

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



Report for the Annual Meeting - January 31st, 2016

Preface

As in years past, this Annual Report will review governance, finance and parish life for the year ended December 31, 2015. 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 2016 Annual Meeting, parish leadership will provide a summary of 2015 and an outlook for 2016.

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.

Greetings from the Rector

January 31st, 2016

Dear People of Grace Church,

If a picture is worth a thousand words, then let the photo of our old Roman urn on the cover of this year's annual report tell the story of 2015.

The urn came to Grace Church in the year 1885 after we had provided the funds to build a new church for St. Paul's Within the Walls, Rome. In the process of excavating the site, workers discovered a row of six large terra cotta jars that had been buried for centuries. William Reed Huntington, the 6th Rector of Grace Church, was bold enough to suggest that the Rector of St. Paul's give us one of them as a way to say thanks for our munificence. Since then the urn (which is perhaps 2,000 years old) has been located in the rectory garden, succumbing yearly to the pollution and freeze-thaw cycle of New York City weather. Large cracks appeared long ago and grew. By early 2015 we were finding chunks of it on the lawn. Something had to be done. It was time either to scrap it or restore it. To make a long story short, we decided to restore it, and we celebrated the "return of the urn" in early December. Now it rests again in its base to let the whole world see and know that things which were cast down are being raised up, and things which had grown old are being made new, and that all things are being brought to their perfection by him through whom all things were made, Jesus Christ our Lord. (The Book of Common Prayer, p. 540)

The mission of Grace Church is to join God's work of restoration, renewal, and raising up that which is cast down. To this end we began a new partnership with Habitat for Humanity in 2015 and raised \$100,000 above our normal operating income so that in 2016 we will build a house in Queens that a struggling family will call their own. We continued in our support of The GO Project and the Diocese of New York, two organizations that are vital to God's work of restoring and renewing people. We open up the church every day of the week so that the public can come in to rest and pray. I should add here that not a month goes by when I don't receive some word of thanks – either by note or call or email – from someone whose spirit was refreshed merely by sitting in one of our pews. Most of all, week by week we gather to hear God's Word, sing God's praises, and administer the Sacraments, trusting that what we do is necessary for our life and our salvation.

The mission of Grace Church requires a talented and hardworking staff, and I am grateful to my colleagues in every department. In 2015 we welcomed two new people to the staff. At this time last year the development office was vacant, but in June James Romanik joined our team with the title Manager of Membership Services. Then at the beginning of the summer Melissa Spindler, our Director of Youth and Family Ministry resigned to move with her husband to Massachusetts. Shortly thereafter we discovered the Rev. Chase Danford, who has become our Assistant Rector for Youth and Family Ministry. We also said farewell to our first Pastoral Resident, Hershey Mallette, upon her graduation from General Seminary, and welcome Gretchen Ratterree to the position.

I am also grateful to our two devoted Wardens, Brett Pertuz and Leona Chamberlin, as well our talented Vestry, whose wisdom and guidance is absolutely essential to the running of Grace Church. True to the theme of renewal and restoration, the Vestry and I are coming to realize that it will soon be time to undertake another phase of critical repairs to the church's interior. Certain sections of the nave are looking as dilapidated as the old urn appeared before its repair. Peeling paint and falling plaster neither enhance our mission, nor convey that we are being good stewards of the gifts entrusted to us. We as a community and the buildings we inhabit are to be visible signs that God is working to make all things new.

God has set before Grace Church a high and holy calling. For this I rejoice in the Lord. It is a blessing to serve this household of faith.

Sincerely,

The Rev. J. Donald Waring
14th Rector of Grace Church in New York Epiphany 2016

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

January 31st, 2016

Agenda

Call to Order, Opening Prayers, Opening of Polls

The Rector

Luncheon is served

Corporation Business and Reports

Report of the Nominating Committee

Mr. Brett Pertuz

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

For Church Warden: Ms. Leona Chamberlin (second, two-year term)

For Vestry: Mr. Justin Brownhill (second, three-year term)

Ms. Elana Foundos (second, three-year term)

Ms. Anastasia Rotheroe (second, three-year term)

Mr. Owen Boger (first, three-year term)

Report of the Church Wardens

Mr. Brett Pertuz

Overview of key events in 2015

Ms. Leona Chamberlin

Report of the Treasurer

Ms. Jennifer San Cartier

Review of 2015 financial results

Discussion of 2016 budget

Report of the Investment Committee

Mr. Brett Pertuz

Discussion of endowment performance

Report of the Fabric and Grounds Committee

Ms. Anne Rieselbach

Report of the Development Committee

Mr. Doug Evans

Greetings from the GO Project

Mr. Charles Johnston

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 2015-2016 Vestry

Grace Church's 2015-2016 Vestry was composed of:

The Rector, the Rev. J. Donald Waring
Senior Warden, Mr. Brett Pertuz *(Serving until February of 2018)*
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 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, *Treasurer*

Serving until February of 2018

Mr. Erik Sorensen
Mr. Harper Anderson
Ms. Anne Rieselbach
Mr. Jason Slibeck

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 2015. In these observations, we offer some thoughts on the past year, echoing the Rector's remarks.

