

**The Rector, Church Wardens and Vestrymen of  
Grace Church in the City of New York**



**Report for the Annual Meeting - February 2<sup>nd</sup>, 2014**

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**Preface**

As in years past, this Annual Report will review governance, finance and parish life for the year ended December 31<sup>st</sup>, 2013. Reports from Standing Committees of the Vestry and related business areas will precede those dealing with parish life.

Within the Episcopal Church, the Rector has the care of souls in a parish, while the Vestry is canonically responsible for the stewardship of things temporal, that is, property in all its forms. This canonical duty is reinforced by applicable legislation of the State of New York. At the 2014 Annual Meeting, parish leadership will provide a summary of 2013 and an outlook for 2014.

The religious corporation that is commonly known as “Grace Church” is properly named the “The Rector, Church Wardens and Vestrymen of Grace Church in the City of New York”. Throughout this document, “Grace Church” and “Corporation” will be used as shorthand for our full corporate name.

This document is intended to supplement the remarks of the Wardens and certain Vestry members at this annual meeting. It is not intended to replace the Corporation’s audited financial statements or ratified minutes, but should be read in conjunction therewith.

*Front page photograph by Andrew McKeon, 2013.*

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## Greetings from the Rector

February 2<sup>nd</sup>, 2014

Dear People of Grace Church,

Greetings to you all in the name of our Lord Jesus Christ as we gather today for our annual parish meeting.

2013 was a remarkable year in many respects, and it is appropriate to look back and reflect on how the Spirit of the Lord was moving among us. Perhaps the most significant achievement of the year was the installation of the Bicentennial Organ. One year ago today, by all appearances the organ was in place, but in fact only a small fraction of the pipes and complex mechanical action was ready to go. By Lent we were able to shut off the interim electric instrument for good and use the new instrument exclusively. By Easter the Bicentennial organ was able to carry the hymn-singing of a full church. Later in the spring we celebrated the "Inauguration," and then in the fall the "Exhibition" of the new organ. It has been a long journey of learning, restoring, giving, and anticipating. We are thrilled with the results, and trust that we have restored an organ with a lifespan that will be measured by centuries, not decades.

2013 also marked what might be called "a return to normalcy." Over the past five years an outsider looking in on our life might have guessed that the mission of Grace Church was to raise money from its members and restore the building. The building is a means to an end; it is a tool in the hands of God for the growth of God's kingdom. We are the stewards of it, so our care of the fabric and grounds is a sacred responsibility that will always be ours. Nevertheless, we have now entered a blessed period when we can focus more on using the tool rather than restoring it. Thus I look forward to an increase of the Spirit in all the areas of ministry that are central to Grace Church: meaningful worship and music, Christian education for all ages, pastoral care of our members, evangelism to the community, and outreach to the poor.

As in years past, I remain immensely grateful for our talented and committed Vestry and Wardens, our dedicated and hardworking staff, and the many gifts of time, talent, and treasure that each of you offer in the name of our Lord to keep Grace Church thriving.

It is a blessing and a privilege to serve this household of faith. Thank you for your trust.

Sincerely,

The Rev. J. Donald Waring  
14th Rector of Grace Church in New York

## The 2013-2014 Vestry

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Grace Church's 2013-2014 Vestry was composed of:

The Rector, the Rev. J. Donald Waring  
Senior Warden, Ms. Sarah Cogan *(Serving until February of 2014)*  
Junior Warden, Mr. Brett Pertuz *(Serving until February of 2015)*

The Head of Grace Church School, Mr. George Davison, *ex officio* (non-voting)

Vestry Members:

*Serving until February of 2014*

Ms. Lee Chamberlin  
Ms. Singleton Cox  
Mr. Paul Demartini, Clerk  
Ms. Nancy Walcott, Treasurer

*Serving until February of 2015*

Mr. Jackson Browning, Jr.  
Michael Kirchmann  
Mr. Erik Sorenson  
Mr. Doug Skrypek

*Serving until February of 2016*

Mr. Justin Brownhill  
Mr. Colbert Cannon  
Ms. Elana Foundos  
Ms. Anastasia Rotheroe

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## Observations from the Church Wardens

It is a great privilege to serve as wardens of Grace Church. The reports that follow give a full picture of the financial condition of Grace Church and the activities of the parish in 2013. In these observations, we offer some thoughts on the past year, echoing the Rector's remarks.

