021 Revenue by Source



2021 Operating Income Statement

(Preliminary, unaudited)

	2021 Actual		2021 Budget		B/(W) than Budj
	Supported by	Endowment	Supported by	Endowment	Total
Income	Annual Giving	Allocations	Annual Giving	Allocations	Total
Pledges	\$ 1,463,266	\$ -	\$ 1,700,000	\$ -	\$ (236,734)
Other Donations	274,845	-	191,000	-	\$ 83,845
Other Income	39,876	-	29,816	-	\$ 10,060
Endowment Allocations	-	1,297,198	-	1,322,841	\$ (25,643)
Total Income	\$ 1,777,987	\$ 1,297,198	\$ 1,920,816	\$ 1,322,841	\$ (168,472)
<u>Expenses</u>					
<u>Employment Costs:</u>					
Pastoral	\$ 225,273	\$ 163,020	\$ 220,911	\$ 163,020	\$ (4,362)
Pastoral Resident	\$ 19,698	\$ 9,000	\$ 46,835	\$ 9,000	\$ 46,835
New Pastor Moving Expenses	11,772	26,948	30,864	26,948	\$ (19,698)
Christian Formation	222,546	5,000	240,941	15,732	\$ 19,092
Music	52,500	-	52,500	-	\$ 29,127
Outreach Lay Staff	-	190,171	-	198,461	\$ -
Facilities	-	-	-	-	\$ 8,290
General & Administrative	382,615	-	369,450	-	\$ (13,165)
Employee Benefits (Pastors and Lay Staff)	264,802	100,588	350,781	48,258	\$ 33,649
Other Costs	10,091	-	13,000	-	\$ 2,981
Sub Total Employment	\$ 1,189,297	\$ 494,727	\$ 1,325,282	\$ 461,419	\$ 102,750
<u>Program and Administrative Costs:</u>					
Program	\$ 4,571	\$ -	\$ 5,750	\$ 2,229	\$ 3,408
Worship	8,000	-	8,000	-	\$ -
75th Anniversary Allocation	2,200	-	6,500	-	\$ 4,300
Leadership Training & Materials	8,456	-	10,000	-	\$ 1,544
Hospitality	3,995	-	4,500	-	\$ 505
Memberships	2,601	-	21,500	-	\$ 18,899
Stewardship	4,900	38,979	17,171	35,606	\$ 8,898
Music	12,014	5,000	13,000	5,000	\$ 986
Christian Formation for Children & Families	22,121	5,000	22,000	5,000	\$ (121)
Christian Formation for Youth	10,393	9,717	12,500	13,860	\$ 6,250
Christian Formation for Adults	18,304	9,968	14,500	9,968	\$ (3,804)
Communications	-	6,573	-	6,573	\$ -
Deacons Fund Allocation	173,910	64,126	170,000	68,360	\$ 324
Outreach (10% of Pledge Budget & Fund Allocation)	49,980	-	49,888	-	\$ (92)
Per Capita - Annual Dues Paid to Presbytery, Synod and General Assembly	221,526	57,180	240,225	57,180	\$ 18,699
General & Administrative	\$ 542,972	\$ 196,543	\$ 595,534	\$ 203,776	\$ 59,796
Sub Total Program and Administrative					
Facilities Costs:					
Facilities Operating Costs	\$ (0)	602,248	-	613,131	10,883
Facilities "Rainy Day" Savings	-	3,680	-	44,514	40,834
Sub Total Facilities	\$ (0)	\$ 605,928	\$ -	\$ 657,645	51,717
Total Expenses	\$ 1,732,268	\$ 1,297,198	\$ 1,920,816	\$ 1,322,841	\$ 214,263
Surplus/(Deficit)	\$ 45,719	\$ 0	\$ -	\$ 0	\$ 45,791

Balance Sheet
At December 31

(Preliminary, Unaudited)

	Assets	As of Dec 31, 2021	As of Dec 31, 2020
<u>Current Assets</u>			
Cash and Cash Equivalents		\$ 1,540,212	\$ 1,489,420
Cash held in trust		221,066	182,257
Notes Receivable		3,049	423,505
*Property and Equipment, net of depreciation		12,123,922	12,474,230
Investment of Endowed Funds		34,847,318	31,967,709
Other Assets		34,300	63,947
	Total Assets	\$ 48,769,866	\$ 46,601,068
	Liabilities and Net Assets		
<u>Current Liabilities</u>			
Deposits and Payroll Tax Withholdings		\$ (3,207)	\$ 7,314
Unearned Revenue		\$ 138,058	\$ 113,326
Cash In Trust		221,066	182,257
Accounts Payable		38,985	-
Note Receivable		-	385,664
	Total Liabilities	394,902	688,561
<u>Net Assets</u>			
**Without donor restrictions		12,335,183	12,584,754
***With donor restrictions		36,039,780	33,327,753
	Total Net Assets	\$ 48,374,964	\$ 45,912,507
	Total Liabilities and Net Assets	\$ 48,769,866	\$ 46,601,068

