

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



**Report for the Annual Meeting - February 1<sup>st</sup>, 2015**

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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, 2014. 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 2015 Annual Meeting, parish leadership will provide a summary of 2014 and an outlook for 2015.

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 William Minifie, 2013.*

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## Greetings from the Rector

February 1<sup>st</sup>, 2015

Dear People of Grace Church,

Greetings to you all in the name of our Lord Jesus Christ on this, the day of our Annual Parish Meeting in the year 2015. Grace Church is a special place and people, and I continue to take delight in the honor of being your priest and rector. God has a high calling for us, even "to punch above our weight," and year after year we seem able and willing to rise to the challenge.

The annual meeting affords us the opportunity not only to look back on the year just completed, but also to look ahead to the year stretching in front of us. Yet to chronicle every significant event that occurred among us since the previous annual meeting would require more space than is allotted to me in this report. What is more, the pages that follow will tell the stories of the robust program and administrative life that filled the months of 2014. On a personal note, what stands out the most for me is the celebration of our tenth anniversary together as priest and people. I have been the Rector of Grace Church for a decade! The time has flown by in the blink of an eye. In fact, I still feel like a newcomer, which means I have lots of energy and enthusiasm for the work ahead.

One way that I have noted the significance of a decade is to reflect on how many clergy colleagues and staff members have come and gone over the years. 2014 was no different. In March we said farewell to our longtime Director of Finance, Chip Fears, who entered retirement, and after an extensive search we welcomed Rhianna Murphy to the position. In June our Assistant Rector, the Rev. Sarah Wood, moved to North Carolina, and by September we welcomed Hershey Mallette to the role of Pastoral Resident. Hershey's position is a new collaboration with General Seminary. We are helping to pilot a program by which the seminary seeks to give third-year students on-the-job training so that they are prepared to take on significant ministries in the church immediately upon graduation. In September Philip Lamb completed his year as Organ Scholar, and we welcomed George Fergus. We are also working to re-staff the Development Office so that all of our donors receive prompt, frequent, and accurate acknowledgements of their gifts. Thank you for your patience, goodwill, and persistent generosity as we strive to get this right.

Thanks also to our two fine Wardens, Brett Pertuz and Leona Chamberlin, our talented Vestry, and dedicated staff. Grace Church absolutely depends on the lay leadership of the parish, without whose wisdom and skill we would be far less able to navigate the temporal challenges of life in New York City.

The blessing of being together for ten years gives us a gift that not every church enjoys: stability. In the months to come the Vestry and I want to use our stability not to rest, but to develop a long range plan for the growth and vitality of Grace Church. Early in the process we will be seeking input from the entire parish to help us discern the particular will of God for us, so stay tuned for these opportunities. By September of 2015 we hope to have a strategic roadmap that will guide our major decisions.

I look forward to all the challenges and blessings that await us in 2015 and beyond.

Sincerely,

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

# Annual Meeting of the Rector, Church Wardens and Vestrymen of Grace Church in the City of New York

February 1<sup>st</sup>, 2015

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## Agenda

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### Call to Order, Opening Prayers, Opening of Polls

The Rector

Luncheon is served

### Corporation Business and Reports

#### Report of the Nominating Committee

Ms. Leona Chamberlin

*Brief remarks by candidates & recommended candidate for the anticipated Vestry vacancy*

For Church Warden: Mr. Brett Pertuz (*second, two-year term*)

For Vestry: Mr. Erik Sorensen (*second, three-year term*)

Mr. Harper Anderson

Ms. Anne Rieselbach

Mr. Jason Slibeck

#### Report of the Church Wardens

Mr. Brett Pertuz

*Overview of key events in 2014*

Ms. Leona Chamberlin

#### Report of the Treasurer

Mr. Jackson Browning, Jr.

*Review of 2014 financial results*

*Discussion of 2015 budget*

#### Report of the Investment Committee

Mr. Brett Pertuz

*Discussion of endowment performance*

#### Report of the Fabric and Grounds Committee

Committee

### Greetings from the GO Project

Ms. Dominique Schulte

### Greetings from Grace Church School

Mr. George Davison, Head

State of the School

### Report of the Rector

The Rector

State of the Parish

### Closing of Polls

### Closing Prayers and Adjournment

## **The 2014-2015 Vestry**

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Grace Church's 2014-2015 Vestry was composed of:

The Rector, the Rev. J. Donald Waring  
Senior Warden, Mr. Brett Pertuz *(Serving until February of 2015)*  
Junior Warden, Ms. Leona Chamberlin *(Serving until February of 2016)*

