



## **The First Presbyterian Church New Vernon, N.J.**

### **Pastor**

Rev. William H. Stone, III

### **Music Director**

Dr. Martin Sedek

### **Accompanist**

Jany Izaguirre

### **Office Administrator & Manager of Accounting**

Debbie Hennessey

### **Financial Secretary**

Darlene Cappel

### **Church Custodian**

Tony Rodriguez

## **Annual Report 2018**

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***“We welcome you to the embrace of God’s love.”***

# DOCKET FOR ANNUAL CONGREGATIONAL MEETING

February 24, 2019

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CALL TO ORDER AND OPENING PRAYER .....The Moderator

APPROVAL OF DOCKET

APPROVAL OF MINUTES

RECEIVING THE ANNUAL BUDGET ..... Keith Wood, 2018 Treasurer

ELECTING OFFICERS OF THE CORPORATION..... Moderator

ADJOURNMENT

**First Presbyterian Church of New Vernon**  
**PASTOR'S REPORT**  
**2018 Annual Report**

***For this reason, ever since I heard about your faith in the Lord Jesus and your love for all God's people, I have not stopped giving thanks for you, remembering you in my prayers. I keep asking that the God of our Lord Jesus Christ, the glorious Father, may give you the Spirit of wisdom and revelation, so that you may know God better. I pray that the eyes of your heart may be enlightened in order that you may know the hope to which God has called you, the riches of God's glorious inheritance in God's holy people, and God's incomparably great power for us who believe. – Ephesians 1:15-19***

As our 185th anniversary year comes to a close, my heart is warmed by the memory of all that we have celebrated and accomplished in 2018. This has been a year of building connections and nurturing faith. The momentum of new initiatives like Toddler Time and Messy Church continues to grow. We have created more opportunities for people of all ages to worship together. We have remembered our connection to the past, hearing stories from Dr. Chorba's book, receiving greetings from former pastors, and welcoming members of the Harding community to our Anniversary Fair last Fall. All these things have nurtured the life and faith of our church family. I have now been serving as your pastor for two years, and I continue to be humbled by your dedication, your generosity, and your tenacity. Like the apostle Paul, I daily give thanks for you and remember you in my prayers.

**Here are a few of the things that happened in 2018:**

- We had a confirmation class of eight young people
- Toddler Time now engages seven families and 15 children on a regular basis
- Messy Church continues to grow—we hosted three sessions and welcomed around 20 children each time.
- We introduced Ready, Steady Christmas—a holiday event for all ages and welcomed nearly 100 people into our church halls
- We co-sponsored the "Music Made Here" concert series with CME, welcoming world class musicians and members of the community into our sanctuary
- We hosted a meeting of Newton Presbytery for the first time in ten years
- We launched a new website and implemented online giving
- Our live-streamed worship services on You Tube have been viewed more than 1,200 times, and our sermon podcast has 315 downloads
- The Deacons awarded \$10,000 in scholarships to students with financial need
- Our Mission and Outreach Committee distributed \$58,850 to charitable organizations
- We broke bread together: at our Church Picnic, our 185th anniversary lunch, Christmas Dinner, Mental Health Association Dinner, Souper Bowl Luncheon, and more

We are clearly a church on the move, and the pages that follow in this annual report bear witness in detail to the wonderful things happening here at FPCNV. Our community of faith is having a substantial and tangible impact on this community. And like the church in Ephesus, news of the good things happening here is continuing to spread. Many people, from our Elders and Deacons to dedicated members of the congregation have given generously of their time and resources to make all of these things happen and to grow the ministry of the Church. For this I am deeply grateful.

As we work to engage our community more fully, there is a great deal to build on and hope for. In an increasingly volatile world, people are genuinely hungry for spiritual fulfillment; they need connection and community. This is good news for us because these are all things God calls us to provide as a church! I have shared with you before a great quote from Chuck Swindoll: “We are all faced with a series of great opportunities brilliantly disguised as impossible situations.” My prayer is that we recognize these opportunities in our church for what they are, and that we have the faith to live into them.

**First Presbyterian Church of New Vernon**  
**CLERK OF SESSION'S REPORT**  
**2018 Annual Report**

**SESSION MEMBERS**

<b>Class of 2019</b>	<b>Class of 2020</b>	<b>Class of 2021</b>
Jen McCann	Carol Conger	Jonathan Shelby
Don Richardson	Martha Coy	Christin Willis
Eileen Urban	Tom Ewig	Scott Noyes
Keith Wood	James Muchmore	Roger Greenway

**MEMBERSHIP STATISTICS**

Communicant Members – December 31, 2017	298
New Members	1
Reinstated	0
Confirmation Class 2018	6
Removed by Letter of Transfer/Moved Away	11
Removed by Session	0
Removed by Death	4
Communicant Members – December 31, 2018	290
Members of Session: 7 men, 5 women	12
Board of Deacons: 2 men, 11 women	13
Baptisms	2

**First Presbyterian Church of New Vernon**  
**ANNUAL MEETING OF THE CONGREGATION**  
**Sunday, February 25, 2018**

The annual meeting of the congregation of the First Presbyterian Church of New Vernon was called to order at 11:01AM. A quorum was present.

