

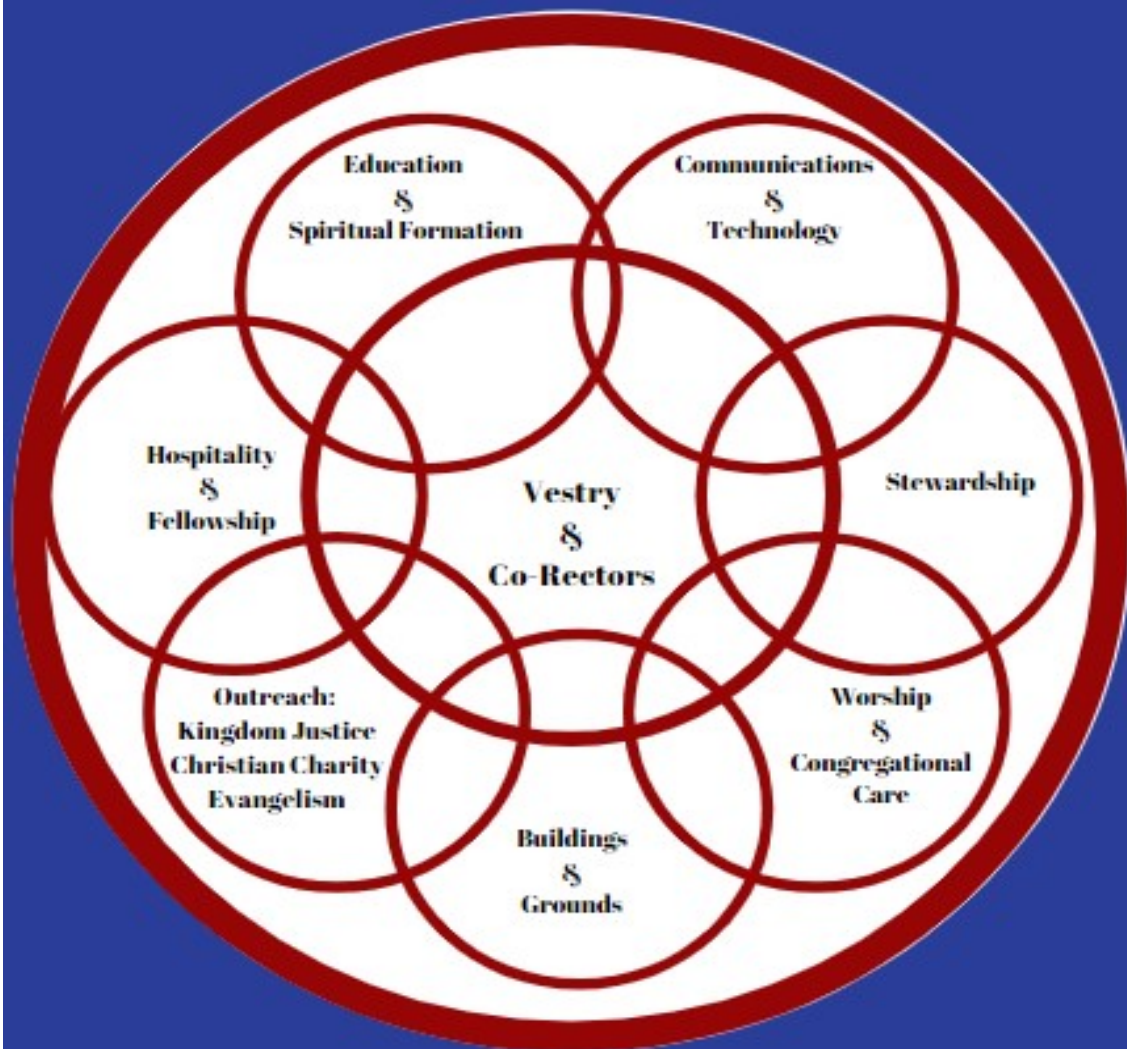
ST. PHILIP'S EPISCOPAL CHURCH
ANNUAL FINANCIAL REPORT
FALL 2021

*"For my house shall be called a house of prayer
for all peoples."*

Isaiah 56:7

Divine Hospitality

ALL OF IT IS GOD'S



2021

LETTER FROM OUR VESTRY

Dear Friends in Christ,

Stewardship season comes at a time of reflection. As we approach All Saints Sunday, Thanksgiving, Advent, Christmas, and New Year's holidays, we are naturally thinking about people and parts of our lives for which we are thankful, and about fresh starts and resolutions, and we're remembering those we love who we may especially miss during this season.