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

Vestry Members:

*Serving until February of 2015*

Mr. Jackson Browning, Jr., *Treasurer*  
Mr. Michael Kirchmann  
Mr. Doug Skrypek  
Mr. Erik Sorensen

*Serving until February of 2016*

Mr. Justin Brownhill  
Mr. Colbert Cannon  
Ms. Elana Foundos  
Ms. Anastasia Rotheroe, *Clerk*

*Serving until February of 2017*

Ms. Singleton Cox  
Mr. David DiDomenico  
Ms. Caroline Hubbell  
Ms. Jennifer San Cartier, *Deputy Treasurer*

## Observations from the Church Wardens

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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 2014. In these observations, we offer some thoughts on the past year, echoing the Rector's remarks.

The Vestry began 2014 with a workshop to collectively develop a vision of Grace Church that looked across the temporal cycles of ups and downs, periodic capital campaigns, and times of harvesting the fruits of our work. The vision that emerged was one of a climbing expedition that must work its way up a mountain far enough to establish a "base camp" from which a peak ascent can be launched. After a successful ascent, the team can descend to base camp to re-group, re-supply, and plan for the next ascent.

In many ways, 2014 represents a return to base camp for Grace Church following milestone achievements in 2013 of ending the Bicentennial Campaign, completing certain critically needed restoration projects, and putting the Bicentennial Organ into full, glorious service. The return to base camp presented the opportunity for Grace Church to engage once again in "business as usual": the day to day life of Church in Community expressed in our coming together for worship, fellowship and service in our historic location in downtown Manhattan. While at base camp we welcomed our new Director of Finance, Rhianna Murphy, and our first Pastoral Resident, Hershey Mallette, who both have greatly contributed talent and energy to life at Grace Church; expanded efforts to welcome newcomers and integrate them into the Church community with two festive newcomer events; and witnessed teams of Grace Church parishioners travel to Staten Island to rebuild houses damaged by Hurricane Sandy. However, we also know that our work is far from complete. Restoration of the sanctuary will go on for years (and as anyone who has experience with a structure from the 19<sup>th</sup> century knows, will never be done...), and the pressing need for resources to fund additional clergy and staff positions has not diminished. As such, we returned to everyday life in 2014 to build spirit, strength and community to continue our mission of unity with God through Jesus Christ, as well as to contemplate and prepare for our next ascent and the challenges it will present. In this regard, 2014 also saw the establishment of a new Development Committee of Vestry members and parishioners, and we are looking ahead to developing a strategic long range plan for Grace Church in 2015.

Grace Church is blessed with a wonderful community of members, all working together to evidence the reality that is Church in Community. Through the living example of our worship,

service and outreach we work to reflect the Lord in our midst. The mission of the Church is impossible without the participation of all of us – so we take this opportunity to thank everyone who participates in the Body of the Church for their role in the furtherance of our mission.

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## Finance & Audit Committee

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

Mr. Justin Brownhill  
 Mr. Jackson Browning, Jr., *Treasurer*  
 Ms. Leona Chamberlin  
 Ms. Christine Harland  
 Mr. Charles Johnston  
 Ms. Jennifer San Cartier, *Deputy Treasurer*

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 2013 audit was completed on June 25, 2014 and was unqualified.

Grace Church continues to rely on three main income streams: giving (pledge and plate), investment income from our securities portfolio and rental income and special distributions from the Loft Building. 2014 giving slightly exceeded our budgeted amount. Although rental income from 100 and 102 Fourth Avenue was reduced due to tenant turnover and renovations, other 2014 revenues and expenses were largely as expected.

The following chart details recent annual campaign cash receipts by calendar year:

Calendar Year	Annual Campaign Comparison			Total
	2013	2014	2015	
2013	\$831,677	\$116,329	\$0	\$948,006
2014	\$45,662	\$806,602	\$148,133	\$1,000,397
2015	\$525	\$12,309	\$21,928	\$34,762
<b>Total Funds Received by Campaign</b>	<b>\$877,864<sup>1</sup></b>	<b>\$935,240</b>	<b>\$170,061</b>	<b>\$1,983,165</b>
<b>Annual Campaign Goal</b>	\$975,000	\$975,000	\$1,100,000	
<b>Percentage of Goal</b>	90%	96%	15%	

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<sup>1</sup> This amount, together with \$65,253 received in calendar year 2012 for AC13, totals \$943,118, which is the Total Funds received for the 2013 Annual Campaign.

