
Hillcrest Covenant Church

ANNUAL REPORT | 2016-2017



To Bring Every Person to Life in Christ

SENIOR PASTOR | RANDY BOHLENDER

Dear Friends,

One year has passed since I first preached at Hillcrest. I am grateful for the nearly ten months I spent as interim teaching pastor. It gave us time to get to know one another. Likewise, I'm grateful for the call of God and this church to the Senior Pastorate. I deeply sense the timing of God both on the church body and our family.

As a church, in the coming year, I believe we're going to see significant development in several areas.

An understanding of our calling. Hillcrest has a tremendous history in our community, but like any family of believers, it also has a future. In developing individuals and families with a strong and vibrant faith, we will all come into a better understanding of what God has for us next.

An increase of on-ramps. Nate Severson's recent Sunday morning message, "Sometimes it Takes a Party", spoke so well of the need to make understanding of the kingdom of God accessible to others. In the coming year, we'll see an increase of ways for people in the community to see what God is doing and join in.

An increase of opportunity. Spiritual and numerical growth are not at odds with one another. In the coming year, the Lord will continue to add to our depth as well our numbers. With that, we will see more people engaged in ministry. My experience says that some of our best new ideas will come from the congregation itself. If you're an idea person, there are great days ahead.

Hillcrest, thank you for your warm welcome to my family. We are honored to serve you.

CHAIRMAN | PAT McCOWN

The past year at Hillcrest Covenant Church was a year of transition. In late June of 2016, Mark Seversen resigned from his position as senior pastor of Hillcrest after serving almost 15 years. We cannot thank Mark and Beth enough for their commitment to God's Kingdom, their leadership, character, and work. Mark and Beth are now serving the Evangelical Covenant Church, our denominational headquarters, in Chicago, Illinois.

Hillcrest met the challenges of change with a sense of expectation, of God bringing us into a new season. We were all encouraged to "lean in" and to exercise the gifts the Holy Spirit has given each of us, and to use the talents and skills God has granted us. In many ways we experienced God's goodness, power, and grace towards all of us who call Hillcrest home as we moved forward in remarkable ways during the past year. Below are some of the highlights.

The year started with a thirty-day call to the congregation for fasting, prayer, and worship to seek God's face, wisdom, and direction for this new season at Hillcrest. At the conclusion of the thirty days, many people shared words they believed God had given our congregation. A common theme emerged from these words and the pastors and lay leadership believed that God was calling our congregation to repentance. A special evening was set aside to meet with the Lord and corporately repent and ask for God's forgiveness. It was truly an amazing evening that we believe altered the trajectory of Hillcrest.

A Search Team was appointed by the Hillcrest Governance Board (HGB) that began the work of seeking God's direction and choice for a new senior pastor. God provided Hillcrest with an interim pastor that had been part of Hillcrest for a couple of years. Randy Bohlender took the helm as a part-time teaching pastor in September.

The Search Team worked together with the full congregation and staff to establish a pastor profile and church profile to help guide us in the selection of our next senior pastor. The Search Team met weekly to try and discern the person God wanted as our next senior pastor. Through months of prayer, intensive interviews, discussions, and listening to numerous teachings, God led us to put forward Randy as our next full-time senior pastor. Time won't allow a full accounting of the miraculous ways God led the Search Team, but please know it truly was a Holy Spirit decision.

Another significant challenge over the past fiscal year was the restructuring of our budget to align with the actual giving of the congregation. A revised budget was developed by the Finance Team and approved by the HGB which reduced the overall 2016-17 budget by nearly \$330,000 as compared to the previous year's budget. This obviously had a significant impact on our ministry staff and missions requiring painful adjustments in personnel and reducing our missions giving to 25%. We are grateful that giving exceeded our expectations this past fiscal year and we are now planning on raising our missions giving to 26% for the 2017-18 year.

Two new members to the Hillcrest Governance Board were added in January 2017. Michael Gossenaer and Kirk Wolters. Both of them bring a long history at Hillcrest as well as wisdom and spiritual maturity to the Hillcrest Governance Board. We also want to say "thank you" to Mike Haverty for his years of leadership and service on the HGB as his term ends.