2015 for Grace Church was a year of continued growth and vitality in fulfilling our mission to restore all people to unity with God and each other in Christ.

Last year in this report we discussed the image of "Base Camp", the time and place for an expedition party to regroup and gain strength before making their next major ascent. We are pleased to report that the community of Grace Church is using its base camp time well; we have been working to build community and strengthen our mission as we look to the future. As part of this effort, in March the Vestry and other parishioners and Vestry committee members participated in a planning session led by a team from the Episcopal Church Foundation aimed at identifying key questions and challenges facing Grace Church over the next five years. An outgrowth of this work has been the formation of six task forces which will identify and pursue initiatives to promote parish growth and enhance our existing stability and vitality. Following up on the success of newcomer activities launched in 2014, in 2015 we hosted four well-received informal events to welcome newcomers to Grace Church and help them to begin to build their own networks within our community.

This year we have added to our clergy and staff teams, welcoming the Rev. Chase Danford as our third priest on staff and new Assistant Rector for Youth and Family Services. Chase's energy and dedication has already shown significant impact on this vital and important ministry for Grace. We continued our participation in the Pastoral Resident program in 2015. After wishing a fond farewell to Hershey Mallette, our first Pastoral Resident, we were pleased to welcome our new resident Gretchen Ratterree to our community. Gretchen brings with her a wealth of experience and positive energy and has been a significant addition to our pastoral team. We congratulate her on her recent ordination to the Diaconate and look forward to her continued growth in faith and service as part of the Grace community. We also welcomed James Romanik as our new Manager of Membership Services and Communications. James brings fresh energy to this important function. Our 2016 annual pledge campaign is off to a great start through his efforts, and we look forward to James' continued impact on parish life.

Through the tireless work of the Rev. Stephen Holton we have added Habitat to Humanity to our list of community activities. Grace Church is now the sponsor of The House That Grace Built, a Habitat build project in the New York metro area. Our community has embraced this project financially, with the full funding requirement nearly met through generous donations, and physically, through teams of volunteers filling work days both from the Grace Church community and Canterbury Downtown, our Episcopal student fellowship affiliate in lower Manhattan. The energy our community has committed to the Habitat project shows us that the Power of Grace is alive and well, and that even at Base Camp our community yearns to be of service.

It is the community of Grace Church that makes all of these wonderful things possible. As Wardens we would like to take this opportunity to thank everyone who has participated in the life and vitality of the Church in 2015. We look forward to continuing to serve the Church in the year to come!

Brett Pertuz
Senior Warden

Leona Chamberlin
Junior Warden

Finance & Audit Committee

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

Mr. Justin Brownhill
 Mr. Jackson Browning, Jr.
 Ms. Leona Chamberlin
 Mr. David DiDomenico
 Ms. Christine Harland
 Mr. Charles Johnston
 Ms. Jennifer San Cartier, *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 2014 audit was completed on June 17, 2015 and was unqualified.

Grace Church continues to rely on three main income streams: giving (pledge and plate), investment income from our securities portfolio, and real estate revenue. 2015 giving slightly exceeded our budgeted amount. Although rental income from 100 and 102 Fourth Avenue was reduced due to tenant turnover and renovations, other 2015 revenues and expenses were largely as expected.

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

Calendar Year	AC 14	AC 15	AC 16	Total
2013	\$165,727	\$0	\$0	\$165,727
2014	\$862,243	\$202,271	\$0	\$1,064,514
2015	\$23,280	\$839,233	\$214,084	\$1,076,597
2016	\$10	\$1,835	\$39,794	\$41,639
Total Funds Received by Campaign	\$1,051,260	\$1,043,339	\$253,878	\$2,094,599
Annual Campaign Goal	\$975,000	\$1,100,000	\$1,100,000	
Percentage of Goal	108%	95%	23%	

The 2016 Budget, as reviewed by the Committee and approved by the Vestry at its December 2015 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 2014 to 2015. For 2016 budgeting purposes, discretionary items were largely held flat to increase capacity of the youth and family ministry. An increase in liability insurance premiums and increased support for parish ministries, including the addition of the Assistant Rector for Youth and Family Ministry, are notable contributors to expense increase.