Last year, our Stewardship booklet focused on stories by members of our congregation – stories about who we at St. Philip's are. Those stories connected us to each other when we remained cloistered and at the start of a hard winter apart from each other. This year, as some of us have returned to our physical space - though still without physical contact - we are focusing the stewardship booklet on our unique church home. We will share stories about how our church came to be, and updates on our construction projects of the last year. And we look forward with hope to the day we fully return to unrestricted worship services, full communion, passing the peace with a warm handshake or hug, and the fellowship of coffee hour.

We chose this year's booklet theme, "For my house shall be called a house of prayer for all peoples" (Isaiah 56:7) because it represents so much of what we value at St. Philip's: worship, inclusion, service, joy and remembrance. St. Philip's is a place of sanctuary, prayer, and reflection for our members and visitors. It is used by community groups "who use this space to bring about beauty and healing in our world." (Prayers of the People, BCP p. 392) We celebrate weddings and baptisms and we grieve for our lost loved ones. Our house holds all these prayers and so many more.

This booklet serves several purposes. It is stewardship season, when we are prayerful about what we are called to contribute to St. Philip's parish – whether that's our time, our talent, or our treasure. Certainly we invite your financial support to help keep the church going as we continue to transition through the many changes brought by COVID-19. We want our members to have a full picture of our finances and how we continue to be affected by the pandemic and blessed by your generosity. Vestry members have led by making our own pledges, and we invite you to do the same. You'll find pledging information on the last page of this booklet, and volunteer opportunities in our *Looking Ahead: What Does Church Look Like in 2022?* section.

We understand that some of our members are not yet ready to return to our house of prayer for all peoples. We are confident that together we will rebuild our church family, restore the relationships that have become difficult to maintain over the last many months, and again pass the peace to our friends and neighbors. Father Christian, Mother Jodi, and the Vestry are looking for ways to help us reconnect with each other and feel the love and support of our church. Your suggestions in this regard are welcome.

"If there is a secret to the success of St. Philip's church, it lies in the three words love, faith, and service."
St. Philip's member Mabel Fick

In Christ's light and peace,

Barb Bleyaert, Senior Warden
Harold Byers
Holly Loring

Mike Clark, Junior Warden
Wendy Hedeon
Susan Wenzlick

Joy Foster, Treasurer
Rachel Koenig

REFLECTING ON YOUR TIME AND TALENTS | *Where is your ministry?*

Stewardship season is not just about raising money. It takes more than dollars to maintain our Episcopal presence in Benzie County. St. Philip's parish depends on the time and talents of our members. The Divine Hospitality graphic on the first page and the descriptions below show some of the ways that we fulfill our mission at St. Phil's. As 2021 comes to a close and we begin making plans for 2022, please reflect on where God may be inviting you to serve. While some of the ministries below remain suspended, we hope to return to many of them in the next few months. Following is a list of opportunities for you to contribute your time and talent to St. Philip's by joining a working group or committee or offering your expertise to help with important parish responsibilities. How will you help St. Philip's thrive in 2022?

Vestry: Discern God's call for the church mission and vision; support of the rectors; protect the health and safety of our members while at church; steward and develop church resources; develop and administer policy; approve an annual budget presented by the Parish Finance and Endowment Advising Committee; record meeting notes

Parish Finance and Endowment Advising: Develop an annual budget; oversee the church finances to advise Vestry about budget surplus/shortage; advise Vestry on financial policy; care and stewardship of Endowment Fund

Worship and Congregational Care: Altar and breadmaking guilds; acolytes; sacred music; funerals, weddings, and baptisms; preaching and planning liturgies; scripture readers and intercessors; pastoral care and counseling; supply clergy; connection to members who are unable to attend worship due to health or infirmity; Lay Eucharistic Ministry

Hospitality and Fellowship: Potlucks and coffee hour; outings; lunch bunch; food and kitchen supplies; Saturday nite social

Outreach through Kingdom Justice, Christian Charity, and Evangelism: Baby Pantry; Order of Naucratus; Good News Gardens; art shows and musical performances; school supply drive; workshops; shrimp boil; Angel Tree

Stewardship, Building and Grounds, Communications and Technology: Building and grounds maintenance; office staff and sexton; office supplies; computers, phones, and internet; utilities