Jan Berghaus chaired a task force to review Hillcrest's Constitution and By-Laws. The team of Rick Thompson, Dave Carnes, Gail Vessels and Larry Williams worked with the HGB to bring forward several changes for the congregation which more accurately reflects the role of the leadership teams and aligns our actual practices with our by-laws and policies. After the first of the year, these will be presented to the congregation for consideration and will be voted on at the annual meeting in 2018.

Jan Berghaus and Larry Williams also commissioned a team to work on human resource policies and benefits. This work is nearing completion and will be presented to our pastors and staff in the next few weeks. Many thanks to Jeff Kurtz, Doug Anderson, Doug Tapp, and Megan Schoff, for their work on these HR policies. In addition, various policies such as communications and benevolence have been developed or updated by staff and lay leaders to define our practices and guide the pastors, staff, and congregation.

Several projects were undertaken during the year to update our facilities. Renovations were made to the Prayer Room and senior pastor's office along with opening up the hallway and exposing the wood ceiling of the original sanctuary. The children's area was renovated and updated to present a more friendly and suitable space for our youngest congregants. If you haven't seen it, please take a moment and see firsthand the work of many volunteers and professionals that transformed the space to a fun and welcoming area.

As the year progressed, we witnessed the goodness of God in increased attendance, increased giving, and multiple baptisms. We thank God who is always faithful, always loving, and always has the best for His people.

The church remains God's vehicle to bring forward His Kingdom and we are privileged to participate in His work in our community, nation, and world. We believe we are at a unique time in the life of Hillcrest and we need you. God has called all of us to His work and to share our gifts, talents, and resources. In many ways, we are encouraged and excited for the season ahead and believe that Christ is head of His church and will build His Kingdom.

WORSHIP | DANIEL BRYMER

The Main Thing *(Daniel Brymer's overarching goal)*

I believe the greatest challenge any church faces is to keep (make?!) the main thing the main thing. I am convinced if any church will do this, it will be overtaken by what other churches spend most of their time, energy, and resources going after. In light of the above, I have decided to make the main thing the main thing in my life and ministry, and to include anyone else in this pursuit who wants to give it a shot. In Luke's account of Jesus' visit to the home of Mary and Martha, Jesus said only one thing is needed. He describes proximity to Him as that "one thing", and clearly states that it is a matter of choice. So as a worship team, we are making a careful, concerted effort to choose well. We are relegating everything else to secondary status, and setting our hearts to seek the Lord in all we do, individually, and in our role as worship leaders. This is no small task, as we are countering the culture, both in (sadly) and out of the church. But the little progress we've made to this end has been encouraging enough to whet our appetite for more, and to convince us there's an alternative to the church worship culture as we've known it. To paraphrase Craig Groeschel, in order to experience what no one else is experiencing in worship, you've got to go where no one else is going in worship. By God's grace we will go there.

Who is the Worship Team?

A team of 30+ volunteers help Daniel Brymer facilitate the congregational worship at Hillcrest. Divided into 4 teams, they serve faithfully, each once a month, and have a lot of fun doing it! Daniel believes his pastoral care and discipling of this team is fundamental to the quality of congregational worship.

Sunday Services

- Staffing, rehearsing, and recruiting teams.
- Sunday mornings include an extended devotional/discipleship time with the worship team.
- Work with the worship planning team (staff) to create service structure and plans.

Training and Equipping

- Worship Watch & Wait – extended worship and prayer times on Sunday evenings.
- Relational mentoring – periodic breakfasts, lunches with members of the worship teams.
- Involving members of the Hillcrest worship team in Daniel's outside ministry and conferences.
- Regularly involving our students, individually, and as a band, in Sunday morning worship.

Excellence in Audio/Video Presentation – Sanctuary and Online

- Upgrading sanctuary sound systems – both for the congregation and the worship team.
- Recruiting trained, experienced audio engineers for the sanctuary and also the control room (for the sound that streams online).
- Stage logistics arranged and managed to enhance musical creativity for the team, increase the quality of our musical experience, minimize distractions for the congregation, and efficiency and flexibility to accommodate Pan y Vino.

Pan y Vino

- Managing the ongoing challenges of another congregation utilizing our stage space.