Pastor Bill Stone, as moderator, opened the meeting with prayer. He announced that Jonathan Shelby, Clerk of Session, would be taking the minutes of the meeting.

Handouts of the 2017 Annual Report and the report of the Finance Committee were distributed.

A motion was made to accept the docket as printed in the Annual Report. *Moved, seconded, and carried.*

A motion was made to approve the minutes of the 2017 Congregational meeting. *Moved, seconded, and carried.*

Rev. Stone made some brief comments on the church year and recommended congregants view the mural in Chorba Hall as a metaphor for the Church: our long rich history, the good works done by so many members, and our having both strengths and areas of need. He then introduced a slide show on the screen with pictures of various church events with music accompaniment.

The floor then went to Tom MacCowatt, Chair of the Nominating Committee, who first named the other members of the Committee: Lisa Chapman, Sandy Finlayson, Jeff French, Jonathan Shelby, and Bill Stone (ex-officio). He thanked retiring members of Session, Julia Buteux and Todd Claytor. He thanked the retiring Deacons for their service, Robyn Brown and Lisa Chapman, and finally David Dietz for his work on the Audit Committee. He then placed the following names to serve on Session for a term of three years ending in February 2021: Carol Conger and Tom Ewig who are returning, and new members Martha Coy and Jim Muchmore. Tom placed the name of Keith Wood before the congregation to serve again on Session for a term of one year ending February 2019 and to serve as Treasurer. Next, he named four to serve as Deacons for a term of three years ending February 2021: Barbara Gill and Karen Pennett, who are returning, and new members Russ MacAusland and Mike McCann. Finally, he asked the congregation to vote to approve two members of the Audit Committee for a period of one year: Russ MacAusland and Jack Finlayson. The moderator asked for a second and a call for discussion and nominations from the floor. Voice vote of the congregation was all in favor, stating outcome.

Rev. Stone then turned the meeting over to Keith Wood, Chair of the Finance Committee. Keith thanked the members of the Audit Committee: Jack Finlayson, David Dietz, and Russ MacAusland, who made some brief comments on the Committee's work. Keith then presented the 2017 financial results, the 2017 budget and the forecasted budget for 2018. By PowerPoint presentation, he highlighted several charts.

- Consolidated Results of 2016, 2017, 2018(e) showing the operating and investment accounts with a final cumulative balance of +106.5m over the three-year period.
- 2010-2017 Investment Results showing net withdrawals of \$530m but investment gains of \$457m.
- 2017 Operating Account Budget v. Actual: revenues were less than expected due to member pledges falling short by \$42.2m and rental income lower due to tenant problems. Expense control was very good. Net income was (23.3m).

- Balance Sheet Highlights: net working capital was \$244.3m, fixed assets were \$4.306mm, and portfolio assets came to \$1,198.8m
- Budget 2018: Major Factors Detailed (revenues and expenses of 2018 vs. 2017). The deficit improves from (23.3) to (12.3e).
- Capital Investment Plans & Funding: Capital Improvement Fund and Sure Foundation, both with surpluses estimated at the end of 2019 of \$46m and \$6.5m, respectively.
- Conclusion(s)-Strong Stewardship Results for 2018, continued control of expenses, membership expansion is key, and rental revenue opportunities may be realized. Capital spending plans are **fully funded** through 2019. Strong balance sheet and investment management will continue.

A motion was made to accept the 2018 budget as presented by Session. *Moved, seconded, and carried.*

Keith also made a point to thank Debbie and Darlene for their hard work not just on putting the annual report together but for all they do throughout the year.

Rev. Stone then noted that the government requires us as a non-profit to name a president, vice president, secretary and treasurer. The first three officers are nominated by Session. The treasurer must be approved by the congregation.

A few years ago our Session passed a motion stating that our president would be the chair of the Stewardship Committee, the vice president would be the chair of the Mission and Outreach, and the secretary would be the Clerk of Session.

This year those officers are: President, Tom MacCowatt; Vice President, Peter Saulnier; Secretary, Jonathan Shelby; Treasurer, Keith Wood.

A motion was made to elect Keith Wood as Treasurer of the Corporation.

*Moved, seconded, and carried.*

Rev. Stone then closed the meeting with prayer.

The meeting was adjourned at 11:43AM.

Respectfully submitted,

Jonathan A. Shelby, Clerk of Session



**First Presbyterian Church of New Vernon**  
**BOARD OF DEACONS**  
**2018 Annual Report**

Class of:		
2019	2020	2021
Jane Coyle	Barbara Gill	Ellie Burd
Andrea Di Ruggiero	Russ MacAusland	Lisa Chapman
Beth Gibson	Mike McCann	Sandy Finlayson
Faith Winow	Karen Pennett	Susan Fischer
		Margaret Greenway
		Ben Thompson

It is the duty of the Deacons to minister to those who are in need, to the sick, to the friendless, and to those who are in distress.