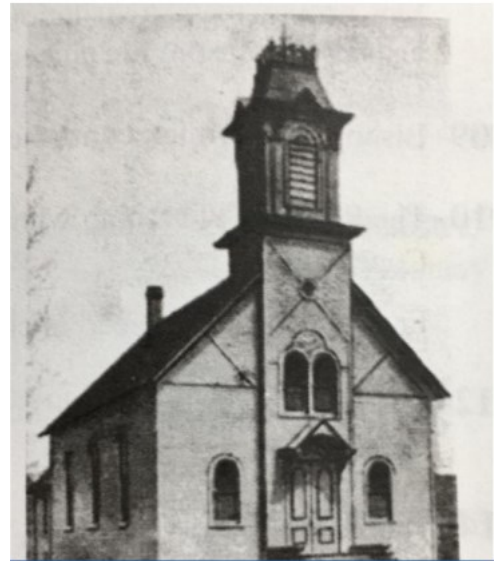
Education and Spiritual Formation: Prayer groups; Bible and book studies; confirmations and re-affirmations; diocesan work by our rectors; workshops; Lenten soup suppers. Our E and F team will keep brainstorming ways to reach and include everyone who wants to participate in church programming. Please share your ideas with vestry liaison, Wendy Hedeon.

If you feel called to contribute your time or talent to any of these efforts, please contact Mother Jodi or Father Christian.

ST. PHILIP'S ORIGIN STORY

Episcopal priests and bishops made regular visits to Benzie County as early as 1881. Occasional services were held, babies baptized, and people confirmed during those visits.

The St. Philip's we know and love began life in the mid 1950s. Regular weekly summer services began in 1954 – first at the Legion Hall, then at the Seventh Day Adventist church in Frankfort. The linens, altar, cross, candles and candlesticks – the tools of the Altar Guild – were stored in small space at the Adventist church. The priest's vestments, hymnals, prayer books, and kneelers were brought out each week. Even cribs and playpens for the St. Phil nursery had to be put out and packed up each Sunday. Anticipating growth and an eventual home of their own, these first members bought a vicarage in Benzonia in 1957 (on Traverse Street behind the post office).



The Seventh Day Adventist Church in Frankfort, circa 1930

In 1959, church members bought our current church home, a pie factory, for \$6,500 (see photo). Plans for a small church using the pie factory and a new addition were drawn up with a proposed budget of \$18,500. The Bishop Wittemore Foundation contributed \$2,000, another \$1,000 was donated by the Diocesan Women's Auxiliary, and a \$10,000 mortgage was secured. The rest came from church members and friends. Ground was broken on our first building on May 6, 1959. Only four months later, on September 13, thanks to contractor James Rogers and a host of volunteers, the first service was held in St. Phil's.



Photograph of the future building site of St. Philip's (note that Philip's is spelled wrong on the sign) with the original pie factory building which would become the first Parish House.

The stone wall that is now the backdrop to our Atrium was originally an exterior wall – you can see it in the 1963 photo on the following page. The door from our current narthex into the sanctuary was the original entrance to the church.



The church was a mission, rather than a parish, until 1972 – the difference being a mission receives support from the diocese, and a parish is self-supporting.

New construction added to the church footprint about every ten years starting in 1980, when the parish hall, kitchen, office, meeting space, bell tower, and narthex were added. The parish hall was named after Alice and

Ralph Hand, the senior warden who led the project, St. Phil's first major expansion since it was built. By 1990, original sections of the church needed significant maintenance. The roof was replaced and although the organ was declared a "fire trap," it wasn't replaced for nearly 10 more years.

In 1999, plans were made for another major renovation and a new organ. Timbers in the bell tower and walls had begun to rot. At the time, St. Andrews Presbyterian Church – now located east of St. Philip's on Lincoln Road – used our building for their worship services. Since St. Philip's would not be useable during the needed renovations, work began after St. Andrews moved into their new building and St. Philip's congregation found a temporary home. The entire building was re-roofed, and the current cathedral ceiling in the nave was constructed – though the timber beams are from the original structure.

A few smaller projects were undertaken in subsequent years. Three rooms that housed the Sunday school and nursery were combined into two rooms and a restroom in 2002. The parking lot was paved that same year. More wood rot was discovered in 2004 and a wall in Hand Hall was rebuilt. In 2006, church members made an unplanned repair when a pickup truck lost control coming down the US-31 hill and crashed into Hand Hall.