CHILDREN'S MINISTRY | NICOLE GUTHRIE

The HCKids Ministry Team connects each child to a small group leader in order to make a greater deeper impact in a child's faith. We want children to think critically about what God is telling them at each PHASE of their lives. We present the gospel differently to children at different PHASES. Our goal is for each child to love God, love others, and serve the world. Below are wins or highlights that we saw in HCKids last year.

Kids Growing to Love God (UP)

Preschool: 3 basic truths taught weekly are God made me, God loves me, and Jesus wants to be my friend forever. In the elementary, the 3 basic truths taught weekly are, I need to make the wise choice, I can trust God no matter what, I should treat others the way I want to be treated.

- Our Preschool Small Groups grew this year! Preschool Small Groups as a whole have grown by 10%. And our Elementary Small Groups have grown this past year by 2%.
- We are reaching new children this year in elementary by offering a full HCKids environment and Small Group Leaders at both services. The 10:45 AM service is now reaching similar numbers in attendance as our 9 AM service.

Love Others (IN)

- We had 8 families participate in Baby DB (dedication/baptism). They are making deeper connections with one another and are investing in their child's life by inviting others into their child's life for the long haul.
- Our MOPS (Mother of Preschoolers) grew with over 45 moms in attendance this past year and 70 kids. Moms are supporting and moving towards one another in parenting and following Jesus.
- Christmas Eve services were helped and shaped by HCKids, ensuring a family-friendly and engaging experience for all ages.
- Our Small Group Leaders gather before each service weekly in huddles. This has created a team atmosphere where we encourage one another and pray for our families. Our volunteers are making big strides of partnering together for a greater common goal.
- Our weekday preschool continues to be steady in supporting children and families in both their love for God and academic readiness.

Serve the World (OUT)

- The increase of youth volunteers on Sunday mornings: our kids are looking up to the next generation making deeper connections, and the youth are living out their faith with the kids.
- The Weston Red Barn Farm Family Night and the Kung Fu Kids Night In/Parents Night Out were both a huge success bringing kids, families, leaders, volunteers, staff, etc. together for fun and further points of connection.
- VBS was a huge success with children learning that they were created by a God who uniquely wired them, deepening their understanding of who Jesus is and how he made each one of us differently.
- Our updated preschool and elementary environments have shown that we value kids, which has created a lot of excitement while walking in the door.

YOUTH MINISTRY | NATE SEVERSON

I am so thankful for the different ways God showed up in the lives of our youth ministry this past year! When I say youth ministry I'm not just talking about the 200+ kids and leaders that call Hillcrest their church. I am also talking about their families and friends that play a vital role in what takes place here on a week-to-week basis.

Here are a couple of highlights from the past year:

Amazing Leaders – we are only as good as the incredible team of leaders that God has surrounded us with here at Hillcrest! One of our stated goals is to make a large group small, so that our team of leaders can come alongside our middle school and high school students in a way that connects the truth of God's Word to the phase in life they find themselves in.

High Water Bills – over the past year we have seen the water bill at Hillcrest go up significantly due to the number of youth that chose to be baptized! This is a “problem” we were honored to have and we are praying for high water bills to report at the next annual report in 2018.

30 Years from Now – One of our hopes and prayers for our youth is that God would do significant things in their lives during their teenage years that would affect the way they are living their lives in 30 years and beyond! We believe that those type of seeds were planted this past year and we are hoping that God will continue to help those seeds grow and mature so that future generations benefit from the eternal fruit that is produced.

Global Ministries – God made it abundantly clear to us this past year that what he does in our lives and the lives of others globally he wants to do locally here in Kansas City as well. We saw that played out in the countless friendships that were birthed through our connections with the local refugee population here in Kansas City. Our hope is that through those relationships, we would continue to grow in our love for God and our love for people that are new to our community.

I'm In – This past year we saw over 30 middle school and high school students either say “I'm in” to Jesus for the first time or as a rededication. In talking with them, we heard many reasons that the devil used to try to convince them to keep away from a relationship with God—things like doubt, guilt, pride, and the fear of what they might miss. They were compelled by a never-ending, always-present love of Jesus that led them to say, “I'm in.” Please pray with us that God would keep stirring in the hearts of our youth and that there would be more parties in Heaven as a result!

Passing the Baton – my prayer is that through the ministry of Hillcrest Covenant Church we can raise up youth who will take the gifts, talents, abilities and the calling they have and use it to give back to our church, neighborhoods and world so that God would be the famous one and focal point! This will only happen if we as a church see our children and youth as a major catalyst that God wants to use to do great and mighty things both now and into the future!