The 2015 Budget, as reviewed by the Committee and approved by the Vestry at its December 2014 meeting, assumes that pledges will amount to \$1,100,000 (before a standard 5.0% reserve for unpaid pledges), that there will be a draw rate of 4.0 – 4.5% 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 increase in expenses from 2013 to 2014. For 2015 budgeting purposes, discretionary items were largely held flat. Employee medical insurance remained one of the largest contributors to this increase. For 2015, the Corporation's premiums are expected to rise ten per cent – well above the rate of inflation, but far better than rises in certain years past.

The other budget item of note is the Diocesan Assessment, which was held flat at \$250,000 for 2012, 2013 and 2014. Our 2015 budgeted number remains at \$250,000.

As in years past, the Committee intends to review periodically actual 2015 results against the 2015 Budget, and to recommend necessary adjustments to the Vestry.

The next page outlines financial results for 2013 and 2014, as well as the approved 2015 budget.

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

	<b>2013 Actual</b>	<b>2014 Provisional</b>	<b>2015 Budget</b>
<b>REVENUE</b>			
Pledge Payments	\$948,006	\$1,000,397	\$1,045,000
Plate and Other	138,366	165,413	170,000
Program Revenue	43,247	35,189	38,000
Bequests	14,098	5,681	0
Space Rental	10,184	13,054	15,000
Miscellaneous	1,372	130	500
<b>Operating Revenue</b>	<b>\$1,155,273</b>	<b>\$1,219,864</b>	<b>\$1,268,500</b>
<b>REAL ESTATE REVENUE</b>			
Net Rental Income – 100 & 102 Fourth Avenue	\$140,583	\$131,646	\$161,660
Owner Monthly Distribution - 80 Fourth Avenue	900,000	900,000	900,000
<b>Real Estate Revenue</b>	<b>\$1,040,583</b>	<b>\$1,031,646</b>	<b>\$1,061,660</b>
<b>DRAW ON INVESTMENTS</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$490,917</b>
<b>REVENUE + DRAW</b>	<b>\$2,645,856</b>	<b>\$2,701,510</b>	<b>\$2,821,077</b>
<b>EXPENSES</b>			
Parish Ministry	\$559,132	\$575,986	\$603,600
Outreach	72,453	88,734	79,000
Diocesan Support	250,000	250,000	250,000
Music	248,084	298,429	302,504
Fabric and Grounds	781,069	802,702	819,700
Administration (includes investment fees)	568,544	578,152	600,773
<b>Operating Expense</b>	<b>\$2,479,282</b>	<b>\$2,594,003</b>	<b>\$2,655,577</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$85,940</b>	<b>\$99,804</b>	<b>\$165,500</b>
<b>TOTAL EXPENSE</b>	<b>\$2,565,222</b>	<b>\$2,693,807</b>	<b>\$2,821,077</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$80,634</b>	<b>\$7,703</b>	<b>\$0</b>

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## 2015 Annual Campaign

Grace Church remains blessed to have very generous parishioners. The 2014 Annual Campaign concluded with total pledge commitments of \$1,035,178.

For the 2015 Annual Campaign, Grace Church is ahead of 2014 in terms of dollars pledged. As of January 20, 2015, 221 households have pledged a total of \$954,678, or 87% of the \$1,100,000 goal for pledges. This compares favorably to January 29, 2014, when 207 households had pledged \$948,285. At \$4,320 the average pledge for 2015 is \$261 below the 2014 average of \$4,581.

### 2014 Actual vs. 2014 Budget

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<i>2014 – total pledged:</i>	<b>\$1,035,178</b>	242 individual pledges
<i>2014 – total budgeted:</i>	<b>\$975,000</b>	

### 2015 YTD vs. 2014 YTD

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<i>2015 – total pledged:</i>	<b>\$954,678</b>	221 individual pledges
<i>2014 – total pledged:</i>	<b>\$948,285</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:

Mr. Jackson Browning, Jr., *Treasurer*  
 Ms. Abigail Carr  
 Mr. Winthrop Chamberlin  
 Ms. Sarah Cogan  
 Mr. Colbert Cannon  
 Mr. Kenneth Garschina  
 Mr. Brett Pertuz, *Chair*  
 Ms. Anastasia Rotheroe  
 Ms. Jennifer San Cartier, *Deputy Treasurer*  
 Mr. Doug Skrypek  
 The Rev. J. Donald Waring, *ex officio*  
 Ms. Nancy Walker<sup>2</sup>  
 Ms. Melinda Weir