Our building remained substantially the same until the last two years when our kitchen was completely remodeled, Hand Hall's flooring replaced, and a new laundry room added. More on these recent changes in coming pages!

2021 BUDGET AND FINANCIAL STATUS

Our pledges are a vital part of St. Philip's annual planning and budgeting process. We rely on a traditional budgeting method that calls for incremental increases or decreases in budget lines over the previous year's budget. The Financial Advisory Committee develops the budget for salaries, utilities, outreach, programming, the Diocesan apportionment, and other costs with the input of each of our ministries and committees. Cost of living increases for employees and the apportionment are both fixed percentages. The final budget must be approved by the Vestry and shared with the parish at the Annual Meeting.

The Vestry, as the fiscal fiduciary of St. Philip's, has an integral role in providing not only a balanced budget, but a budget that takes the mission and vision of our parish into consideration. Our mission is what God is calling us to do and our vision is our hopeful view of the future and the impact of what we do:

"The gifts he gave were that some would be apostles, some prophets, some evangelists, some pastors and teachers, [Mission:] to equip the saints for the work of ministry, for building up the body of Christ, [Vision:] until all of us come to the unity of the faith and knowledge of the Son of God, to maturity, to the measure of the full stature of Christ." (Ephesians 4:11-13)

In 2021 the Financial Advisory Committee and Treasurer Joy Foster implemented account codes to streamline our budgeting and finances. The structure and code numbering system is critical to storing and reviewing financial information, creates greater consistency in budgeting and accounting, and is a generally accepted accounting principle (GAAP). GAAP is a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board (FASB). The Manual of Business Methods in Church Affairs requires churches to follow the FASB Standards for Not-for-Profit Entities.

This year was a milestone for Mother Jodi and Father Christian as they celebrated their 5th anniversary as our Rectors. Their covenant with the vestry stipulates that both rectors were eligible for a sabbatical leave in 2021. The sabbatical was underwritten by a grant from the Lilly Endowment Clergy Renewal Program. This grant covered all sabbatical expenses including airfare, meals, lodging, pulpit supply, and congregational renewal activities. Our rectors returned to us refreshed and ready to continue their mission and ministry.

The vestry of St. Philip's has engaged a new auditing firm, Monroe Sweeris & Tromp PLC located in Grand Rapids. The firm was introduced to us through the Diocese of Western Michigan. An audit committee interviewed a CPA with a specialty in church audits. An introductory Zoom call resulted in a very informative session with a detailed discussion between St. Philip's and our new CPA, Carolyn, and a long and sometimes arduous audit process began. This is the most thorough and complete audit that our parish has ever undergone.

Pre-Planning provides a preliminary understanding of the risks, responsibilities, and key processes of the operation being audited. During pre-planning, the auditor will meet with the audit committee to gain a general understanding of the scope and scale of our operations.

Planning involves developing a detailed understanding of our financial processes.

Fieldwork includes transactional and analytical analyses to determine the adequacy of internal controls.

Reporting documents all identified findings in a report presented to the vestry. The report will identify issues requiring resolution.

Corrective Action is the last step of the audit process. It ensures that identified issues are resolved in a timely manner.

The Financial Advisory Committee and Vestry remain committed to standardizing our budgeting and record keeping, improving our transparency, and managing our money responsibly. Our financial goals for 2022 are to:

- Continue to improve our financial transparency
- Report the Endowment on the balance sheet with an account code.
- Continue to care for and oversee the Endowment Fund
- Continue to decrease our dependence on the Endowment to cover operating expenses so the fund is healthy in perpetuity.