Please continue to pray for our youth ministry as we look forward to celebrating another incredible year where our attention is focused on the only One worthy of our attention... Jesus!

ADULT MINISTRIES | CLAIRE McCLUN

The Adult Disciples Team provides intentional pathways of **community** and **growth in Christ** for women and men. We are committed to **equipping** adults in “the process of being transformed in the image of Christ for the sake of others” (Robert Mulholland). Facilitating **following Jesus together** through planned and organic ways is the heart of Adult Discipleship. God has done many good things in and through **Small Groups, Women’s Ministries, Men’s Ministries, Prayer Ministry, Adult Communities, Benevolence, and Premarital Mentoring**. Below are a handful of key highlights and numbers to celebrate our **partnership with God in being disciples who make and deepen disciples**.

Growing in loving God (UP)

- During Lent 2017, over **30 small groups and adult communities** journeyed through the New Testament together and over 520 Books of the Bible: New Testament were in people’s hands. The Community Bible Experience shaped our view of God, ourselves, others and the world through the lens of God’s Story.
- **130** women of all ages and stages learned to follow Jesus together through Bible and book studies with peak involvement this summer.
- The Prayer Ministry **equipped communion and communication with God** including through Lectio Divina (devotional reading) and **provided opportunities for intercession** in corporate worship, the Prayer Room, Safe Place Prayer (healing prayer), and outreach.

Growing in loving others (IN)

- Over **55%** of the average weekend adult attendance is involved in a small group that is growing UP, IN and OUT.
- Starting fall 2016, a **Group Shepherd Team** was developed to encourage group leaders’ growth and to support group growth.
- About **50 men** participated in twice a year men’s events that provided an opportunity for men to connect to God, one another, and small groups.
- **6 mentor couples** helped premarital couples prepare for marriage with a Christian foundation.

Growing in joining God in serving others (OUT)

- In fall 2016, **20 small groups** (co-ed, women and men) grew in connecting their work (paid and unpaid) to God’s work.
- In March 2017, over **30 leaders** were inspired and equipped as disciples who make disciples with Michelle Sanchez, Covenant’s Executive Minister of Make and Deepen Disciples.
- Over **45 new Small Group Leaders**, who intentionally make and deepen disciples in a biblically relational environment, have been equipped the past two-and-a-half years.
- The **Benevolence Team** provided financial assistance in the context of empowering relationships that uphold the dignity of individuals, invite people into church community and encourage people to use their gifts, abilities, and resources in ways that please God.

INVITATIONAL LIVING | DORI BROWN

What a pleasure it is to serve Hillcrest which has been my church family over the 35 years. During the 18 years of my service on staff, my emphasis has evolved over the years to where I find myself shifting from being primarily a program shaper and implementer to having a pastoral emphasis and presence.

Outreach and evangelism which has been a life's theme last year was displayed in our MIDweek programming with Financial Peace University – a bridge event to the community which provides a delicious home-cooked meal, childcare, and authentic community along with teaching and tools for financial freedom. At each of our two courses last fall and last spring, approximately half of the 52 participants came to our course from outside of the church, drawn by the reputation and broad exposure of Dave Ramsey's program. At the end of each course, the groups reported thousands of dollars of debt retirement and often a first-time of implementing a giving plan. The celebration of financial freedom found within a decidedly Christian community along with Dave Ramsey's message of salvation resulted in much more than help with finances as participants experienced the love of Jesus in community with an invitation to salvation and a place of belonging.

Fourth Friday Concerts have also been our pleasure to offer as a free family-friendly event at Franklin Park just down the street from our church. Last year was our tenth year for local bands, free food, a face-painting clown, and fabulous park to create a setting for simple and enjoyable community. When the guests ask us why we do this, we answer "We love our community and want to give something back to it for anyone and everyone to enjoy." Our goal is to create community on-the-spot for all to be hosted by Hillcrest and for our guests to know of our love and appreciation for them. We long for the reputation of "church" to be enhanced by our natural and genuine enjoyment of simple pleasures – a signpost of the "common grace" given by God to each and every person.