The value of the Corporation's securities endowment before withdrawals showed a modest gain in 2014: the net return on the endowment was 3.7%, and total investment gains were \$400,907. After adjusting for the timing of transfers of funds, the weighted average return of our managed portfolio was 3.3%. This return was slightly below the Cambridge Associates Preliminary Endowment Median return of 3.6%. One investment manager constituting approximately 15% of the endowment was a significant drag on performance; excluding their -1.5% loss, the endowment would have returned 4.3%. The Committee is currently exploring alternatives for this portion of the endowment. Withdrawals to cover operating expenses totaled \$450,000, representing a gross withdrawal rate of 4.0% against the average endowment balance for the year, which is consistent with our guidelines. This withdrawal was offset with \$450,000 of direct gifts to the endowment during the year, making the net withdrawal zero. The endowment increased from \$10,906,056 at year-end 2013 to \$11,306,963 at year-end 2014. Total loans to the Capital Campaign stood at \$6,368,914 as of year-end 2014. 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 2014:

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<sup>2</sup> Mrs. Nancy Walker's term will commence on January 1, 2015

- The asset allocation targets and ranges were slightly widened to allow more discretion given varying cash needs.
- We moved \$200,024 of cash held in an account at Bessemer Trust to our Vanguard Short-term Treasury account as the final step of migrating away from Bessemer to lower cost alternatives.
- To rebalance holdings in global equity and fixed income accounts, \$400,000 was moved from the Wintergreen Fund (\$200,000) and FPA Crescent Fund (\$200,000) to our Vanguard Short-Term Treasury account.
- The Committee has maintained an overweight to Marketable Alternatives and an underweight to Fixed Income and cash due to better risk/reward characteristics in the current environment.

The approved asset allocation as of December 31, 2014 was:

	<u>Actual</u>	<u>Target</u>
Global Equity / Opportunistic	51.5%	50%
Marketable Alternatives	36.3%	25%
Fixed Income/Cash	12.2%	25%

Estimated 2014 investment performance, by manager, and fund descriptions follow:

<u>Manager</u>	<u>Estimated Total Return</u>
Wintergreen	-1.5%
FPA Crescent	6.6%
IVA Worldwide	3.2%
The Children's Investment Fund	7.3%
Adamas Partners	3.3%
Vanguard Short-Term Treasury	0.8%
<u>SPDR Gold Shares</u>	<u>-2.2%</u>
<b>Total Portfolio Return</b>	<b>3.68 %</b>
	<u><b>Index Return</b></u>
<b>S&amp;P 500</b>	<b>13.69%</b>

*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 2014, the governing board [“Board”] of the LLC was unchanged from past years:

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

The building remains professionally managed by Tri-Star Equities, Inc. Revenue performance increased 7% in 2014 over 2013. Actual income was 3.6% over budget, due mainly to rent increases and limited vacancy. Net operating income (before distributions of \$900,000) was consistent with 2013 at \$837,961. As in 2013, the building continued to replace expensive HVAC units in apartments as the apartments turn over tenancy to upgrade service and reduce maintenance costs. Further, we continued the lengthy Local Law 11 process and used our specifically designated reserve account to fund this work. At December 31, 2014, the building’s operating account had a balance of \$224,797; its capital reserve account had a cash balance of \$85,853.

Local Law 11 work, which was expected to conclude in early 2014, is now expected to continue into 2015. 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 estimated a total cost of \$300,000 to \$350,000. In late 2014 we completed the initial scope of work begun in 2012 with total expenditures of \$353,941. In 2014 our aggregate Local Law 11 expenditures were \$194,714, of which \$164,147 came from our capital reserve account. During 2014, we became aware of additional structural defects above and beyond the initial scope of

work which will require additional façade work in 2015, which we intend to complete expeditiously, using the building's excess cash flow and reserves.

Based on continued capital expenditure requirements and the need to maintain a high quality level of the building's facilities and services, distributions to the Corporation are presently anticipated to remain flat at \$900,000 for 2015. The Board is committed to fund the building's capital reserve account over the next several years; this account has historically been maintained at \$250,000.

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## Fabric & Grounds

The Fabric & Grounds Committee is a Standing Committee of the Vestry. The Committee's 2014-2015 members were:

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

2014 was a busy year for Fabric & Grounds and saw the continuation and completion of several projects, as well as some unexpected repairs.