The most significant achievement of 2013 was the installation of our magnificent new Bicentennial Organ. After over three years of designing, building, installing and voicing, we now have a world class instrument. Its many racks of pipes, tones and colors enhance all of our worship services. It was wonderful to hear new sounds each week as the final stages of the installation were completed. The church was full for the Exhibition of the organ in September, one of many early indications that the organ will attract visitors and organists. Many of us come to Grace in part for our incredible music program which is now better than ever. The installation of the Bicentennial Organ marks the capstone of the current phase of renovation of our historic structure. We have now completed the renovation of the Choir, Sanctuary, South Transept and Honor Room; and have fully renovated the magnificent Te Deum window and the other stained glass windows in the areas of completed work. The new organ and the extensive renovation of the church were expensive but we believe we have made a good investment in our future. The completion of the organ installation also meant that 2013 was the year in which we were able to stop borrowing from the endowment to pay for the renovation and the organ. We must eventually raise funds to replenish the endowment but it has been refreshing to know that we are done with major capital expenses for the moment. As with any historic structure, there is always more work to be done; but we believe the work done to date has resulted in a significant improvement to our building's overall health and will allow us to continue our important ministry of presence in our neighborhood for generations to come.

The Vestry, however, remains focused on the need to fund our annual operating expenses. Simply put, our income is less than our expenses. Income comes primarily from pledges and distributions from the loft building at 80 Fourth Avenue. Our expenditures enable our ministries to thrive. We have been vigilant in keeping our expenses as low as possible and any further cuts would jeopardize the programs and ministries we all hold dear. Parish growth is the best way to address this challenge and remains the core focus of your clergy and your Vestry. In 2013 we revitalized the newcomer committee and, with the help of our technology and parish life committees, will continue to seek new ways to draw more people into the parish.

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## Finance & Audit Committee

The Finance & Audit Committee is a Standing Committee of the Vestry. Its members are:

Mr. Justin Brownhill  
 Ms. Christine Harland  
 Mr. Charles Johnston  
 Ms. Nancy Walcott, *Treasurer & Chair*

The Committee reviews financial performance, engages in the review and approval of a draft budget and reviews various matters with our auditors.

Capin Crouse LLP, the Corporation's auditors fully consolidated the results of 80 Fourth Avenue LLC and Saving Grace NYC. The Committee remains pleased with the firm's responsiveness and engagement with our finance staff. Our audit was completed earlier than in past years, and was unqualified.

Grace Church continues to rely on three main income streams: giving (pledge & plate), investment income from our securities portfolio and rental income and special distributions from the Loft Building. Giving remained within our budgeted amount. Other 2013 revenues and expenses were largely as expected, although additional rental income from 102 Fourth Avenue was received.

The following chart details recent annual giving:

	2012	2013	2014	Yearly Payments
	Annual	Annual	Annual	Shown in Summary
	Campaign	Campaign	Campaign	Financial Information
Cash Pledge Payments Made in 2011	\$156,335	\$0	\$0	
Cash Pledge Payments Made in 2012	\$749,533	\$65,253	\$0	\$823,513
Cash Pledge Payments Made in 2013	<u>\$18,745</u>	<u>\$795,057</u>	<u>\$114,136</u>	\$928,639
	\$924,613	\$860,310	\$114,136	
Total Payments by Annual Campaign	\$924,618	\$866,742	\$124,562	
Annual Campaign Goal	\$975,000	\$975,000	\$975,000	

**Note:** The reason for the difference between total *Cash Pledge Payments* and *Total Payments by Annual Campaign* is that the latter includes payments received prior to 2011 and/or post 2013 against pledge commitments. These additional amounts are not included in *Cash Pledge Payments*.

The 2014 Budget, as reviewed by the Committee and approved by the Vestry at its December 2013 meeting, assumes that pledges will amount to \$975,000 (before a 5.0% reserve for unpaid pledges), that there will be a draw rate of 5.0-5.5% on the Corporation's securities portfolio for routine capital and operating items, and that the Loft Building will be able to provide approximately \$900,000 in cash flow.

The Corporation experienced a modest decrease in expenses from 2012 to 2013. For 2014 budgeting purposes, discretionary items were largely held flat. Employee medical insurance had been one of the largest contributors to this increase, even with the benefit of switching to the Diocese of New York's plan. For 2014, the Corporation's premiums are expected to rise six per cent - well above the rate of inflation, but far better than recent double-digit rises in years past.

The other budget item of note is the Diocesan Assessment, which was held flat at \$250,000 for 2011, 2012 and 2013. Our 2014 budgeted number of \$250,000 is lower than that requested by the Diocese; this difference will require additional conversations with Diocesan officials.

As in years past, the Committee intends to review periodically actual 2014 results against the 2014 Budget, and to recommend necessary adjustments to the Vestry.

The next page outlines financial results for 2012 and 2013, as well as the approved 2014 budget.