Beyond these events, being the architect of December's Service of Remembrance and January's Service of Repentance was clearly brought about by the Lord and both – in unique ways – brought resolution and restoration to people in attendance. Such "special" services are a passion, as I seek to serve in bringing together our people for healing and renewal. More pastoral service is occurring through home-bound and hospital visits, funerals, meeting with people for counsel and prayer. Additionally, as a part of my first year of training as a spiritual director I began seeing some directees and am thankful for this way of ministering to people in such a deep and yet natural way. Helping people see where God is working in their lives is a source of deep satisfaction and I long to do more individual and group work in this way.

God has been faithful to His nature in keeping this church in His close and loving care. Throughout this last year's significant changes, He provided faithfully and led us clearly within His perfect timing. I believe we are at the cusp of a great number of significant movements that will be initiated and guided by the Spirit. I am thankful to be a part of such a movement. Onward and upward. To God be the glory!

CONNECTIONS | JANIE TYLER

The Hillcrest Connections Ministry includes the team leads and team members of Sunday morning greeters, ushers, the Connection Center and the Coffee Center, as well as our weekday volunteer receptionists in providing a welcoming environment for our guests and our church family. Connecting people to the Hillcrest community in areas of ministry and service happen through a diversity of ways by a variety of people—but none better than the personal invitation.

With it being a transition year between senior pastors, Discover Hillcrest was offered once during this past fiscal year. The June 25 date was ideal, as Randy Bohlender was named as the new senior pastor earlier that month. Forty-five guests and 13 leaders participated in the evening that included a sit-down meal, casual conversations, and two Q/A panels (board members and pastoral staff) to learn about Hillcrest, its ministries and its denomination. Of those 45 guests, 41 indicated interest in membership. Jan Berghaus from the board facilitated those next steps.

The Sunday morning Connection Card continues to be vital in helping determine who is current in our church family. It also identifies guests and offers a pathway for visitors, regular attenders, and members requesting information. Follow-up happens within the week. This past year has shown a marked increase of weekly prayer requests (now averaging 50-70) on the flip side of the card. The staff lead team prays together weekly for each request, and a team of intercessors pray individually. An online connection card was introduced this past year for those watching the Sunday live-stream.

In its second year, The Hub, our online directory and ministry management tool, has widened its scope of users. Group leaders are now using it to manage and message participants. Online forms have streamlined registration. Group leaders and more of our church community are uploading individual and family photos, updating personal contact information, giving online, and sourcing it for church family information.

The Connections Ministry enveloped several functions of Hillcrest's Care Ministry this past year. A set of four Journey Through Grief books were sent to those who lost a loved one (35). Over 20 prayer shawls knitted or crocheted by the women who meet weekly to pray were given as a tangible expression of God's love and care. Congregational Care Ministers continued to provide one-on-one relationships with their care receivers. Tabitha, a ministry to senior ladies (35) met monthly for programs and prayer. In December, a team of 21 volunteers delivered Christmas goodie baskets and cards to 30 older people or those who have difficulty attending in our church family. (Tabitha leaders also delivered Christmas boxes to their ladies.) Before Easter, efforts were combined, and 58 Easter lilies and cards were delivered. Many other caring touch-points were made to those in our church family through visits, calls, and cards.

MISSIONS | LARRY WILLIAMS

I am happy to report that during the past year of leadership transition and significant missions budget reduction, the Missions Ministry of Hillcrest has continued to reflect the heart and passion of Hillcrest's people "To bring every person to life in Christ" both in our neighborhood and around the world. A special word of thanks is due to Michael Gossenauer, who ably served as the Missions Team Lead for the past three years, and to David Carnes who has stepped up to serve as the current Missions Team Lead. Their leadership and investment of time and energy has been crucial to keeping our Missions Ministry healthy.

During the past year, we hosted several of our mission partners including, Drew and Holly Williams (Alaska), Byron Bruckner (Alaska), Mark Brende (Colorado), Ibrahima Kodio (Mali), Andrew Sweeney (France), Gary and Pauline Carlson (Japan), Jamie (Persians in Los Angeles), Pete and Cindy Ekstrand (Congo), Emma Tyler (India), Ryan and Monica Reeves (Manhattan, KS), Bishop and Mary Rwubusisi (Uganda), and Champions Special Ministries (Kansas City).