	2021 ANNUAL BUDGET	ACTUAL YTD (9/30/2021)	PROJECTED BY 12/31/2021	Projected Over/Under Budget by 12/31/2021
OPERATING REVENUES				
Non-pledge (plate collection)	\$13,000	\$12,497.11	\$13,365.11	365.11
Pledge	\$75,360.00	\$62,214.98	\$75,360.00	0.00
Interest (checking)	\$255.00	\$205.38	273.84	18.84
Endowment	\$135,250.00	\$102,144.20	\$135,250.00	0.00
Other Income (1)	\$4,150.00	0.00	\$4,000.00	(150.00)
Building Use	700.00	\$0.00	\$100.00	(600.00)
TOTAL	\$228,715.00	\$180,174.18	\$228,348.95	(366.05)
OPERATING EXPENSES				
Parish & Non-parish Based Outreach	\$4,000.00	\$910.23	\$4,000.00	0.00
Building and Grounds	\$29,244.00	\$20,863.26	\$26,054.00	3,190.00
Communications & Technology	\$3,300.00	\$1,669.00	\$2,065.00	1,235.00
Education & Spiritual Formation (2)	\$1,780.00	\$478.95	\$701.45	1,078.55
Fellowship	\$600.00	\$104.29	\$150.00	450.00
Diocesan Commitments (convention, apportionment)	\$26,568.00	\$18,425.97	\$26,568.00	0.00
Worship & Congregational Care (rectors, vestry, stewardship, altar supplies, service music, etc.)	\$156,914.00	\$114,244.62	\$159,214.00	(2,300.00)
Church administration, staffing, audit (3)	\$55,359.00	\$41,184.32	\$60,659.00	(5,300.00)
TOTAL	\$277,765.00	\$197,880.64	\$279,411.45	\$(2,378.55)

(1) Other Income includes \$4,000.00 to transfer from Endowment for audit expenses.

(2) The summer Sabbath series was paid by a portion of the Sabbatical Grant, not budgeted funds.

(3) Audit was originally budgeted as \$4,000.00.

BUILDING AND GROUNDS

If we learned anything from the pandemic, it's that change is constant! In 2019 a very generous donor funded a major kitchen

renovation which was completed under budget in 2020. In 2021, the vestry and donor chose to use the remaining funds from the kitchen renovation project to remodel and update the remaining spaces in Hand Hall.

A washer and dryer have been on the Baby Pantry's wish list for a long time. Donated clothing sometimes needs laundering before it can be redistributed to families in need but there is no water supply or space in the Pantry for such a convenience. The kitchen donation made it possible to convert one bathroom in Hand Hall to a laundry space by removing the wall between the bathroom and utility room, installing a washer and dryer, a folding table, new cabinets, lighting, and a fresh coat of paint. A utility room shower was removed in favor of a mop sink, and the furnace room was closed off with new louvered doors. The remaining bathroom received a coat of paint, new lighting, and a new mirror. Most of this work was done by volunteers Mike Clark and Wendy Hedeem.

A much needed and welcome improvement was the installation of new flooring in all of Hand Hall. A high-grade vinyl composite flooring replaced the aged and stained carpet and tile.

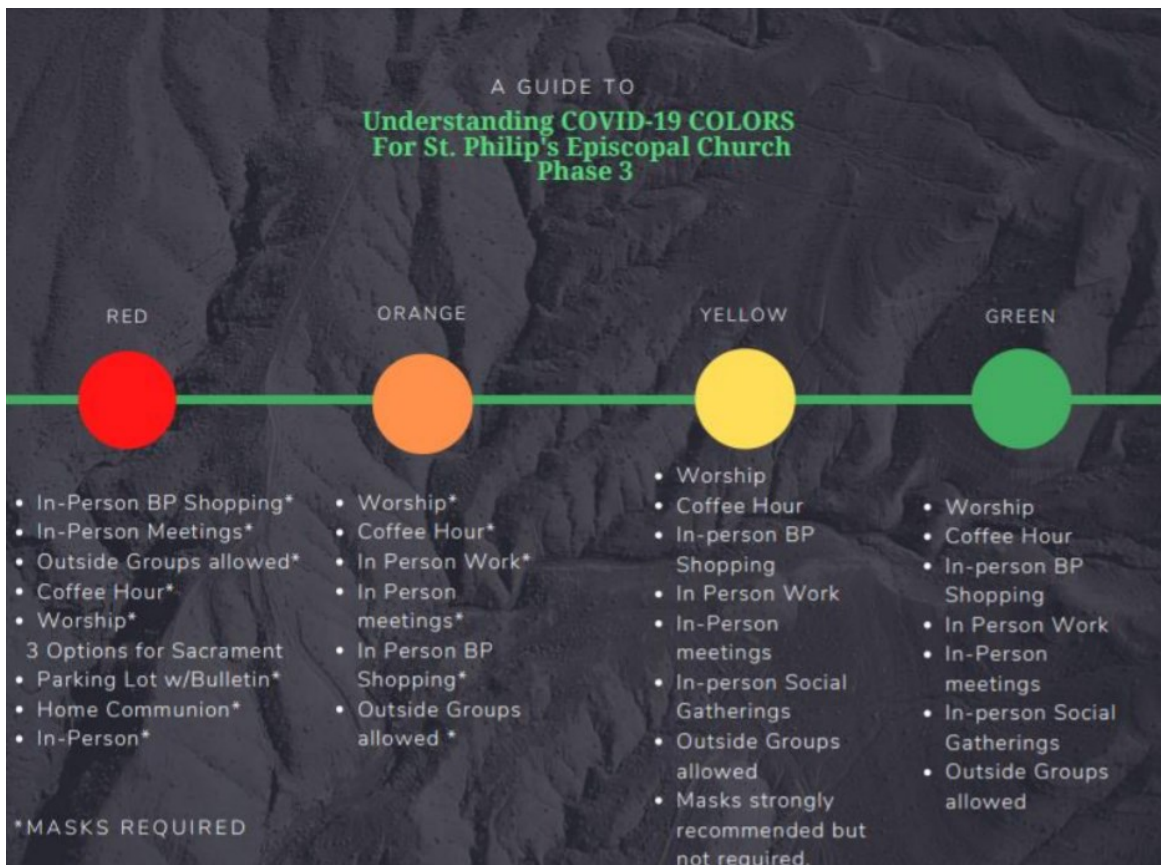
In late June the Rainbow Gutter Company installed color matching gutters on the Baby Pantry building. The gutter system runs along the north and west side of the building and empties into a rain barrel on the northwest corner. These gutters serve two purposes; first to help alleviate the pooling of water at the front entrance where ice builds up in winter, and second, to supply water for the Good News Gardeners.