**Comparative Financial Information (Unaudited – Cash Basis Presentation)**

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>Actual</b>	<b>Provisional</b>	<b>Budget</b>
<b>REVENUE</b>			
Pledge Payments	\$823,513	\$928,639	\$926,250
Plate and Other	165,712	130,588	145,000
Program Revenue	27,830	42,167	27,500
Bequests	0	14,098	0
Space Rental	9,150	10,184	15,000
Miscellaneous	225	280	500
<b>Operating Revenue</b>	<b>\$1,026,430</b>	<b>\$1,125,956</b>	<b>\$1,114,250</b>
<b>REAL ESTATE REVENUE</b>			
Net Rental Income - 102 Fourth Avenue	\$57,979	\$112,669	\$151,500
Owner Monthly Distribution - 80 Fourth Avenue	900,000	900,000	900,000
<b>Real Estate Revenue</b>	<b>\$957,979</b>	<b>\$1,012,669</b>	<b>\$1,051,500</b>
<b>DRAW ON INVESTMENTS</b>	<b>\$550,000</b>	<b>\$450,000</b>	<b>\$588,149</b>
<b>REVENUE + DRAW</b>	<b>\$2,534,409</b>	<b>\$2,588,625</b>	<b>\$2,753,899</b>
<b>EXPENSES</b>			
Parish Ministry	\$541,608	\$548,452	\$575,461
Outreach	86,320	70,723	73,000
Diocesan Support	250,000	250,000	250,000
Music	255,459	280,385	302,504
Fabric and Grounds	794,706	753,163	784,813
Administration (includes investment fees)	585,529	571,386	595,225
<b>Operating Expense</b>	<b>\$2,513,622</b>	<b>\$2,474,109</b>	<b>\$2,581,003</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$149,305</b>	<b>\$74,950</b>	<b>\$172,896</b>
<b>TOTAL EXPENSE</b>	<b>\$2,662,927</b>	<b>\$2,549,059</b>	<b>\$2,753,899</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(\$128,518)</b>	<b>\$39,566</b>	<b>\$0</b>

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## 2014 Annual Campaign

Grace Church remains blessed to have very generous parishioners. The 2013 Annual Campaign concluded with total pledge commitments of \$1,001,933.

For the 2014 Annual Campaign, Grace Church is ahead of 2013 in terms of dollars pledged. As of January 29, 2014, 207 households have pledged a total of \$948,285, or 97% of the \$975,000 goal for pledges. This compares favorably to January 29, 2013, when 207 households had pledged \$909,660. This total is \$38,625, or 4.2 %, more than this time last year. At \$4,581, the average pledge for 2014 is \$392 above the 2013 average of \$4,189.

### 2013 Actual vs. 2013 Budget

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<i>2013 – total pledged:</i>	<b>\$1,001,183</b>	239 individual pledges
<i>2013 – total budgeted pledge:</i>	<b>\$975,000</b>	

### 2014 YTD vs. 2013 YTD

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<i>2014 – total pledged:</i>	<b>\$948,285</b>	207 individual pledges
<i>2013 – total pledged:</i>	<b>\$909,660</b>	207 individual pledges

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## The Investment Committee

The Investment Committee is a Standing Committee of the Vestry, with a mandate to make investment allocation decisions; decisions to purchase or sell securities or other investments; decisions regarding the hiring, firing and compensation of any investment managers or consultants; and determinations of the appropriate and prudent level of withdrawals from the Corporation's securities portfolio. Its members are:

Ms. Abigail Carr  
Mr. Winthrop Chamberlin  
Ms. Sarah Cogan, *Chair*  
Mr. Colbert Cannon  
Mr. Kenneth Garschina  
Ms. Anastasia Rotheroe  
Mr. Doug Skrypek  
Ms. Nancy Walcott  
The Rev. Don Waring, *ex officio*  
Ms. Melinda Weir

The value of the Corporation's securities endowment before withdrawals showed a significant improvement in 2013: the net return on the *non-cash* portion of the endowment was 13.51%, and total investment gains were \$1,207,871. The high allocation to cash in the first half of the year, the focus on downside protection through alternatives and hedges, and continued withdrawals during the year accounted for the underperformance of the portfolio compared to benchmark returns. Despite a conservative allocation, the portfolio outperformed the Cambridge Associates Preliminary Endowment Median return of 13.2%. After taking into account the loan of \$100,000 to the Capital Campaign and withdrawals totaling \$100,000 to cover operating expenses, the endowment increased from \$9,752,834 at year-end 2012 to \$10,733,706 at year-end 2013. Total loans to the Capital Campaign stood at \$6,827,514 as of year-end 2013. The Loft Building value is not included in the endowment.

The Committee met quarterly to review performance and allocations. At these meetings, Committee members also discussed portfolio strategy with our advisors at Cambridge Associates. The Committee made the following portfolio adjustments in 2013:

- The asset allocation targets and ranges were slightly widened to allow more discretion given varying cash needs.
- We redeemed \$750,000 of investments in Wintergreen (\$100,000), FPA (\$100,000), IVA Worldwide (\$100,000) and Vanguard Short-term Treasury (\$450,000) and reinvested the funds in The Children's Investment Fund.
- The Committee has maintained an overweight to Marketable Alternatives and an underweight to Fixed Income due to better risk/reward characteristics in the current environment. This was additive in 2013 as Alternatives outperformed Fixed Income.