The other budget item of note is the Diocesan Assessment, which was held flat at \$250,000 for 2013, 2014 and 2015. Our 2016 budgeted number is \$255,178 with a small increase to reflect the repayment of arrears from prior Diocesan Assessments.

As in years past, the Committee intends to review periodically actual 2016 results against the 2016 Budget, and to recommend necessary adjustments to the Vestry.

The next page outlines financial results for 2014 and 2015, as well as the approved 2016 budget.

Comparative Financial Information (Unaudited – Cash Basis Presentation)

	2014 Actual	2015 Provisional	2016 Budget
REVENUE			
Pledge Payments	\$1,116,980	\$1,078,043	\$1,045,000
Plate and Other	202,186	273,048	225,000
Program Revenue	44,648	31,557	41,500
Bequests	6,266	83,910	11,288
Space Rental	13,334	21,982	25,425
Special Gifts/Grants/Misc.		5,000	46,500
Operating Revenue	\$1,383,414	\$1,493,540	\$1,394,713
REAL ESTATE REVENUE			
Net Rental Income – 100/102 Fourth Avenue	\$131,646	\$174,341	\$172,572
Owner Monthly Distribution – 80 Fourth Avenue	900,000	900,000	900,000
Real Estate Revenue	\$1,031,646	\$1,074,341	\$1,072,572
DRAW ON INVESTMENTS	\$450,000	\$355,000	\$485,162
REVENUE + DRAW	\$2,865,060	\$2,922,881	\$2,952,447
EXPENSES			
Parish Ministry	635,084	626,899	650,420
Outreach/Education/GO Project	295,409	267,453	274,139
Diocesan Support	250,000	250,000	255,178
Music	300,619	298,572	308,679
Fabric and Grounds	689,923	704,861	712,967
Administration (includes investment fees)	566,691	571,888	578,168
Operating Expense	\$2,737,726	\$2,723,673	\$2,779,551
CAPITAL EXPENDITURES	\$113,302	\$162,595	\$172,896
TOTAL EXPENSE	\$2,851,028	\$2,886,268	\$2,952,447
NET SURPLUS / (DEFICIT)	\$14,032	\$36,613	\$0

2016 Annual Campaign

Grace Church remains blessed to have very generous and supportive parishioners. The 2015 Annual Campaign concluded with total pledge commitments of \$1,093,292.

For the 2016 Annual Campaign, Grace Church is ahead of 2015 in terms of dollars pledged. As of January 20, 2016, 228 households have pledged a total of \$1,056,704, or 96% of the \$1,100,000 goal for pledges. This compares favorably to January 20, 2015, when 221 households had pledged \$954,678. At \$4,634, the average pledge for 2016 is \$314 above the 2015 average of \$4,320

2015 Actual vs. 2015 Budget

<i>2015 – total pledged:</i>	\$1,093,292	267 individual pledges
<i>*2015 – total budgeted:</i>	\$1,045,000	

2016 YTD vs. 2015 YTD (Jan. 20th)

<i>2016 – total pledged:</i>	\$1,056,704	228 individual pledges
<i>2015 – total pledged:</i>	\$954,678	217 individual pledges

*less 5% reserve of unpaid pledges

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 Carr¹
Mr. Winthrop Chamberlin
Ms. Sarah Cogan
Mr. Colbert Cannon
Mr. Kenneth Garschina
Mr. Brett Pertuz, *Chair*
Ms. Anastasia Rotheroe
Ms. Jennifer San Cartier, *Treasurer*
The Rev. J. Donald Waring, *ex officio*
Ms. Nancy Walker
Ms. Melinda Weir

The value of the Corporation's securities endowment before withdrawals showed a loss in 2015: the net loss on the endowment was -0.544%, and total investment loss were -\$41,396.

Withdrawals to cover operating expenses totaled \$355,000, representing a gross withdrawal rate of 3.0% against the average endowment balance for the year, which is consistent with our guidelines. This withdrawal was offset with \$150,000 of direct gifts to the endowment during the year, making the net withdrawal 2%. The endowment decreased from \$11,155,682 at year-end 2014 to \$10,909,255 at year-end 2015. Total loans to the Capital Campaign stood at \$6,210,914 as of year-end 2015. 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 2015:

- 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 Wintergreen Fund was liquidated throughout the third and fourth quarter, and funds were transferred to Burgundy Asset Management.
- The Burgundy Global Equity Fund was opened on July 1, 2015.