The apartment at 100 4<sup>th</sup> Avenue saw several delays during the course of 2014, mainly attributed to unforeseen existing conditions, and filing and permitting issues. The renovation is scheduled for completion in early 2015, at which time the apartment will be rented on the open market to provide additional income.

2014 also saw some unexpected costs for securing and repairing 2 of the pinnacles. Safety conditions due to leaning of the pinnacles called for them to be removed from the building and grounded for repair. Likewise the Carillon bell bolts were identified as possibly requiring some significant remediation, as they appear to be at their end of their safe lifespan. This may be a project for the coming 3-5 years depending on the findings of the structural engineer and Verdin Bell Co.

The apple tree in Huntington Close unfortunately expired and we will look to replace it in spring 2015 with memorial or naming opportunities to be discussed.

The Chantry humidity continues to be problematic with several professionals called in for independent evaluations during the course of the year. Infra-red scans conducted in 2013 to identify the location of the moisture and recommendations for dehumidification showed the location of the problem, however work on the Chantry was postponed in order to focus budget on more health & safety issues like the pinnacles.

Projects and goals for 2015 and beyond include the completion of the apartment at 100 4<sup>th</sup> Avenue, further identification and repair of persistent water infiltration in the restored Chantry, the Parish house roof replacement and window restoration, and the Rectory roof replacement and window restoration.

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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. The final result was gratifying, with a total of \$2,459,445 pledged over 2013-2015. Today, we have fulfilled 85% of our pledges with gifts totaling \$2,091,670

This effort could not have succeeded with the vision, energy and leadership of the campaign team:

Mr. David DiDomenico	<i>Campaign Chair</i>
Mr. Erik Sorensen	<i>Campaign Coordinator</i>
Mr. Charles Johnston	<i>Senior Warden (former)</i>
Ms. Sarah Cogan	<i>Junior Warden (former)/Ministry Sunday Co-Chair</i>
Ms. Leona Chamberlin	<i>Ministry Sunday Co-Chair</i>
Mr. Calvin Skaggs	<i>Audio-Visual Co-Chair</i>
Mr. James Fawcett	<i>Audio-Visual Co-Chair</i>
Mr. and Mrs. Colbert Cannon	<i>Reunion Event Co-Chairs</i>
Ms. Caroline Hubbell	<i>Youth and Children Co-Chair</i>
Ms. Anastasia Rotheroe	<i>Youth and Children Co-Chair</i>
Ms. Abigail Carr	<i>Prayer/Vision Chair</i>
Ms. Dana Foote	<i>Pilot Chair</i>
Ms. Elana Foundos	<i>Communications Chair</i>
Mr. and Mrs. Jonah Cave	<i>Event Hosts</i>
Mr. and Mrs. Sherman Foote	<i>Event Hosts</i>
Ms. Sara Story and Mr. Kenneth Garschina	<i>Event Hosts</i>
Ms. Sarah Cogan and Mr. Douglas Evans	<i>Event Hosts</i>
Ms. Sandra Bowman	<i>Assistant to the Campaign Coordinator</i>
Ms. Teresa Conway	<i>Assistant to the Campaign Coordinator</i>
Mr. Frederic de Sibert	<i>Assistant to the Campaign Coordinator</i>
Ms. Katrina Du	<i>Assistant to the Campaign Coordinator</i>
Master Bennett Lees	<i>Assistant to the Campaign Coordinator</i>
Miss Katharine Sorensen	<i>Assistant to the Campaign Coordinator</i>
Master Mahlon Sorensen	<i>Assistant to the Campaign Coordinator</i>

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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 Sunday Six o'clock instrumentalists

The Parish Choir (*volunteer*)

The Adult Choir (*professional*)

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 September the Music Program entered into a new relationship with the Yale University Institute of Sacred Music to staff our Organ Scholar appointment. A graduate student from Yale works with Dr. Allen on the weekends and for special offerings such as those during Christmas and Holy Week. During the week the student is in New Haven pursuing their graduate degree. In the summer months the Organ Scholar will be residence and in charge of the musical offerings to gain directing and management experience. We are very pleased to have George Fergus as our first Scholar in this new relationship.

Musical offerings continued this year under the banner "If music be the food of love, play on – sing on" asking all those who attend to bring food and toiletries to support those in need. In the past year since the completion of the Bicentennial Organ many guest artists and choirs from home and abroad have played on the Bach at Noon and Weekend Organ Meditation offerings or have offered noonday or weekend afternoon Choral Concerts. The next guest choir is from the Benenden School in Kent, UK. They will sing at noon on Friday 27 March in the Church.