The approved asset allocation as of December 31, 2013 was:

	<u>Actual</u>	<u>Target</u>
Global Equity / Opportunistic	54.8%	50%
Marketable Alternatives	36.4%	25%
Fixed Income/Cash	8.9%	25%

Estimated 2013 investment performance, by manager, and fund descriptions follow:

<u>Manager</u>	<u>Estimated Total Return</u>
Wintergreen	17.09%
FPA Crescent	21.95%
IVA Worldwide	16.91%
The Children's Investment Fund*	34.13%
Adamas Partners	11.70%
Vanguard Short-Term Treasury	0.00%
SPDR Gold Shares	-28.33%
<u>Bessemer</u>	<u>0.11%</u>
Total Portfolio Return	13.23 %
	<u>Index Return</u>
S&P 500	32.39%

\*Performance is cumulative since inception on April 1, 2013.

*Wintergreen Fund* is an equity mutual fund that makes concentrated investments in large cap stocks globally. The fund invests for the long term and is a value fund that may hold up to of 35% of its assets in cash as a measure of protection depending on the market environment.

*FPA Crescent* is a value fund that invests in both equity and fixed income markets. Over the last several years it has held a significant amount of cash. This fund also takes a long-term view on markets with the majority of investments in U.S. domiciled companies.

*IVA Worldwide* seeks long-term growth of capital. The fund invests at least 40% (but no less than 30%) of total assets in equity and debt securities issued by foreign companies and governments. It may invest in a range of securities and asset classes from markets around the world, including U.S. markets.

*The Children's Investment Fund* seeks to achieve equity-like returns with limited capital losses. It seeks to achieve its investment objective primarily by taking long positions in equity securities and debt (and their derivatives) globally. The fund may also short securities to provide downside protection. The fund seeks to invest in securities where there is a significant mis-pricing and a potential catalyst or event to correct this.

*Adamas Partners* is an absolute return fund-of-funds. The portfolio is made up of 14 managers primarily investing in long/short equity funds and event/arbitrage funds. The fund's objective is to earn attractive absolute returns net of fees. 45% of the fund is placed with equity managers and the remainder in event/arbitrage/multi-strategy.

*Vanguard Short Term Treasury Fund* seeks current income. The fund invests at least 80% of assets in short-term bonds issued by the U.S. government and its agencies and instrumentalities. It is expected to maintain a dollar-weighted average maturity of one to four years.

*SPDR Gold Shares (SPDR)* represent fractional, undivided beneficial ownership interests in the SPDR Gold Trust, an exchange-traded fund the sole asset of which is gold bullion, and, from time

to time, cash. SPDR Gold Shares are intended to offer investors a means of participating in the gold bullion market without the necessity of taking physical delivery of gold, and to buy and sell that interest through the trading of a security on a regulated stock exchange.

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**80 Fourth Avenue LLC**

80 Fourth Avenue LLC is a wholly-owned entity of the Corporation that, in turn, directly owns what is known as the “Loft Building” at 80-82 Fourth Avenue. This building was substantially renovated over 1999-2001. It remains occupied by a commercial tenant (basement and ground floor), Grace Church School (floors two and three) and residential tenants in the remaining five upper floors. The building’s cash flow remains a core support of the Corporation’s finances. Although not included in the value of our endowment, a rough approximation of its value is \$19-20 million. The Board is committed to preserving the asset’s historic cash flow through a high standard of maintenance and service.

For 2013, the governing board [“Board”] of the LLC was unchanged from past years:

Mr. Brett Pertuz  
Ms. Sarah Cogan  
Mr. Charles Johnston  
Ms. Shingmin Lai  
Ms. Wendy Pelle-Beer

The building remains professionally managed by Tri-Star Equities, Inc. Revenue performance was essentially flat in 2013. Actual income was just beneath the budgeted amount of \$1.5 million, primarily due to a vacancy and a tenant rental adjustment. We also saw a tempering of the rent increases we obtained in 2011 and 2012. Net operating income (before distributions of \$900,000) was below 2012 at \$837,752. This negative variance was due to necessary apartment renovations, the replacement of expensive HVAC units in two apartments and from the fact that Local Law 11 repairs have been funded out of operating cash flow, not reserves. At December 31, 2013, the building’s operating account had a balance of \$122,689; its capital reserve account was fully funded with a cash balance of \$252,276.

Local Law 11 façade work is expected to conclude in early 2014. Beyond the initial required scope of work, actual conditions revealed new structural defects dating from the original construction in the early 1900s. This added work, as well as various weather-related delays, increased both time and cost to complete the project. Last year’s report raised the estimated total cost from \$200,000 to \$250,000. We are now assuming a total cost of \$300,000 to \$350,000. Approximately \$160,000 has been spent to date, with funding from the remaining expenses to come from building reserves and operating cash flow.