LOOKING AHEAD | *What does church look like in 2022?*

We are entering the 2022 budgeting and planning process with hope!

The Vestry adopted guidance at its October 2021 meeting to direct our interactions with each other at each level of the pandemic. As of this writing, Benzie County remains at the red level. The Vestry felt comfortable reopening the church to outside groups and gatherings like coffee hour based on evolving science and understanding about how the COVID virus is spread and our growing population of vaccinated people.



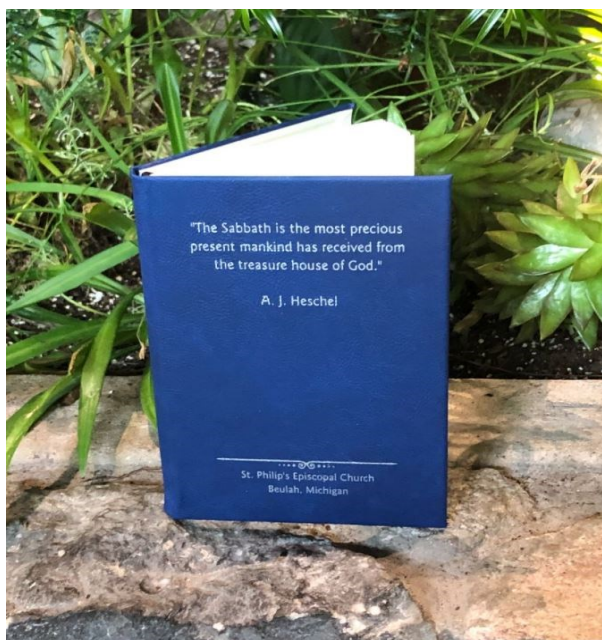
Worship and Congregational Care: We resumed in-person services in 2021 with precautions prescribed by the diocese and based on local conditions, and will continue to do so through 2022.

Terri Conroy joined our office staff this year and has been a blessing beyond compare! Terri will be working on website updates, mainstreaming administrative functions, organizing volunteers, and helping Mother Jodi and Father Christian focus more on ministry and less on church administration.

Education and Spiritual Formation: In our Education and Spiritual

Formation team will keep brainstorming ways to reach and include as many people as possible who want to participate in church programming. 2021 began with a resource bag offered on Ash Wednesday to supply parishioners with Lenten formation materials to journey together through Lent.

Patrick Eggleston recorded a wonderful memory of a Christmas Eve service when St. Phil's power went out "and the church was still and very dark. Then, very gently, Mollie Rogers started to sing Silent Night. It was the best I have ever heard it sung."



This summer we hosted 3 conversations on the topic of Sabbath. We look forward to a full season of opportunities to learn and grow in Christ through each season. Join us!