Among the mandates for the Missions Ministry at Hillcrest is to facilitate the engagement of the congregation in missional activities and to nurture the development of "World Christians" who intentionally invest in the Great Commission. To accomplish this mandate, we conducted the following events and short-term mission trips.

- Through the Advent Conspiracy 2016 campaign, Hillcrest provided over \$40,000 to Voice of Love, the ministry to local refugees from the Middle East, led by Tali Johnson, and deeply connected to Hillcrest.
- A Short-Term Team from Hillcrest participated in a life-changing 2 weeks of outreach among Syrian and Afghan refugees in Athens, Greece in July 2016. Reaching out to Muslims, both around the world and locally, seems to be an area in which God is leading us to greater involvement.
- An Adult Team served in Nicaragua in October, and a large High School Team served there in March, working alongside an indigenous church and a local Christian Surfers Ministry.
- The next few months will see a medical missions trip to Nepal to work with our partner, Sundar Dhoka (supporting church planting efforts in remote parts of the country). Coming alongside indigenous ministries, such as Sundar Dhoka, is an area of increased interest and investment for us.
- Hillcrest will serve as a collection center for a wheelchair donation event for Joni and Friends.

Undergirding all of this activity and the work of our mission partners are the prayers of God's people. We are grateful for the Missionary Prayer Team that gathers prayer requests from our mission partners and distributes the list weekly, and for those who faithfully pray.

PROPERTIES | ROGER LARSON

The Property Team is charged with the care of the Hillcrest property so that it is maintained and usable for our church family and others. The team is mindful that each week “company is coming” and our goal is that Hillcrest remains a place that is welcoming, functional, safe, and hospitable for members and guests alike.

There is much demand for use of the renovated facilities, whether Sunday morning worship, mission events, weddings and receptions, Hillcrest Preschool, Bible studies, Pan y Vino church events, recovery groups, or various small groups who use our space in the three buildings on our campus. We continue to prepare these spaces for company, with additional cleaning, heating, cooling, and lighting.

Recent Highlights in Properties

- Two very productive all-church clean-up days with over 100 people involved from Hillcrest and Pan y Vino.
- The nursery area was renovated with new paint colors, décor, furniture, and toys. This work was accomplished with volunteer help, memorial monies, and a nursery shower.
- Remainder of the memorial money went to redo the hallway/entrance to the Chapel.
- Corrected the sound transmission problem between the Prayer Room and the senior pastor’s office while we were without a senior pastor.
- Over the last two years we have had six Eagle Scout projects on the church grounds.

Upcoming/Ongoing Maintenance and Upgrades

- The Birch House has required some on-going maintenance. Funds for these repairs come from the AA groups that meet at the Birch House.
- The parking lot needs attention at which time we will designate additional handicap and senior parking spaces.
- The Library renovation is coming this fall with plans that include comfortable and “coffee house” seating and tables, new flooring and lighting and serving capabilities to make this a space for Sundays and weekday use. This project is funded with a special monetary gift and not from the general fund.

Special Thanks

- Jan Carlson – who is able and willing to undertake most of the day-to-day repairs while doing room setups, computer help, ordering of supplies, and a host of other things in our facility.
- Lisa Kurtz – who is responsible for coordinating the use of the facilities and the general appearance of our space as we ready it each week for attenders and guests alike.
- All volunteers – who help to keep our facility ready for company. Volunteers are always needed. Let Roger Larson or Lisa Kurtz know, or indicate your interest on the Connection Card if you would like to volunteer. There is always something to do!

2017 FINANCE | DAWN DOLLIVER

We praise God for His gracious provision and depend on His guidance to minister to our church family, our local community, and world. Hillcrest has a history of living generously for God's kingdom, and we are positioned to share the good news of Jesus in the days ahead.

Financial Update

Faithful generosity combined with sound expense stewardship has supported the ministry priorities reflected throughout this annual report. Hillcrest tithes and offerings exceeded \$2,027,000, and the fiscal year ended with a surplus balance. The Hillcrest Governance Board (HGB) allocated \$50,000 of the operating surplus to capital expenditure reserve. The Storehouse bookstore closing cash balance was contributed to capital reserve as well.