¹ Mrs. Abigail Carr ended her term in August 2015

The approved asset allocation as of December 31, 2015 was:

	<u>Actual</u>	<u>Target</u>
Global Equity / Opportunistic	50.21%	50%
Marketable Alternatives	37.85%	25%
Fixed Income/Cash	11.95%	25%

Estimated 2015 investment performance, by manager, and fund descriptions follow:

<u>Manager</u>	<u>Estimated Total Return</u>
Wintergreen Fund	-6.7%
FPA Crescent Fund	-2.1%
IVA Diversified Global	-2.5%
The Children's Investment Fund	11.7%
Burgundy Global Equity	6.2%
Adamas Partners	0.2%
Vanguard Short-Term Treasury	0.6%
<u>SPDR Gold Shares</u>	<u>-10.7%</u>
Total Portfolio Return	-0.544 %
	<u>Index Return</u>
S&P 500	1.40%

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.

Burgundy Global Equity is an equity mutual fund launched and managed by Burgundy Asset Management Ltd. The fund invests in the public equity markets across the globe excluding Canada. It invests in stocks of companies operating across diversified sectors. The fund invests in value stocks of companies.

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.

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 ~\$20 million. The Board is committed to preserving the asset’s historic cash flow through a high standard of maintenance and service.

For 2015, 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, and Mr. Brett Pertuz.

The building is professionally managed by Tri-Star Equities, Inc. Revenue and operating income for 2015 were in line with 2014. Net operating income was below budget in large part due to continued expenses related to Local Law 11 work discussed further below. In 2015, 80 Fourth Avenue distributed \$900,000 to Grace Church, consistent with 2013 and 2014. At December 31, 2015, the building’s operating account had a balance of \$100,517; its capital reserve account had a cash balance of \$56,233.

Local Law 11 work, which was expected to conclude in early 2014, continued throughout 2015. Our 2013 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 \$364,227. During 2014, we became aware of additional structural defects above and beyond the initial scope of work which required additional façade work in 2015; our 2015 expenditures were \$221,137 bringing our total expenditures to \$585,414. Our LL-11 work was finally completed at the end of 2015 received New York Department of Buildings certification in January 2016. While this has been an unexpectedly arduous process, we are optimistic that the significant work completed over the last 3 years will reduce the expense and time required for our next LL-11 review.

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 2016. 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.

Fabric & Grounds

The Fabric & Grounds Committee is a Standing Committee of the Vestry. The Committee's 2015-2016 members were:

Ms. Bonnie Berringer
Mr. Charles Johnston
Mr. Michael Kirchmann, *Co-Chair*
Mr. Grant Marani
Mr. George McNeely
Mr. Brett Pertuz
Ms. Sara Queen
Ms. Anne Rieselbach, *Co-Chair*
Mr. Kevin Rotheroe
Mr. Brett Seamans
The Rev. J. Donald Waring

As in previous the year, 2015 was a busy year for the Fabric & Grounds Committee as it saw the continuation and completion of several projects, as well as some unexpected repairs.

The extensive renovation of the apartment at 100 4th Avenue, which required structural, plumbing, and electrical updates, was completed in early spring 2015. A tenant paying market-rate rent is now in residence.

Work on the grounds included restoring the terracotta roman urn in the rectory garden, which was seriously damaged by last winter's extreme freeze - thaw cycles, as well as replacing the deceased apple tree and surrounding box hedges in Huntington Close. Inside the church the ECW provided funds to restore the pulpit cross and nimbi. Extensive plumbing repairs and roof leaks were addressed in the rectory.

Projects and goals for the coming year and beyond will be outlined and prioritized through two significant planning efforts. The Committee is developing a five to ten year strategic plan to address ongoing repairs and capital improvements which includes; the restoration and replacement of roofing and windows of the Parish House and Rectory; the restoration of two church pinnacles; the centennial maintenance of the bell bolts; and the ongoing issue of moisture infiltration in the Chantry.

Integral to the strategic plan is the restoration of the crossing, nave and aisles. The Committee is working with Ryan Associates to map out the next phase of work. In coordination with major subcontractors, this plan will address the potential scope of work as well efficient phasing options.

Development & Communications

The Development Committee is a standing committee of the Vestry. The 2015 – 2016 members were:

Mr. Colbert Cannon
Ms. Karin Dauch
Mr. Doug Evans, *Chair*
Ms. Angela Fellers
Ms. Adelaide Mueller
Mr. Erik Sorensen

Grace Church strives to engage the congregation and its wider constituency throughout the year. In partnership with the Development Committee, Grace is working to create more timely and appropriate appeals for the church's ministries. Building on the progress of 2015, we will continue to look for more opportunities for greater involvement in 2016.

On May 7, 2015, Grace Church held "Spin into Spring," a cocktail party at Spin Ceramics in SoHo to thank our dedicated and generous members. It was a wonderful night for Grace, attended by over 75 of our friends and supporters. Special thanks to our parishioner, Clay Cunningham, Managing Partner at Spin Ceramics, for hosting last year's event.