Outreach: Kingdom Justice, Christian Charity, and Evangelism: The Baby Pantry, the Order of Naucratus, and Good News Gardens are outreach projects that help us fulfill our commitment to Kingdom Justice, Christian Charity, and Evangelism. Use of Baby Pantry, garden, and protein supplies grew in 2021 as pandemic-related financial uncertainty continued for area residents. The Order of Naucratus was awarded Cooperative Ministry status at Convention this fall, which gives the Order an opportunity to apply for and receive grants. Our gardeners, hunters, and anglers will help us grow this important ministry.

Buildings and Grounds: This past year the Vestry decided to contract out much of the maintenance of our gardens and put in place a more affordable mowing and snow removal contract. The gardens are now maintained by Jane Gary, a master gardener from Benzie County. A much bigger project was contracted out to Zimmerman's landscaping of Traverse City. They updated the master plan they did for us several years ago with the help of Gary Michalek, Becky Ogilvie, and Jane Gary. The plan, in part, is for Zimmerman's to thin out the overgrown plants in the east and west gardens this year then execute the long range plan beginning in the Spring. Many of the ornamental trees surrounding the church are old and past their useful lives. We will contact an arborist in the Spring to have the trees removed and get some advice for planting native trees or shrubs that are easily maintained and will live a long time.

Hospitality and Fellowship: The vestry's recent approval of COVID guidance invites parishioners to safely resume coffee hour and social activities. We're starting small, with coffee hour, and hope to resume larger gatherings in 2022 as we see relief from COVID.

Communications and Technology: Never before have we depended so heavily on technology for daily church functioning. Terri Conroy has made our Sunday streaming much smoother and eliminated many of the glitches we experienced the first year we streamed full services. Terri is training one of our youth to help with our streaming technology so we have a backup. If you have had difficulty accessing streamed worship services or other online information, please get in touch with Terri. We continue our presence on-line with social media (Facebook & Instagram) and also through our website (www.stphilipsbeulah.org).

HANDMADE BY OUR MEMBERS

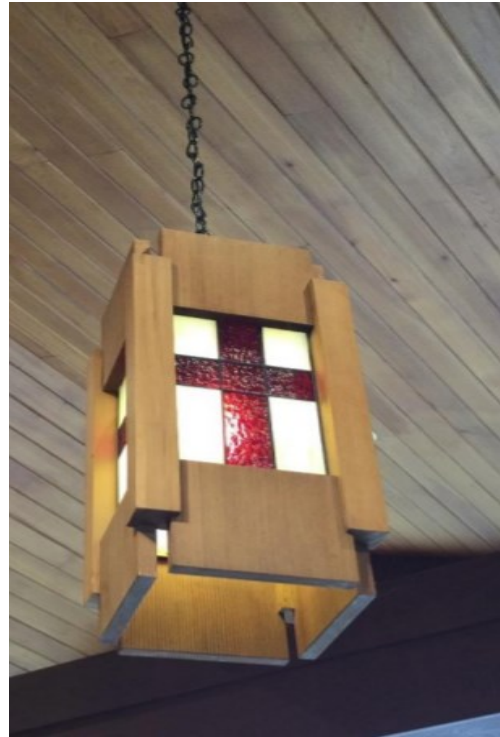
Mollie Rogers made the stunning altar cloth, including its lace panel, pictured here. We believe this is bobbin lace or needle tatting. Imagine the work that went into it.

Naomi Borwell and members of the Borwell family made our unique needle-point altar rail cushions in memory of Bob Borwell, Naomi's husband. Bob was recognized by the Bishop for his "outstanding faithfulness, devotion, and service to the church" in 1985. The flowers and birds were inspired by our local flora and fauna. The cushions were completed and dedicated in 1992.

Our building is not the only part of St. Philip's created by a loving congregation. Members contributed time and talent to creating interior features from floor to ceiling!



Dick Marlet made the nave's hanging wood light fixtures in the mid-1980s. Originally the lights had plain white sides. In the late 1990s, major renovations meant all the fixtures had to be taken down and stored. Church member Molly Comer made the stained glass panels for the ceiling light fixtures. Father Skip Comer refurbished the lights and added Molly's glass. Dick Marlet also made and donated some of our furniture.



Our masterful woodworker, drywaller, painter, and gardener Wendy Hedeem made and donated the box we now use in lieu of the collection plate for in-church donations. Wendy used rustic hand-forged nails to form the cross on the box, representing the nails in Jesus' cross. Look for this precious gift next time you're in church.

Wes Blizzard and other members have contributed their own works of art and labors of love for St. Philip's over the years. We are blessed to have these skilled church members!