Since Christmas two special projects have taken place. The first was a series of recording sessions on the new organ, working towards producing the first recording on the organ and featuring natural or baroque trumpets with tenor and baritone soloists. The renowned Dutch baritone, Max van Egmond was a producer on this project and while in residence worked with the senior

choristers and Adult Choir members on aspects of text declamation and diction in singing in English and in foreign languages - French, Latin and German. It is hoped that the new recording featuring seasonal Christmas works by J.S. Bach, Bieber, Buxtehude, Krieger and Pezel will be available in the fall of 2015.

The second project was our annual concert of music for treble voices, now in its seventh year. Our friend Dr. Barry Rose was back to work for an entire week with all the choirs and in an especially intense schedule with our novice and junior choristers. Some fifty choristers worked daily with Dr. Rose to offer the special afternoon of song at 4:00 p.m. in the Church on Sunday 25 January. In a record year for recruiting, twenty-seven novices were awarded their surplice and "whited" and received their own copy of the hymnal.

The choirs are already in preparation for Lent and Holy Week as well as working on repertoire towards a concert tour of France this summer which will include singing at the Cathedrals in Bayeux, Chartres, Rouen and in Paris at L'église de la Madeleine, Saint-Sulpice and the American Cathedral.

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## Christian Education – Youth & Family Ministries

The children's 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 at the end of July. Classes are held at both the 9 a.m. and 11a.m. services. Both classes have the same lectionary story-based curriculum, are supervised by Melissa Spindler and taught by volunteer teachers. A total of 54 children are currently registered in Sunday School, and weekly attendance averages 25-35 children.

**9 a.m.** – This class is a mix of ages in one classroom, with children ranging from ages 4 – 8 years old. We receive anywhere between 4-18 children, averaging 14 children per Sunday.

**11 a.m.** – The average class size for this service is 10-20 children per Sunday. In September 2014 we expanded the 9-12 YO class so that it is now meeting 3 times a month, on all non-Eucharist Sundays (from once a month a year before).

**Nursery** – Grace Church also provides nursery care for children under 4 years old each Sunday morning, during both morning services. There are currently 12 families that make regular use of the nursery, but we also have many visitors to the church make use of the nursery as well.

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

**Shrove Sunday Pancake Brunch** – this event was moved from Tuesday night to a Sunday after the 11am service, greatly enhancing parish participation. We served more than 120 parishioners a wonderful and spirited brunch, along with music and craft projects for the young and young-at-heart.

**Easter Eve Walk** – This year's event was a great success, welcoming 70 children to learn about Holy Week and Jesus' journey from Cross to Resurrection.

**Confirmation** – This year the Confirmation 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 four-day event served 10 children from 6 families and focused on Bible stories about Moses.

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

**Families BBQs** - Once per month in the months of June through September, we invited all families who had a small child baptized in the past year (or were slotted to be baptized in November) as well as young families to come and share a meal together. This event was hugely successful and will be repeated annually. We averaged about 6 families at each picnic.

**Halloween Carnival** - This event replaced the Harvest Hoedown. This event served 35 children, aged 2-12 and included crafts, games, and goodies. This event was a huge success, and was self-funding.

**Gingerbread House Making** - Due to the popularity of this event last year, accommodations were made this year to host a much larger attendance - 38 children and their families. This event was self-funding.

**Christmas Pageant** - A total of 89 children and youth between the ages of 5-18 participated in the 2014 pageant. This self-funding event was recorded, live-streamed, and professionally photographed by parishioner Angie Speranza.

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## Christian Education – Adult Education

2014 saw the 10 a.m. Adult Education classes continue to evolve: a mix of guest speakers and parishioners as presenters expands and deepens our community and two thematically linked class series for the 2014-15 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 2014-2015 Adult Education Committee was:

Ms. Diana Benet  
Mr. Nicholas Birns  
The Rev. Stephen Holton, *Clergy Advisor*  
Ms. Elizabeth Howard  
Ms. Emma Presler, *Co-Chair*  
Ms. Anne Rieselbach, *Co-Chair*  
Ms. Catharine Stimpson  
The Rev. J. Donald Waring, *Clergy Advisor*