Hillcrest continues to be debt-free and had no external short-term borrowings during the last fiscal year. The current operating cash reserves support general ministry operating expense as we continue investing in the mission and vision of Hillcrest.

Other Updates

Future Needs – The church leadership continues to seek God's direction for maintenance and care of our church building and grounds. Parking lot and exterior façade maintenance are under review among leadership and professional experts. (The capital reserve balance at year-end was \$214,348.)

Budget Preparation for 2017-2018 – The Finance Team developed a top-line giving expectation based on historical giving trends. The staff developed the ministry budget based on our vision and priorities. The proposed budget was reviewed by the HGB and was shared with the congregation in June 2017 with the vote for approval at today's annual meeting. A vote for the proposed 2017-2018 budget is a commitment to faithfully support Hillcrest's ministry work to advance God's kingdom. (It is noted that the budget reflects an increase in the Missions budget from 25% to 26% of giving.)

Audit - Keller & Owen performed an external audit for fiscal year-end 6/30/16 based on modified cash basis of accounting. The audit did not identify any deficiency in internal controls. The firm provided comments on opportunities for strengthened operating practices and efficiencies. The staff, HGB, and Finance Team are utilizing recommendations as guidance for updating and documenting certain policy and practices. In addition, with the beginning of the new fiscal year to end 6/30/18, Mission finances will be maintained in the Church's general accounting file rather than a separate accounting file to provide efficiencies and consistent internal controls. (The Missions Team will continue to oversee and direct the allocation of the funds.)

It is noted that the audit of the books and records for fiscal year end 6/30/17 will be performed by qualified accounting professionals who are associated with Hillcrest Covenant Church but do not serve on the Finance Team or HGB.

**Hillcrest Covenant Church
Statement of Financial Position**

	<u>6/30/17</u>
ASSETS	
General Fund	\$ 139,931
Capital Reserve	\$ 214,348
Missions	\$ 120,219
Benevolence	\$ 83,674
Savings	\$ 114,554
BOBF	\$ 31,806
Cash & Cash Equivalents	\$ 704,532
Investments	\$ 100,045
Fixed Assets	\$ 4,684,390
TOTAL ASSETS	\$ 5,488,967
LIABILITIES & NET ASSETS	
Current Liabilities	\$ 6,748
TOTAL LIABILITIES	\$ 6,748
NET ASSETS	
Fund Balance	\$ 4,937,056
Ministry Fund Balance - Designated	\$ 295,023
Capital Expenditure Reserve	\$ 214,348
Net Surplus	\$ 35,791
TOTAL NET ASSETS	\$ 5,482,218
TOTAL LIABILITIES & NET ASSETS	\$ 5,488,967

Statement of Activities

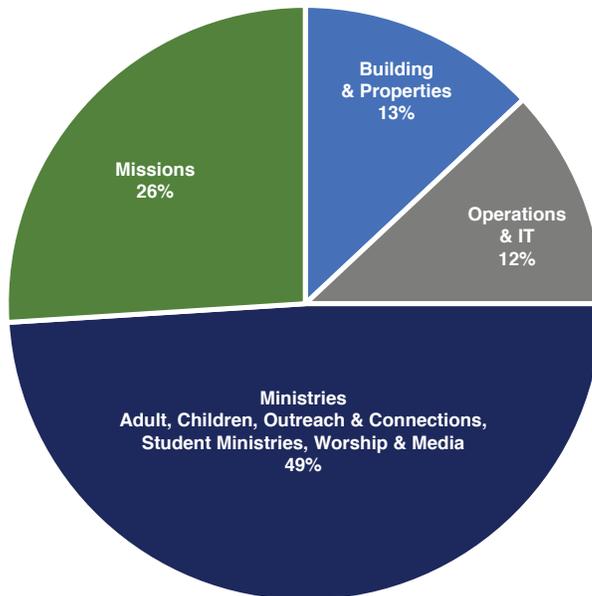
	Actual <u>6/30/17</u>	<i>Budget</i> <u>2016-2017</u>
Giving	\$ 2,027,155	\$ 2,000,000
Ministry & Operating Expenses		
Personnel Expense	963,454	994,444
Properties	139,546	156,535
Operating Expense	86,109	84,000
Adults	10,791	12,100
Congregational Care	1,658	4,050
Children	35,311	32,000
Invitational Living	23,992	30,100
Student (Mid School & High School)	30,569	26,800
Missions	500,539	493,750
Worship	36,725	32,215
Media	18,425	20,625
Technology	44,222	45,700
Capital Expense & Operating Reserve	27,710	67,681
Capital Reserve - Allocation	50,000	
Total Ministry & Operating Expense	\$ 1,969,053	\$ 2,000,000
Operating Surplus / (Deficit)	\$ 58,103	\$ 0
Other Income / (Expense)^	\$ (22,312)	\$ 0
Net Surplus / (Deficit)	\$ 35,791	\$ 0