MUSIC | OUR PIPES HAVE NO EQUAL!

Without a doubt, the first thing a visitor to St. Philip's notices when entering our sanctuary is the beautiful view through the front windows. And then, after turning around, they will see the tall, silver pipes of the organ and a grand piano in the back of the sanctuary.



The 2-manual, 16-rank pipe organ was built by Jim Lauck for \$85,000. (A manual is a keyboard. "A rank is a row of pipes all of which make the same sound, but at different pitches," according to kimmelculturalcampus.org.) It was installed in the newly-remodeled sanctuary in December 2000. "We can thank Katie Northway who researched and designed the instrument to support congregational singing and to play repertoire for the church service," our organist Larry Smith said. "I wish that I could take some credit for this instrument, but my first Sunday at St. Philip's was the last Sunday in the 'old' sanctuary and Katie and Father Skip had already signed the contract!"

The piano was given to St. Philip's by Maggie Duncan. It was originally in the studio of her father, Arthur Kraft, professor music at Eastman Conservatory. Steinway & Sons built this Model L Grand Piano in 1928 at the New York Steinway & Sons factory. At just under six feet, this piano is the largest of baby grands. These pianos were and still are extremely popular with individuals and pianists who enjoy having the excellence of a Steinway piano in a manageable size.

We are so fortunate to have both of these instruments. They are testaments to St. Philip's longtime commitment to music and the arts. They will serve this congregation for many years and also attract future organists and musicians.

St. Phil's first organ was a hand-me-down from the Lutheran church in Northport. It was used at the Seventh Day Adventist church before St. Phil's was housed in our current building. An old vacuum cleaner was hooked up to power the reed organ's bellows (which otherwise took serious foot pumping), but it was so noisy, the organist Esther Yeates wrapped it in a sleeping bag and put it in an old trunk in a storage room behind a curtain. "When it was time for music, I'd sneak behind the curtain, open the trunk, and turn on the switch," she said. "When the music ended, I'd reverse the process." The vacuum and its soundproofing were brought out from storage at the Seventh Day Adventist Church each week.

MEMORIAL GARDEN | Remembering our loved ones

The memorial garden on the west side of St. Philip's (outside the altar window) was built in 1987-88 after several months of discussion and planning. The memorial garden was designed as an "inviting and appropriate burial site" at the church.

A design committee studied examples from other west Michigan churches and ideas left by Father Ian Schlotterbeck, St. Phil's rector from 1974-1986.



The Committee wanted to preserve the view of the lake behind the altar. Committee members envisioned a flat grass plateau without shrubs or flowers that would obstruct the view, now blocked by trees. A center cross is aligned with the cross behind the altar and almost appears to be its shadow. The cross shape is filled with lake stones and surrounded by bronze plaques, marking the buried remains of church members and their family members

Father Schlotterbeck passed away in 1987. His remains were the first to be buried in the Memorial Garden.

Your financial pledge helps fund the mission and ministry of St. Philip's .
Every gift counts!

MAIL IN YOUR PLEDGE

If you prefer to mail your pledge, please complete the form at the right and mail it to:

St. Philip's Episcopal Church
785 Beulah Highway
Beulah, MI 49617

Be sure to request pledge envelopes on the form if you prefer to use them.

MAKE AN ELECTRONIC PLEDGE

To make an online pledge, please visit www.stphilipsbeulah.org. On the right of our home page, just below the photo of our greenery, you'll see a box that says "Online Giving" - Read More. When you click on Read More, you can set up a recurring or one time donation, payable by credit/debit card or ACH electronic transfer.



" For my house shall be called a house of prayer for all peoples."
Isaiah 56:7

I want to support St. Philip's Episcopal Church and its mission.

Name: _____

Address: _____

City, State. _____

Zip Code _____

Email address: _____

(This is where statements will be sent)

Pledge Amount: _____

My pledge will be distributed:

____ Weekly

____ Monthly

____ Annually

I will be making my pledge payments:

____ By Check (please make me envelopes)

____ By Check (I do not need envelopes)

____ Online through our giving website

**A special thank you to
the following
contributors to this
year's booklet:
Barb Bleyaert
Terri Conroy
Mike Clark
Joy Foster
Judy Macey
Larry Smith
Susan Wenzlick**



The original "breaking of the grounds" for St.
Philip's Episcopal Church

St. Philip's Episcopal Church
785 Beulah Highway
Beulah, MI 49617