The 2014 Spring Lenten classes focused on testimonies from Grace Parishioners and others who have undergone personal transformations as Christians. The classes were designed to address a common issue many of us face during the Lenten season. We often feel compelled to give up or take on new things in an effort to impress "Christian" discipline on our lives. However, if sin is defined as separation from God, then the truer, and frequently more challenging, discipline we must impose on ourselves is eliminating the distance between ourselves and God. As we close this gap, we begin to embody the Christian life more authentically. The five-part series titled "Closing the Gap: Testimonials of Transformation," looked at the different ways these individuals faithfully answered God's call to cleave ever nearer to the divine. The season wrapped up with a series of literary-themed classes on the Prayer Journals of Flannery O'Connor, Lachlan Brown's Poems, and the writings of Saint Augustine; an overview of the GO Project; and a class on faith and politics.

The 2014 fall series "In Search of the Sacred" explored how one locates the sacred through traditional and nontraditional means. Speakers addressed encountering the sacred in a Muslim context; locating the sacred in the digital realm in reaching out to the self-described "spiritual but not religious" who yearn for transcendence but haven't or won't connect with the church; seeing the sacred in one another as we combat homelessness; finding the sacred in the city as we examine the nature of sacred space and the sacramental role of those who occupy such spaces; witnessing the sacred in South Africa; emulating the sacred through mentoring; and seeing the sacred in our children as students.

Guest speakers included the Rev. Paul Raushenbush, Senior Religion Editor, Huffington Post; Sister Claire Joy, Community of the Holy Spirit; the Very Rev. Kurt H. Dunkle, Dean and President, The General Theological Seminary of the Episcopal Church; Australian Poet Lachlan Brown; the Rev. Jake Dell, Advertising and Marketing Senior Manager, Episcopal Church Office of Communication; Dr. Michael Crosbie, PhD, FAIA, editor-in-chief of Faith & Form, the Interfaith Journal on Religion, Art, and Architecture; the Rev. Mark Hummell, Chaplain for Grace Church School and (formerly) Interim Chaplain for Canterbury Downtown at Grace Church; and the Rev. Canon Dr. Titus Presler, Principal of Edwardes College, Peshawar, Pakistan, Dr. Mark Larrimore, Associate Professor, Eugene Lang College; and Dr. Roy Tsao, Visiting Professor at Brooklyn College.

In addition to clergy-led classes, there were classes led by parishioners John Avlon, David Beer, Dr. Diana Benet, Dr. Nicholas Birns, Joe Budenholzer, Stephen Lee, Gordon Matheson, Jake Nadal, the Rev. Dr. Robert Owens, Robert Schmaltz and Jason Slibeck.

A Lenten series is currently in the planning stages.

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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 2014, parishioners led the following service projects:

- Prepared meals 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 gifts to the Church of the Village food pantry (a project of ECW);
- Hosted art projects for residents of New York City Rescue Mission (a project of ECW);
- Organized regular collections for food pantries at the Church of the Village;
- Collected coats and suits (through Episcopal Social Services) for New Yorkers in need;
- Provided clothing and toiletries to the food pantry at Ascension and New York City Rescue Mission, including an ECW-led drive to welcome women to the new women’s shelter at 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 Grace offers significant financial support each year. In 2014, this support amounted to approximately \$82,000. 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.

In October 2012 the New York City area was hard-hit by Hurricane Sandy. Following on work done there in 2013, Grace Church parishioners sponsored parish relief teams to assist families on Staten Island in rebuilding four different houses in 2014. Plans have already been laid to continue this relief work into 2015.

Grace Church continues to welcome over 50,000 visitors annually 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 2014 grants totaling almost \$6,500 were made to New York City Rescue Mission and Interfaith Assembly on Homelessness and Housing. Each year, the entire Christmas offering goes to build the corpus of the VFO; the 2014 Christmas Offerings raised the balance in this fund to just over \$149,000. 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 board whose members are Elana Foundos (President), Teresa Conway, Margaret Lee, Doris Kong, Mary Jenkins, Ginger Blake, Sandra Bowman, Kristen Whitehurst, Michelle Urcuyo and Mary Ann Owens. Our Treasurer of several years, Jennifer San Cartier, steps down this year; we thank her for her hard work and commitment. Mary Jenkins takes over the position in 2015.

The ECW began the year on January 18<sup>th</sup> with a Quiet Day, "A Walk to Follow the Star," led by the Rev. Sarah Wood, with the help of Elizabeth Baring, art therapist and psychoanalyst. It was a day to discover our own spiritual journey. This event was followed by a parish-wide meeting and potluck on February 10<sup>th</sup> to discuss upcoming events and report on past ones. There were additional parish-wide meetings on May 29<sup>th</sup> and September 18<sup>th</sup>.