*Current Estimated (Insured) Value of Property and Furnishings = \$71,748,000

** Unrestricted assets may be designated for a particular use but are not restricted by the donor

*** Temporarily restricted assets are donations restricted to a specific use by the donor

Pooled Investments Year over Year Market Value Change by Fund

	(Audited)	(Preliminary, unaudited)	
	12/31/2020	12/31/2021	Market Value Change
	Market Value	Market Value	2021 B/(W) 2020
FACILITIES			
1 Kirk Facilities	\$ 19,616,162	\$ 21,738,733	\$ 2,122,571
2 Technology Fund	1,391,921	1,523,053	131,132
3 Kelly Memorial	122,550	133,219	10,669
4 Bells of Blessing	228,650	239,593	10,943
5 DeWindt Altar Garden	61,559	66,918	5,359
6 Kirk Gardens	50,363	54,748	4,385
7 Columbarium Maintenance	717,544	815,081	97,537
Total	\$ 22,188,749	\$ 24,571,343	\$ 2,382,594
Percent of Total Investments	73.0%	73.3%	
CURRENT MINISTRIES			
8 Kyes Lectures	\$ 189,078	\$ 206,257	\$ 17,179
9 Stephen Ministries	57,324	64,962	7,638
10 Miller Communication Fund	235,081	255,751	20,670
11 Current Ministries	922,714	1,003,041	80,327
12 Deacon's Fund	165,236	208,546	43,310
13 Adult Education	140,510	157,108	16,598
14 Pastoral Endowment Fund	3,119,190	3,396,042	276,852
Total	\$ 4,829,133	\$ 5,291,707	\$ 462,574
Percent of Total Investments	15.9%	15.8%	
MUSIC			
15 DeWindt Special	\$ 41,472	\$ 45,170	\$ 3,698
16 Marriott Memorial	54,402	59,253	4,851
17 Music	328,299	359,174	30,875
18 Hofley Family Music	800,541	879,758	79,217
Total	\$ 1,224,714	\$ 1,343,355	\$ 118,641
Percent of Total Investments	4.0%	4.0%	
YOUTH			
19 Hall (Christian Education)	\$ 138,719	\$ 150,795	\$ 12,076
20 Youth Ministries	718,277	780,811	62,534
Total	\$ 856,996	\$ 931,605	\$ 74,609
Percent of Total Investments	2.8%	2.8%	
OUTREACH & MISSION			
21 DeWindt/Harrington (Theo Ed.)	\$ 213,814	\$ 232,940	\$ 19,126
22 Lay (New Church Development)	94,757	128,208	33,451
23 Outreach & Mission	340,995	370,745	29,750
24 O'Hara (Mission)	646,228	655,195	8,967
Total	\$ 1,295,794	\$ 1,387,088	\$ 91,294
Percent of Total Investments	4.3%	4.1%	
SUB TOTAL ENDOWMENTS	\$ 30,395,386	\$ 33,525,099	\$ 3,129,713
ADDITIONAL POOLED INVESTMENT FUNDS			
Undesignated Bequests or Gifts	\$ 2,080	\$ 28,459	\$ 26,379
Capital Reserve	488,827	551,547	62,720
Columbarium Expense	74,683	29,996	(44,687)
Operating Equity	550,097	597,984	47,887
Undesignated Memorials	102,828	116,529	13,701
Artifacts & Instruments	46,663	52,881	6,218
Bible Fund	57,508	64,740	7,232
Carillon	18,057	20,463	2,406
50th Anniversary - New Ministries	28,551	31,028	2,477
Capital Campaign - Global Mission	9,125	-	(9,125)
Capital Campaign - Acoustic	76,189	93,113	16,924
Total	\$ 1,454,608	\$ 1,586,740	\$ 132,132
Percent of Total Investments	4.6%	4.5%	
TOTAL VALUE OF INVESTMENTS	\$ 31,849,994	\$ 35,111,838	\$ 3,261,844

Investment and Endowment Information

- Our investments are managed by a professional management company, SEI Investments, selected by the Board of Trustees in 2011. 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 under the oversight of the Investment Committee. These investments generated a combined realized/unrealized gain of \$3,261,844 in 2021, in line with market returns. In the three years ended December 31, 2021, the funds returned an average of 14.18%.