Last year marked the first time that Grace Church participated in Giving Tuesday. Giving Tuesday brings together over 30,000 nonprofits from around the world in a day of global giving. Grace Church raised \$1,125 this Giving Tuesday. Through greater education and more focused awareness, this number is bound to increase in 2016.

For the second year, Grace Church sponsored a Christmas tree sale. The trees, generously donated by Olivia Douglas and David DiDomenico, were a wonderful way to jumpstart the Christmas season. In 2015, the Grace Church lumberjacks cut down over 30 trees, raising \$2,410.

In 2015, Grace Church began a concerted effort to increase its digital presence, focusing on social media. As of January 19, 2016, Grace's Facebook page has 1,277 likes, a 19% increase from June 2015. The Facebook page also boasts an average organic reach of 166 people per post. The Grace Church Twitter page has also been expanding its reach, with 477 followers as of January 19, 2016, an increase of over 200 since June 2015.

Additionally, 2015 saw the launch of the Grace Church Instagram page, yet another mobile-friendly way to engage with a diverse and influential constituency. We are encouraged by the progress of our efforts and continue to develop new ways to expand our reach.

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 (29 choristers)
 The Girls' Choir (53 choristers)
 The Sunday Six o'clock instrumentalists (2)

The Parish Choir (*volunteer*) (10)
 The Adult Choir (*professional*) (9)
 Bach at Noon and Weekend Organ
 Meditation Programs

Patrick Allen is supported by highly effective Music and Choir Steering Committees. Comprised of Vestry members, parishioners, and current and former choir parent, the Committees 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.

The Music Program continues the relationship established in 2014 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 is in residence and in charge of the musical offerings to gain directing and management experience. We have all enjoyed the presence of George Fergus as our first Scholar and with the completion of his appointment on Labor Day 2016, we look forward to appointing a new scholar in this program.

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 many guest artists and choirs from home and abroad have played during the Bach at Noon and Weekend Organ Meditation offerings or have offered noonday or weekend afternoon Choral Concerts.

Since the last report three special projects have taken place. The first to take place was our Annual Spring Concert that featured repertoire offered during a beautiful concert tour to France that included singing at the Normandy American Cemetery Memorial, Cathedrals in Bayeux, Chartres,

Rouen and in Paris at Notre Dame, L'église de la Madeleine, Saint-Sulpice and the American Cathedral.

The second was a series of vocal coaching sessions with renowned Dutch baritone, Max van Egmond, which gave the choristers an opportunity to learn French diction in preparation for an upcoming Christmas recording of French Noels featuring the organ variations of Louis Claude Daquin on the Bicentennial Organ.

The third project, which just took place, was our annual concert of music for treble voices, now in its eighth year. Our friend Dr. Barry Rose was back to work for an entire week with all the choirs, including an especially intense schedule with our novice and junior choristers. Some seventy choristers worked daily with Dr. Rose to offer the special afternoon of song at 4:00 p.m. in the Church on Sunday 24 January. 2015 was a record year for recruiting, 32 novices and one new junior 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 their annual spring concert the last Friday of April, the 29th at 7:00 p.m. Works by Bairstow, Bernstein, Boyle, Ireland, S.S. Wesley and Vierne will be featured. Bring family, friends and colleagues and plan to attend!

Christian Education – Youth & Family Ministries

The children, youth, and family programming at Grace Church aims to establish a Christian foundation for children and youth based on the life and teachings of Jesus Christ, as well as to provide spiritual formation opportunities, pastoral support, and fellowship to parents and family members. The combination of Sunday School, worship leadership as acolytes, a new youth group, confirmation class, parent baptism classes, and year-round, family-friendly activities constitute this programming. The Rev. Chase Danford, Assistant Rector, directs these ministries.

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 Fr. Chase, and are taught by him, other clergy, and volunteer teachers. A total of 56 children are currently registered in Sunday School, and weekly attendance averages 26 children in the 4-8 year old class.

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 4-24 children, averaging 14 children per Sunday.

11 a.m. – The average class size for this service is 12 children per Sunday (with a range from 3-20 students).

We are currently discerning how to best serve children ages 9-12. Due to choir and acolyte commitments, not many students in grades 4-6 are available for Christian education classes on Sunday mornings. Leadership in the worship ministries of the choir and acolyte corps are valuable Christian formation opportunities.

Confirmation – Clergy-taught classes prepares students in grades 7-12 for confirmation. Last year, twelve students, largely in 7th grade, participated. Because of youth desire for more time in program, we are expanding the curriculum from six classes to eight, plus an instructed Eucharist, volunteer project, and fellowship opportunities.