^ Non-operating budget ministry items that fluctuate annually (i.e. Missions, Storehouse, Benevolence, etc.)

Hillcrest Covenant Church Budget Comparison

	BUDGET '16-'17	BUDGET '17-'18
	(*Adjusted to 2017-2018 format)	
GIVING		
General Fund	\$ 1,586,546.00	\$ 1,599,644.00
Missions	\$ 388,454.00	\$ 425,356.00
Capital Expenditure Reserve	\$ 25,000.00	\$ 25,000.00
TOTAL GIVING:	\$ 2,000,000.00	\$ 2,050,000.00
EXPENSES		
Personnel	\$ 1,097,444.00	\$ 1,102,662.00
Properties	\$ 156,535.00	\$ 157,530.00
Operating Expenses	\$ 84,000.00	\$ 98,600.00
Adult Discipleship	\$ 12,100.00	\$ 18,495.00
Children's Ministry	\$ 32,000.00	\$ 35,000.00
Connection/Care Ministry	\$ 11,250.00	\$ 22,000.00
Invitational Living	\$ 21,700.00	\$ 15,150.00
Student Ministry	\$ 26,800.00	\$ 31,750.00
Worship	\$ 32,215.00	\$ 34,000.00
Media	\$ 20,625.00	\$ 20,625.00
Information Technology	\$ 45,700.00	\$ 45,700.00
Missions	\$ 388,454.00	\$ 425,346.00
Capital Expense/Operating Reserve	\$ 71,177.00	\$ 43,142.00
TOTAL EXPENSES:	\$ 2,000,000.00	\$ 2,050,000.00

Hillcrest Budget Allocation 2017-2018



RECORDS | PEOPLE OF HILLCREST

Hillcrest Governance Board

Randy Bohlender, Senior Pastor
Pat McCown, Chairman
Glen Posladek, Vice Chair
Dawn Dolliver, Secretary/Treasurer
Anne Ferneau
Jan Berghaus
Michael Gossenauer
Kirk Wolters

2017 Confirmands

Julia Fogel, Ashley Garverick, Josiah Gossenauer, Maddie Morrissey, Duncan Paul, Joshua Peterson, Will Severson, Anna Stover, Oliver Timberlake, Nathan Tompkins, Grace Uecker, Meredith Vaughn

Baptisms

7/10/16: Fouzieh Jebraeili, Morteza Ardestani

2/26/17: Evan Jantsch, Cameron Jantsch, Jack Jantsch, River Stouse, EvyKate Stouse, Brennan Schoff, Chase Horner, Tucker Ensz, Nafise Fallahian, Cathy Vo

4/23/17: Khadijah Aoush, Akram Aoush, Noor Aoush, Nancy Aoush, Ashley Garverick, Will Severson, Nathan Tompkins

6/4/17: Estelle Gordon, Sofia O'Neil, Olivia Price, Anna Stover, Amber Vollick

Dedications

10/9/16:

Ian Spears, Graham Spears, Cora Spears: parents - Haley and Paul Spears

Ruthie Brown: parents - Kristen and Zach Brown

James Valentino, Christopher Valentino: parents - Emily and Joe Valentino

Stella Mahurin: parents - Andrea and Spencer Mahurin

Births

Stella Marlene Mahurin: 7/1/16, Graham Richard Posladek: 5/1/17,
Everett John Merklein: 6/6/17

Deaths

Gerald Jacobson: 8/5/16, Mary Hurd: 10/23/16, Ray Gerlinger: 12/4/16,
John Henderson: 12/11/16, Hartley Ericson: 4/5/17, Jim Ashworth: 4/10/17,
Helen Mattson: 4/25/17, Bob Colburn: 5/26/17