We anticipate that 2014 will see additional capital outlays to ensure that the building attracts and retains appropriate tenants. Certain operating expenses may also need to increase to maintain service standards for a tenant base that has become more demanding, reflecting that base's shift to more families and year-round occupants. Distributions to the Corporation are presently anticipated to remain flat at \$900,000.

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## Fabric & Grounds

The Fabric & Grounds Committee is a Standing Committee of the Vestry. The Committee's 2013-2014 members were:

Mr. Charles Johnston  
Mr. Michael Kirchmann, *Chair*  
Mr. Grant Marani  
Brett Pertuz  
Ms. Anne Rieselbach  
Mr. Kevin Rotheroe  
The Rev. Donald Waring

2013 was a busy year for Fabric & Grounds and saw the completion of several key projects, as well as the start of the apartment renovation at 100 4<sup>th</sup> Avenue.

The organ was completed over the summer, with Taylor and Boody vacating the premises in the fall. All pews were returned in place, and flooring repaired. Memorial plaques were completed and installed. Testing and climate control for the organ are on-going. The Heins and La Farge choir screens that had to be disassembled in order to make room for the organ, were sent to the grounds of the Cathedral of Saint John the Divine, after being stored outdoors in Seymour Close for several months. The Diocese has agreed to incorporate the screens into a future development project. As a result of the stone screen relocation, Seymour Close was able to be cleaned up and restored, and has been returned as usable space. The flooring outside Parish Hall was also replaced.

The apartment at 100 4<sup>th</sup> Avenue was vacated in July and a renovation plan submitted and approved. After a few setbacks related to codes and existing conditions, the renovation began in late 2013 and is scheduled for completion in the spring 2014. Following completion in 2014, the apartment will be rented to the market to provide additional income.

There were several meetings regarding a proposed real estate air rights bank derived from landmarked / historic buildings in New York City, which may include air rights owned by Grace Church. This will be monitored through 2014 for appropriateness and value.

The Chantry humidity continues to be problematic with several professionals called in for independent evaluations during the course of the summer. An infra-red scan was conducted to

identify the location of the moisture and recommendations for dehumidification were put forward for implementation in spring 2014.

Goals for 2014 include the further identification and repair of persistent water infiltration in the restored Chantry and the repointing of exterior stone joints to minimize future water infiltration issues, as well as the completion of the apartment at 100 4<sup>th</sup> Avenue.

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### **The “Power of Grace” Capital Campaign**

In response to an urgent need to continue restoration efforts in a financially responsible way, the Vestry undertook a study in 2011 to determine the feasibility of a new capital campaign. This study concluded that such a campaign was not only feasible but might act to “top up” the Bicentennial Campaign, which was essentially suspended with the onset of the financial crisis in late 2008/early 2009.

This campaign was purposely intended to be explicitly grounded as a faithful response to God’s love and generosity, designed to be largely accomplished over a few, intense months in the first part of 2012 and led by a broad team of lay leaders. The campaign was launched with extensive, prayer-based outreach. With a total of \$2,391,445 pledged to be paid between 2013 and 2015, \$1,617,280 has been paid so far against the amount pledged and a further \$93,373 in non-pledge gifts has been received.

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## Music

The Music Program offers praise to God in a variety of liturgical and concert settings. The following programs continue to maintain a high standard of musical excellence:

The Choir of Men and Boys  
The Girls' Choir  
The Adult Choir (professional)  
The Parish Choir (volunteer)  
The Sunday Six o'clock instrumentalists  
Bach at Noon and Weekend Organ Meditation Programs

Patrick Allen is supported by highly effective Music and Choir Steering Committees. These vestry members, parishioners, current and former choir parents oversee all aspects of the music program, organize various support activities and fundraising projects to ensure the funds necessary to maintain high standards and unique opportunities for the musical offerings of our community and in the case of the Choir Steering Committee the care and support of the children in their musical growth.

In addition to the superlative music offered at Christmas and Easter, there were several wonderful highlights in the past year. The first was the world premiere of a new sacred song cycle written for the Novice and Junior Choristers by Dr. Barry Rose at their fifth annual concert of music for treble voices. This took place the final Sunday of January 2013. This annual event is the climax of a week's intensive work with Dr. Rose and includes the moving "whiting" of novices when the novices are promoted to juniors and receive their own copy of the hymnal and surplice. Dr. Rose just completed an additional song for the cycle which had its premiere at the concert several weeks ago on the 26th of January.

The second highlight and long awaited was the completion and musical welcome of the Bicentennial Organ, Opus 65 by Taylor and Boody Organbuilders. On April 26th the organ was inaugurated with a concert by the combined choirs of the church under the direction of our old friend Dr. Barry Rose from the UK with Patrick Allen at the organ. The program featured music for choir and congregation including several wonderful anthems by New York City composers. On September 21st the organ had its exhibition in the hands of six of New York's finest organists re capturing the spirit of the exhibition of the old Roosevelt Organ in 1878 and bringing together people from all over the country. The artists featured were: David Hurd, The General

Theological Seminary; William Trafka, Saint Bartholomew's Church; Raymond Nagem, The Cathedral Church of Saint John the Divine; Jennifer Pascual, Saint Patrick's Cathedral; Renée Anne Louprette, L'Église de Notre Dame; John Scott, Saint Thomas Church Fifth Avenue. It is hoped that in the coming months a commemorative CD set of the two programs will be for sale, the proceeds of which will go to the Capitol Campaign Fund that restored the church and purchased the organ. Both programs concluded with festive receptions given by the Choir Families in honor of these occasions.