Acolyte Ministry – Youth in grades 4-12 assist in the liturgies of the church as crucifers, torchbearers, and banner-bearers. These special items they carry add to the beauty and symbolism of our worship, and acolytes also help make the service flow smoothly by assisting at the altar, Sunday school procession, and with the collection of offerings. We currently have 20 youth on the acolyte roster.

Youth Group – Our new ministry for teenagers is an exciting development in the life of Grace Church. In the fall, we organized a series of Teen Study Breaks that brought together up to ten

students in grades 8-12 (average attendance of six) for fellowship and discussion. Participating youth are interested in volunteer projects and service trips, so stay tuned for more news in 2016!

Baptism Ministry – Last year, 30 people were baptized, including 29 children and youth. Preparatory classes for families and sponsors are taught by the clergy and give participants an opportunity to learn about and discuss Christian spirituality and the meaning of baptism. Fellowship is always included in the class and rehearsal, providing an opportunity to deepen families' engagement in the life of the parish.

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

Shrove Sunday Pancake Brunch – Last year we served more than 100 parishioners a wonderful and spirited brunch, along with music and craft projects for the young and young-at-heart.

Easter Eve Walk – In this beloved parish event, children learn about Holy Week and Jesus' journey from Cross to Resurrection. Last year over 30 children participated

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

Vacation Bible School – This three-day event served 12 children from nine families and focused on the Genesis story of Joseph (and his coat of many colors).

Family BBQs – Once per month in the months of June through September, we invite 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. In 2015, the program did not continue through the entire summer because of staff transition, but we look forward to the return of monthly picnics in 2016.

Halloween Carnival – This fun event served 35 children, aged 2-12, and their parents and included crafts, games, and goodies. Eight youth and two young adults served as volunteers.

Gingerbread House Build – This year we designed the program to raise awareness and support for our "House that Grace Built" partnership with Habitat for Humanity. We built 60 gingerbread houses, representing fifty families at morning coffee hours and several college students at the Canterbury Downtown dinner.

Christmas Pageant – A total of 80 children and youth between the ages of 5-18 participated in the 2015 pageant as cast members, narrators, singers, and acolytes. Additionally, ten college students served behind stage as assistants and as narrators and singers. This self-funding event was live-streamed and professionally photographed by parishioner and volunteer Angie Speranza. Thank you to Dana Foote and Shannon Cave for their many years of service as pageant co-directors!

Sunday Child Care – Grace Church provides nursery care for children under four years of age each Sunday morning, during both morning services. Most Sundays we have an average of five parish children in nursery care, but we also have many visitors to the church who make use of the nursery. As such, it is an important part of our ministry to newcomers.

Christian Education – Adult Education

2015 saw the 10 a.m. Adult Education classes continue to evolve with a mix of guest speakers and parishioners as presenters, whose commitment expands and deepens our community. Two thematically linked class series for the 2015-16 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 Adult Education Committee's 2015 -2016 member were:

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

The 2015 Epiphany classes focused on how parishioners had discerned God in their own lives. The series consisted of both testimonials and interactive sessions designed to encourage attendees to identify and plot their own spiritual autobiographies in a holistic timeline. The Lenten season included a series of literary-themed classes on Seventeenth Century Poems and Psalms, *What the Thunder Said*, included in T. S. Eliot's *The Waste Land* and its connection to the story of the walk to Emmaus in the Gospel of Luke, and an exploration of the friendship between Barnabas and Paul by Rev. C.K. Robertson, author of *Barnabas vs. Paul: To Encourage or Confront?*. The season concluded with a class on the Book of Revelation from the perspective of Jungian depth psychology, a timely discussion on Media and Race in Baltimore, and a class led by the Rector on the Vestry's work with the Episcopal Church Foundation towards a long range plan for Grace Church.

The 2015 fall series *A Parish Study: Paul's Letters to the Corinthians* was a communal examination of the historical context of the letters and the issues they raise, including church factionalism, ethics and morals, women as church leaders, Christian-Jewish relations, spiritual charism, and more. Forum attendees explored how the community in Corinth navigated these topics and how the narrative of their communal life may have relevancy for Grace Church members. Attendees were encouraged to read designated passages of Corinthians in advance of each Sunday session so they could fully participate in the guided discussions.

Guest speakers included the Rev. Clayton Crawley, the EVP, Chief Information Officer for the Church Pension Group; the Rev. Mark Hummell, Chaplain for Grace Church School; the Rev. Todd Brewer, Ph.D., Assistant Professor of New Testament Studies at General Theological Seminar; Prof. Roy Tsao of Brooklyn College; and the Rev. Canon Dr. Titus Presler, Th.D, scholar of Christian mission and Principal-in-Exile of Edwardes College, Peshawar, Pakistan.