This year ECW has partnered often with the New York City Rescue Mission, first sponsoring a collage art therapy workshop led by artist Ellen Colcord. We collected materials and assisted with the workshops on February 20<sup>th</sup> and November 5<sup>th</sup>, and are planning more in the future. In June of 2014 the Mission opened a new dormitory for women, which we felt offered the opportunity for a natural partnership with the women of our church. We collected toiletries and bagged them with lovely notes to welcome the women to their new home. We did this again in July and in December with toiletries donated by the parish in the Advent Drive. In August we also used funds to buy basic undergarments for the women. We also assisted the Mission by preparing home-cooked pot roasts and cupcakes and helping to serve the meal on April 5<sup>th</sup>.

On February 27<sup>th</sup>, parishioner Bill Minifie entertained and enlightened us with a program of "Sermons in Songs." On March 27<sup>th</sup> we sponsored a screening of the highly acclaimed documentary film *MissRepresentation*, an exploration of the negative female stereotypes commonly portrayed by mainstream media and their limiting effect on girls and women. The evening, moderated by Melissa Spindler, was an educational event and led to serious discussion. We give our thanks to Mary Connally for suggesting the film and for her support. The price of admission to these events was a donation of money or food for the food pantry at Church of the Village.

In June we helped member Rachel Salvato with the collection of school supplies and stuffing of backpacks for at-risk children served by the GO project. We helped Alatia Bradley Bach, representing Episcopal Social Services, to collect gently used suits, dresses and accessories for homeless women to use in interviewing and returning to the workplace. We also accompanied the Rev. Stephen Holton and other parish members on the rebuilding projects on Staten Island.

On June 27<sup>th</sup> we presented the film *Babette's Feast* curated by the Rev. Sarah Wood, an exploration of the spiritual in a wonderful film. It was also an evening to celebrate Sarah's contribution to our life at Grace before she left for her new life in Asheville, NC. The ECW presented Sarah with the gift of a master's hood from Virginia Seminary, her alma mater.

We have been supporting fellow parishioner Tanya Belousov, who is currently deployed in Kuwait with the National Guard. In October and December we have, with the help of the parish, supplied several care packages of treats and supplies unavailable in Kuwait to share with her colleagues serving our country.

ECW hosted their annual Grace and the Arts Christmas Fair on November 15<sup>th</sup> and 16<sup>th</sup>, with great success. Kathy Scarborough provided lovely violin music at the wine and cheese reception, highlighting an evening of art, music and fun. Admission proceeds from Sunday, the 16<sup>th</sup> were donated to the food pantry at Church of the Village.

Most exciting this year, we produced *A Taste of Grace*, a beautifully printed and bound collection of wonderful recipes along with comments and anecdotes by members and former members of Grace Church. We want to thank all who gave recipes, purchased copies and made donations to fund the printing costs of this terrific community project. The books continue to sell and net proceeds will support ECW work and ministries.

ECW women continue to volunteer and assist with annual parish events such as the Parish picnic, Advent wreath-making and the Shrove Sunday Brunch.

The first annual parish-wide meeting of 2015 takes place on February 19<sup>th</sup> at 6:30 in the Reception Room. All women of Grace Church are invited to come and join us in our next year of service, study and fun.

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### **Grace Church Archives**

The Archives have been largely inaccessible for much of the year, as they are located underneath a church apartment undergoing a total renovation. Thus they have been tented for protection. When the renovation is complete, the focus for the volunteer archivists will continue to be the organization and recording of recent information about Grace Church. In addition, digitizing the photographic collection and other documents will continue. We will also continue 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, chaired by Helen Du Bois and Jennifer San Cartier, assists the clergy in the day-to-day organization of our worship life at Grace Church. Guild members are responsible for the care and maintenance of our collection of plate and linens, preparing the same for worship. Members also manage inventory of all consumables, such as wafers, wine and candles. Members take this ministry seriously, yet have formed a friendly, cohesive group. The 9 a.m. and 6 p.m. services now utilize a team concept where Altar Guild members work together with other service volunteers to ensure all duties including ushering and lesson-reading are covered. In sum, the Altar Guild helps prayer happen with the elegance and simplicity befitting worship of God.

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### **Flower Guild**

The Flower Guild was reinvigorated in 2012 under the leadership of Ellen McElduff. In addition to altar 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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