After such a long period of study and hard work going back almost 25 years, the completion of this notable musical voice is something the parish can be very proud of as she takes up her work supporting and accompanying the musical life of our community for many generations to come.

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## Christian Education – Youth & Family Ministries

The youth and family programming at Grace Church aims to establish a Christian foundation for children based on the life and teachings of Jesus Christ. The combination of Sunday School and year-round, family-friendly activities constitute this programming. Our goals are supported by parish-wide events throughout the year that enable families and youth to participate in the broader faith community of Grace Church. Ms. Melissa Spindler is the Director of this program.

**Sunday School** – The Sunday School year starts in September and ends in July. Classes are held at both the 9 a.m. and 11a.m. services. Both classes have the same story-based curriculum, are supervised by Melissa Spindler and taught by volunteer teachers. A total of 63 children are currently registered in Sunday School, and weekly attendance averages 20-25 children.

**9 a.m.** – This class is a mix of ages in one classroom, with children ranging from ages 3 – 8 years old. We receive anywhere between 4-18 children, averaging 10 children per Sunday.

**11 a.m.** – The average class size for this service is 10-15 children per Sunday. In September 2011, we introduced a new class for 9-12 year olds once a month, taught by Mr. David Beer. The class takes place on the 4th Sunday of every month and its attendance grew considerably this year, averaging 8-10 children. For this reason, a second monthly section is starting in January 2014, to be taught by Abby and John Carr.

**Nursery** – Grace Church also provides nursery care for children under 3 years old each Sunday morning, during both morning services. There are currently 10 families that make regular use of the nursery, but we also have many visitors to the church take use of the nursery.

**Family and Parish-Wide Programming** – A variety of events are offered through the church year:

**Family Faith Forum** - The group, which met monthly starting in 2013. It focused on parents discussing different topics around the challenges and joys of raising faithful children in 21st century New York City.

**Shrove Tuesday Pancake Supper**

**Easter Eve Walk** – This year's event was a great success, welcoming 65 children to learn about Holy Week and Jesus' journey from Cross to Resurrection.

**Confirmation** – This year a Confirmation Class curriculum was created, and the class served 7 middle-school-aged youth, all of whom chose to be confirmed in June.

**Annual Parish Picnic** – This event provides a festive June close to the program year.

**Vacation Bible School** – this three-day event served 10 children from 6 families and focused on Bible stories about sheep, helping children gain a greater understanding of the joys and responsibilities of being a lamb of God.

**Baptisms** – This year we baptized 35 children at Grace Church, aged 0-18.

**Baptisms BBQ** - In September, we invited all families who had had a small child baptized in the past year (or were slotted to be baptized in November) to come share a meal together. This event was hugely successful and will be repeated annually. 18 families and their godparents attended this event.

**Halloween Carnival** - This event replaced the Harvest Hoedown. This event served 45 children, aged 2-12 and included crafts, games, and goodies. This event was a huge success, and was self-funding.

**Family Service Activities** - The Sunday School families stuffed 370 educationally-themed gift bags that were given to the elementary school aged children of the GO Project at Christmas time. The Sunday School also collected money for City Harvest in October, and baked cupcakes for the NYC Rescue Mission in November.

**Gingerbread House Making** - a new event this year, was self-funding, and served 12 families.

**Christmas Pageant** - A total of 89 children and youth between the ages of 5-18 participated in the 2013 pageant. This self-funding event was recorded, live-streamed, and photographed by the NY Times.

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## Christian Education – Adult Education

2013 saw the 10 AM Adult Education classes continue to evolve and grow: the open view inside provided by the addition of windows in the Reception Room doors encourages attendance; a careful mix of external speakers and parishioners as presenters expands and deepens our community; and three thematically linked class series for the 2013-14 season offer both newcomers and long-time parishioners spiritual nourishment, fellowship and in-depth discussion on issues that are central to both the Church and its people. The classes had an average attendance of 25 - 40 each Sunday. The 2013-2014 Adult Education Committee was:

Ms. Emma Presler & Ms. Anne Rieselbach, *Co-Chairs*  
 Ms. Diana Benet  
 Mr. Nicholas Birns  
 Ms. Elizabeth Howard  
 Ms. Catharine Stimpson  
 The Revs. Stephen Holton and Don Waring, *Clergy Advisors*