In addition to clergy-led classes, there were classes led by parishioners Margaret Hoover, Elizabeth Howard, Dr. Diana Benet, Dr. Nicholas Birns, the Rev. Dr. Robert Owens, Dr. Krystyna Sanderson, and Prof. Catharine Stimpson,

The Epiphany 2016 series titled "Telling Our Stories-And Listening to God's" recalls the Presiding Bishop's exhortation to each of us to join again in the "Jesus movement" just as the first apostles did. While scripture recounts how those evangelists drew massive crowds to hear the story of Jesus as Messiah, "evangelism" is often perceived as too much of a challenge to take on. Classes are exploring how we can reclaim the Jesus story and how we can tell our own stories effectively enough to truly live into the Jesus movement.

A Lenten series is currently in the planning stages.

Outreach

Grace Church supports various forms of outreach at the parish and diocesan levels and encourages each parishioner to engage in some personal work of service. In 2015, 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;
- 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;
- Provided clothing and toiletries to the food pantry at Ascension and New York City Rescue Mission; and
- Sponsored graduation services 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 in addition to significant funding provided by parishioners, Grace supports the use of space by the GO Project valued at \$94,000 for 2015. 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.

Following on successful rebuilding work after Hurricane Sandy on Staten Island, Grace entered into partnership with Habitat for Humanity NYC to continue to provide housing for New Yorkers in need. In 2015 we raised almost \$100,000 towards a planned home building project in Queens in 2016 and made plans for volunteer build days in 2016.

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 throughout the year for fellowship and to review their ministry goals.

At the Diocesan level, Grace Church's annual diocesan assessment helps advance the mission of the Church across our diocese, including helping to support programs and parishes that are not yet 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 2015 grants totaling just over \$7,500 were made to Interfaith Assembly on Homelessness and Housing (for support of homeless New Yorkers), International Rescue Committee (for emergency housing support for refugees), and the food pantry at Church of the Village (food support for hungry New Yorkers). Each year the entire Christmas offering goes to build the corpus of the VFO. The Christmas plate for 2015 totaled \$17,912, bringing the corpus of the Fund for year end to \$151,875. 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.

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 (Treasurer), Ginger Blake, Sandra Bowman, Kristen Whitehurst, Michelle Urcuyo and Mary Ann Owens, who lead various committees. Founding President, Elana Foundos will be stepping down after five years of amazing leadership. Sara Queen and Teresa Conway will take on the leadership as Co-Presidents with the help of the board. We also say good-bye to Mary Ann Owens and thank her for her great work on many projects including the Christmas Fair, the publication of a Grace Church Cookbook, and the recent Pew Book Drive. We wish Mary and her husband Bob well in their new home in Pittsburgh.

We began the year 2015 with a parish-wide meeting and potluck supper on February 19th. On April 12th there was a tea to thank the women of the parish for all their work with ECW. On September 17th we had our “welcome back” parish-wide meeting which featured a talk by Mary Jenkins and her colleague from The League of Women Voters.

ECW continued their partnership with the New York City Rescue Mission in 2015. Led by ECW member/artist Ellen Colcord, the women collected art materials for, and hosted Ellen’s popular art therapy workshops for guests of the women’s shelter on March 16th. We also continue to collect and deliver parishioners’ donations of toiletries and other necessities for the women, and we again supported two home-cooked dinners for guests at the mission by preparing and serving pot roasts and cupcakes on March 7th and November 1st.

The ECW sponsored several lectures in 2015. On March 19th Dr. Lucinda Mosher spoke on *Christian-Muslim Encounter: the Theological Dimension*, and on September 30th *Working to End Violence Against Women* was presented by Shelia Dauer from Columbia University Institute for the Study of Human Rights. On December 3rd *A History of the GO Project* was presented by Cree Harland and Bonnie Recca.

Our Quiet Day was held on March 7th and led by Pastoral Resident Hersey Mallette, featuring meditations on scriptural references in the stained glass of our church, poetry-writing and a light lunch and fellowship. We very much look forward to this year’s quiet day which will be led by our current Pastoral Resident Gretchen Ratteree.

We continued to support parishioner Tanya Belousov while she served in Kuwait by coordinating and shipping care packages filled with hard-to-find goods to her and fellow troops. Tanya returned stateside in the spring and we welcomed her back with a small reception.