Withdrawals from the Endowments and Special Funds

- \$1,297,198 was withdrawn from 22 Endowments or Special Funds to support the annual operations of the Kirk
- \$20,687 was withdrawn from the Bells of Blessings Endowment for maintenance of the Bells on the west side of the building
- \$413 was withdrawn from the Sunday School Bible Fund to purchase Bibles

Receipts to the Endowments

- \$20,000 was received into the Paul and Carol Lay New Church Endowment from one donor
- \$7,000 was received into the McKen Technology Fund from one donor
- \$2,135 as received into the Music Endowment fund from various Memorial donations
- \$31,200 was received into the Columbarium Endowment from the sales of niches (net of returns)
- \$25,000 was transferred into the Deacon Endowment Fund from donations by members
- \$12,491 was received into the Facilities Endowment fund from the payment of mortgages (see note below)

Mortgage Activity

Kirk in the Hills held the mortgages for Mr. Glenn Miller and Rev. Nate Phillips. The terms of the mortgages required them to be paid in full upon leaving the employ of Kirk in the Hills, so both mortgages have been paid full. No new mortgages have been issued.

New Endowments or Bequests

No new Endowments were created in 2021 and no bequests were received in 2021. New Endowments must be accepted by the Board of Trustees and the session of Kirk in the Hills with specific requirements for acceptance.

If you would like to see a more detailed report, please contact the Business Manager of the Kirk at 248-973-8009 or jzellars@kirkinthehills.org.

2022 Approved Budget

<u>Income</u>	Mission & Ministry Budget (Supported by Annual Giving)	Endowment Allocations Support		<u>Total</u>
Pledges	\$ 1,500,000			\$ 1,500,000
Other Donations	210,000			210,000
Other Income	29,884			29,884
Endowment Allocations		1,326,443		1,326,443
Total Income	\$ 1,739,884	\$ 1,326,443		\$ 3,066,327
<u>Expenses</u>				
Employment Costs:				
Pastoral	\$ 236,057	\$ 176,197	1	\$ 412,254
Christian Formation	30,108	27,148	2	57,256
Outreach	52,500	-		52,500
Music	281,451	-		281,451
Facilities Employment Costs	-	202,189	10	202,189
General & Administrative	389,748	-		389,748
Other Costs	397,740	60,423		458,163
Sub Total Employment	\$ 1,387,605	\$ 465,956		\$ 1,853,561
Program and Administrative Costs:				
Worship	\$ 7,250	\$ 2,884	3	\$ 10,134
75th Anniversary Celebration	8,000			8,000
Leadership Training & Materials	6,500	-		6,500
Hospitality	5,000	-		5,000
Stewardship	5,500			5,500
Membership including Homecoming	16,500	-		16,500
Music	5,510	53,027	4	58,537
Christian Formation				
•Children and Families	9,400	5,000	2	14,400
•Youth	15,000	5,000	2	20,000
•Adults	10,100	14,350	5	24,450
Communications	14,500	10,204	*6	24,704
PNC	20,000			20,000
Deacons	-	7,574	7	7,574
Outreach - 10% of Pledges and Endowment				
Allocations	150,000	73,436	8	223,436
Per Capita - Annual Dues Paid to Presbytery, Synod and General Assembly	49,888	-		49,888
General & Administrative	279,560	59,707	9	339,267
Sub Total Program and Administrative	\$ 602,708	\$ 231,181		\$ 833,889
Facilities Costs:				
Facilities Operating Costs	-	629,306	10	629,306
Sub Total Facilities	\$ -	\$ 629,306		\$ 629,306
Total Expenses	\$ 1,990,313	\$ 1,326,443		\$ 3,316,756
Surplus/(Deficit)	\$ (250,429)	\$ -		\$ (250,429)

Fund Identification

1. Current Ministries and Clifford Fund
2. Youth and Hall Endowment Funds
3. Stephen Ministry Fund
4. Music, DeWindt Music, Marriott and Hofley Endowment Funds
5. Adult Education and Kyes Endowment Funds
6. Miller Communication Fund
7. Deacon's Fund
8. Outreach, New Church, Harrington DeWindt Education and O'Hara Endowment Funds
9. McKeen Technology Fund
10. Facilities, Kelly, DeWindt Garden and General Garden, and Columbarium Endowment Funds

* Miller Fund allocation designated for 75th Celebration