The 2013 Spring Lenten classes focused on the lives of several Christians who challenge the foundational beliefs and practices of our shared faith. The five-part series titled “Trying Christians: Challengers of Complacent Faith,” looked at five figures who are simultaneously inspiring and infuriating; unifying and divisive; charismatic and corrosive. Each have succeeded in moving the Church forward in one direction or another as they write books, develop followings, and manage to hold sway with what some see to be prophetic ministries. The classes were designed to help attendees meditate on these figures as reminders to guard against complacency in our individual and collective religious lives, especially as they adopted Lenten disciplines of inner self-reflection in preparation for Easter. Later in the Spring, a three-part series of "Confirmation Refreshers" gave attendees a preview of what the clergy would be teaching in Confirmation classes. The sessions were intended for "seekers" as well as those parishioners who may not have reviewed the basics since their own Confirmations.

The 2013 Fall and 2014 Epiphany classes focused on three interconnected themes: “Belief in the 21st Century”, “Human Suffering: Compassion in Action”, and “Performance and Worship.” Classes addressed topics such as what belief in our current day looks like and how can we both manifest and respond to faith in its many guises; how can we meet others with compassion in moments of suffering; and how can the arts both magnify and elevate one’s personal worship experience.

Outside speakers included Rev. Nadim Nassar, Director, The Awareness Foundation; John Boody, Founding Partner, Taylor & Boody Organbuilders; Stacy Horn, Grace Church Choral Society Member and author; Helen F. Goodkin, author Leonard Marcus, author Danielle Ofri, MD, The Very Rev. Dr. Ian Markham, Dean, Virginia Theological Seminary; author David Holmes, and The Rev. Canon Dr. Titus Presler, Principal of Edwardes College, Peshawar, Pakistan. A Lenten series is currently in the planning stages.

In addition to the work of the Adult Education Committee in planning for the Sunday Forum, the Rev. Sarah Wood has offered a varied and robust series of Wednesday evening study sessions in 2013, including the following:

February 27, March 6, 13 and 20  
Film Study - Krzysztof Kieslowski's *The Decalogue*

April 17, 24, May 1, 15, and 22  
Book Study - Monica Coleman's *Never Alone*

June 12, 19, 26  
Book Study - T.S. Eliot's *Four Quartets*

October 9, 16, 23  
Book Study - C.S. Lewis' *Till We Have Faces: A Myth Retold*

November 6, 13, 20  
Book Study - C.S. Lewis' *The Great Divorce*

Thus far, in the early part of 2014, a study of the film *Bonhoeffer: Pastor, Pacifist, Nazi Resister* has just been completed. At the end of this month will be a study of Director Suzanne Bier's film *In a Better World*, which ties in with Lenten themes.

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## Outreach

Grace Church supports various forms of outreach at the parish, diocesan and national level, and encourages each parishioner to engage in some personal work of service. In 2013, parishioners interested in outreach met regularly for fellowship, learning, and the following service projects:

- Worked at the New York City Rescue Mission and took part in certain of its initiatives, such as its “Don’t Walk By” campaign, which goes out to invite New York’s homeless residents to a meal and to take advantage of available services;
- Provided assistance to homeless New Yorkers through grants to the Bowery Residents’ Committee (BRC), and Church of the Village food pantry;
- Organized regular collections for food pantries at the Church of the Village and Church of the Ascension;
- Provided clothing and toiletries to the Seamen’s Church Institute, the food pantry at Ascension, and New York City Rescue Mission; and
- Volunteered for and sponsored a graduation service for Veterans participating in a mentoring program through Interfaith Assembly on Homelessness and Housing.

Grace Church’s largest outreach commitment remains the GO Project, which was founded in 1968 by parishioners and parents at Grace Church and Grace Church School. The GO Project provides highly successful educational and social support to over five hundred “at risk” school children in Lower Manhattan each year. Grace parishioners and clergy act as volunteers, tutors, fund raisers and board members; and the Corporation offers significant financial support each year. In 2013, this support amounted to approximately \$70,000. As GO continues to grow to serve more students and sites, the parish will continue to develop and strengthen its relationship with and support for this vital outreach ministry.

This past October, a group from Grace Church returned to McDowell County, West Virginia, working with an ecumenical outreach ministry of the Episcopal Diocese of West Virginia to repair two houses, installing new roofing, decking, windows, doors, and plumbing including a toilet, hot water heater, sewerage drainage, and renovating a bedroom for two children. McDowell County, a once thriving coal-mining district, is now one of the poorest areas in the country with 72% of the households having no working adult. A return trip is planned for 2014.

In October 2012 the New York City area was hard-hit by Hurricane Sandy. Grace Church parishioners continued to sponsor parish relief teams to assist families on Staten Island in rebuilding four different houses. This relief work is expected to continue into 2014.