In November we hosted our 6th annual Grace Christmas Fair, formerly Grace and the Arts, with 25 talented vendors displaying their arts and crafts for our shopping pleasure. During the Saturday night wine and cheese reception, we introduced a wine-pull which was emceed by a very entertaining Bob Martini. Proceeds from the small admission fee came to over \$500, which was split between the food pantry at Church of the Village and The NYC Rescue Mission. Rachel Salvato, who headed our publicity and media, got an article published in the *Episcopal New Yorker* with photos and comments on the Fair.

This year the ECW financed the repair of the wood carvings on the pulpit (cross and surrounding saints). In June we spent a work day sorting, repairing and cleaning damaged pew books, leading us to sponsor a "Pew Book Drive" this fall to replace books which were beyond repair. As a result, 227 new Bibles, Books of Common Prayer and Hymnals (including 10 Spanish language editions) were generously donated by people of the parish. Each book is graced with a lovely book plate inscribed with the names of the giver and the honoree, and is on display today in Tuttle Hall.

Several artistic and spiritual outings were organized and well-attended by ECW. On February 22nd we visited an exhibit of art work by students from a shelter in Guatemala curated by Ellen Colcord. On April 28th we attended the evening service at General Seminary followed by a tour of their rare books collection and a lovely reception hosted by the President and Mrs. Dunkle. In August we joined Rev. Stephen Holton on a tour at the Metropolitan Museum followed by lunch.

ECW members continue to volunteer and assist with the Parish picnic, Advent wreath making, Shrove Sunday Brunch and other parish events. We look forward to an eventful 2016, and we invite all women of Grace Church to join us in the coming year of service, study and fun.

Grace Church Archives

The Archives are back in operation. Since the completed renovation of the 100 Fourth Avenue apartment, the collection is again accessible to members of the Church and public for research on a variety of topics including genealogy and many different aspects of Grace Church history. Digitizing the photographic collection and other documents, as well as, transferring files from out-of-date formats to contemporary data systems continues to be a priority.

Altar Guild

The Altar Guild, chaired by Helen Du Bois (9 a.m.) and Jennifer San Cartier (6 p.m.), assists the clergy in the day-to-day organization of our worship life at Grace Church. At the end of 2015, we were pleased to also welcome Lillie Chance as our joint chair, responsible for coordinating the 11 a. m. services. Guild members are responsible for the care and well-being of our collection of plate and linens, and 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. In sum, the Altar Guild helps prayer happen with the elegance and simplicity befitting worship of God.

Flower Guild and the Walter J. Parker Flower Fund

The Flower Guild, under the dedicated leadership of Ellen McElduff, each week adorns the church and chantry with beautiful arrangements of flowers and greenery as a living symbol of our worship. As Chair of the Flower Guild, Ellen refines her professional development by attending the New York Botanical Garden Certificate Program in Floral Design, and we remain grateful for her expertise. In addition to the weekly altar arrangements, the Guild works tirelessly to plan and carry out the stunning arrangements seen throughout the church and grounds during the Easter and Christmas season. The Walter J. Parker Flower Fund is fully supported by the generosity of the congregation.

Canterbury Downtown

Canterbury Downtown is a campus ministry of the Diocese of New York, housed at Grace Church. The Rev. Mary Cat Young serves as Chaplain to this community as well as a Senior Chaplain Affiliate at New York University. She has been in this role as a member of the Bishop's staff since 2011.

Canterbury Downtown provides opportunity for students in Manhattan to gather for worship, meals, service projects and community-building. Students connected with the ministry hail from NYU, The New School, Cooper Union, the Fashion Institute of Technology, Hunter College, Julliard and Pace University. Both undergraduate and graduate students are served. Some faculty and staff are also affiliated with the campus ministry.

2015-2016 is the 12th year of this community and it's ministry with students. 2015 has been a year of growth and rejuvenation for the campus ministry group. Regular meetings take place on Sunday evenings where 12-20 students gather for worship at the 6 pm service at Grace Church followed by dinner in the Reception room. Guest speakers this year have included: the Rt. Rev. Allen Shin, The Episcopal Peace Fellowship, the New York Intern Program, EFM Mentor Andrew Jones, the Rev. Emily Wachner from General Theological Seminary, and Lauren May from the Citywide Interfaith Shelter Program among others. Introduction to the Bible, and preparation for Baptism and Confirmation are regular offerings as well.

Canterbury Downtown partnered with Grace Church for a variety of projects in 2015 including; March Staten Island work day volunteers; student writers for the Lenten daily devotional; participants providing voices for the Passion Play organized during the 6 pm Service on Palm Sunday; and participants in Lent and Advent programs after the 6 pm service (discussion series', Advent wreaths, collections, Habitat for Humanity gingerbread houses). We are thankful for the support of dedicated office space, for the chaplain, at Grace Church since 2014.

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www.gracechurchnyc.org

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