Grace Church continues to welcome visitors to enter the church for rest and prayer; this ministry of hospitality is supported by the Open Door volunteers, who greet visitors, provide materials about the building and its history, and answer questions. Prayers of pilgrims are recorded in a prayer book and offered as intercessions by our Tuesday Morning Prayer circle. The Open Door volunteers meet for fellowship and to review their ministry goals.

At the Diocesan level, Grace Church's annual diocesan assessment helps advance the work of the church in those missions or parishes that are not financially self-sustaining through the Congregational Support Plan. The Rector continued his service on the Board of Episcopal Charities, the outreach arm of the Diocese of New York, which provides funding and support to parish-based programs serving children and adults in need.

Other financial support from the parish is carried out through grants from the Vestry Fund for Outreach (VFO), a fund set apart by the Vestry to focus on homelessness and hunger in the New York City. In 2013 grants totaling over \$5,300 were made to New York City Rescue Mission (just over \$2,150) and Interfaith Assembly on Homelessness and Housing (just over \$2,150). Each year, the entire Christmas offering goes to build the corpus of the VFO; the 2012 Christmas Offerings raised the balance in this fund to over \$105,000. As the corpus of the VFO grows, so too will Grace Church's ability to increase financial support for works of mercy in New York.

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## Episcopal Church Women

The Guild of Episcopal Church Women (ECW) supports the life of the Church through service and prayer and nourishes the spiritual lives of women in the parish. The ECW is led by a steering committee whose members are Elana Foundos (President), Jennifer San Cartier (Treasurer), Teresa Conway, and Margaret Lee. Committees that support the ECW are Events & Fundraising (chaired by Doris Kong), Programming (co-chaired by Mary Jenkins and Krystyna Sanderson), Work Days (chaired by Ginger Blake) and Fellowship (chaired by Sandra Bowman).

The ECW started the season with a parish wide meeting and potluck on February 7. On February 23 and 24 the ECW again hosted the Grace and the Arts Fair to good success, though it was decided later to combine the Arts Fair with a Christmas Fair held on November 9 and 10, to even greater success. Proceeds from the price of admission on the 10th (nearly \$350) were donated to the emergency feeding ministry at The Church of the Village. A Christmas bake sale on December 15 raised funds for future events and outreach projects as outlined below.

On March 14, a lecture by Parishioner/Historian Bill Minifie on the history of our Union Square neighborhood, open to the entire parish, was well attended as was a food demonstration by Grace Church School chef Jude Sheehan on April 14. A lecture by members Bonnie Recca and Mary Jenkins on historic women of Grace Church told us of their rich heritage of service. On November 23 a Parish trip to the Museum of Biblical Art exhibit "Sacred Visions" was sponsored. And member Diana Benet gave us an insightful look at 17th century women prophets on December 3. Suggested admission for all of these was a donation to the emergency feeding ministry at The Church of the Village. ECW members have prepared home-cooked pot roast and cupcakes and helped to serve meals twice this year at the New York City Rescue Mission.

Members have served as tutors during Grace Church/GO Project Volunteer Day. A work day on June 29 saw new plantings in the tree wells on 10th Street and a craft day on August 10 produced handmade Christmas ornaments and gifts for local nursing homes. Members also volunteered at the Parish picnic, Advent wreath making and other parish events.

The ECW has donated a silver tray, engraved to the memory of the late Suzanne Peller, longtime head of the Altar Guild and dedicated Grace Parishioner.

Recent events include sponsorship of A "Women's Quiet Day" led by the Rev. Sarah Anne Wood, and coming soon is an art therapy project with residents of The New York City Rescue Mission and another lecture by Bill Minifie. We hope to see many members get involved.

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### **Grace Church Archives**

The focus for the volunteer archivists continued to be the organization and recording of recent information about Grace Church. In addition, digitizing the photographic collection and other documents has continued. The goals for 2014 remain the oversight of the Corporation's archives, responding to requests from the public for genealogical information and transferring files from out-of-date formats to contemporary data systems.

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### **Altar Guild**

The Altar Guild assists the clergy in the day-to-day organization of our worship life at Grace Church. Helen Du Bois and Jennifer San Cartier served as co-chairs for this ministry in 2013. Guild members are responsible for the care and maintenance of the Corporation's plate and linens, preparing the same for worship. Members also manage all necessary consumables, such as wafers, wine and candles. In sum, the Altar Guild helps prayer happen with the elegance and simplicity befitting worship of God. Members take this ministry seriously, yet have formed a friendly, cohesive team.

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### **Flower Guild**

The Flower Guild was reinvigorated in 2012 under the leadership of Ellen McElduff. In addition to occasional arrangements throughout the year, the Guild provided a fresh, new vision to the lavish arrangements at Easter and Christmas. In addition, there is now a clearer funding model. The bequest of the late Walter J. Parker was used to "seed" a consolidated flower fund in his memory. These funds, together with dedicated annual giving, provide continuing support for the seasonal enhancement of worship.

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Notes

**Grace Church in New York, 802 Broadway, NY, NY 10003**

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