Deacons meet regularly on the second Tuesday of each month (except July and August) at 7:00 pm in the second-floor meeting room of Fellowship Hall. It is within the confines of these meetings that sensitive issues are often discussed and are considered *confidential* in nature.

Our ongoing responsibilities continue to be the preparation of monthly and special communions throughout the year. When requested, we accompany the Pastor to assist in communion to those who are unable to leave home during these holidays. Flowers are delivered from the Sunday services to those in the community who are ill or have experienced loss. Decorative seasonal “caring gifts” are delivered during the Christmas and Easter holiday season to those who are in need of special consideration.

The Deacons coordinate “Coffee Hour” each Sunday in Fellowship Hall after the worship service. Each month, two Deacons share the responsibility of assisting Coffee Hour hosts with set-up and clean-up.

During the course of the year, many phone calls of concern are made, cards are sent, and home-cooked meals delivered. The Deacons also host such special events as Easter Breakfast, and periodically hold bake and pantry sales to supplement their budget. In 2018, the Deacons raised \$1,765 for the PIN Fund through bake and pantry sales.

The Deacons, under the leadership of our Pastor, approve applications for the HERB Fund (Help with Education Related Bills) and the PIN Fund (Persons In Need). This year \$10,000 was disbursed from the HERB Fund and \$5,082 from the PIN Fund.

We continue to work with The Mental Health Resource Network, a group of faith-based organizations in communities surrounding The Mental Health Association of Essex and Morris Counties. Their continued requests will be handled through the Deacons.

Barbara Gill, Moderator

**First Presbyterian Church of New Vernon**  
**ADMINISTRATION AND COMMUNICATIONS COMMITTEE**  
**2018 Annual Report**

**BACKGROUND**

The Administration and Communications Committee (ACC) has primary responsibility for the administration of the Church Office. ACC works closely with the Finance, Personnel, Membership, and Buildings and Grounds Committees of Session where responsibilities intersect.

**ADMINISTRATION AND COMMUNICATIONS**

We continued eNews & Notes weekly email publication to provide a calendar of the current week's events as well as future events.

We continued a large print edition of the Sunday Bulletin, News and Notes, and inserts that are now available in addition to the regular-sized version.

**First Presbyterian Church of New Vernon**  
**ADULT EDUCATION COMMITTEE**  
**2018 Annual Report**

**Committee Members**

Martha Coy, Chairperson

Nancy Barrett	Barbara Coe
Rick Barrett	Anne Thomas
Nancy Burrows	

In 2018 the Adult Education program consisted of:

- Sunday programs following worship
- Monday Morning Women's Bible Study
- Thursday Bible Study
- Movie & Discussion
- Monthly Book Club

**SUNDAY MORNING PROGRAMS**

Sunday morning following worship and Coffee Hour continues to be the best time for ongoing individual programs available to the entire congregation and the public. This effort remains a major focus for the Adult Education Committee. The "season" runs from September through May, depending upon budget constraints.

The Sunday Speakers Series continues to grow and attracted a good audience through 2018. We again sent out a flyer in the fall announcing the 2018/2019 series. Julia Buteux kindly took care of its design, printing and folding with Chatham Print and Design. Her expertise and generosity were greatly appreciated. The Committee will plan the 2019/2020 season in the same way, with all presentation write-ups and biographies due by early summer.

Our budget covers six speakers at \$250 per program. We feel this is a competitive rate, although it is our hope that speakers from within the Congregation might make a presentation without charge. Our program time, from 11:15am-12:15pm, works well.

Public relations and marketing for the Speaker Series are graciously promoted largely by Anne Thomas. Flyers are usually posted in major locations in nearby areas, and press releases are sent to local papers, such as the *Observer Tribune*, *Madison Eagle*, and *Chatham Courier*, which are all within the New Jersey Hills Media Group. Notices are also included in *The Pipe Organ* and *The Thumbnail*.

## **MONDAY MORNING WOMEN'S BIBLE STUDY**

The Women's Monday Morning Bible Study continues to be led by the Rev. Barbara Aspinall on Mondays at 9:30 am. Church members as well as members of the community are cordially invited to attend. This long-established group supports and listens to each other while sharing a love of learning and a cup of coffee! In 2018, they covered several different topics.

For example, the late fall and winter months considered a literary interpretation of the book of *Genesis* through The Great Courses DVD lecture series followed by class discussion of the pertinent text. Professor Gary A. Rendsburg, who chairs the Department of Jewish Studies at Rutgers University, offers the tools needed to show how we might read, hear, think about, and feel its words as an ancient Hebrew would have, allowing us to gain a new appreciation of "one of the most remarkable literary compositions from the ancient world," the book with which both Jews and Christians alike begin their Bible.

## **THURSDAY BIBLE STUDY**

The Thursday Bible Study, taught by Drew Theological School professor Kevin Newburg, serves two purposes for its members. First, it strengthens their knowledge of Scripture and their ability to study the Bible in a group or on their own. This inductive approach involves a process of bringing a consistent set of questions to the text and then using valid means to answer them. With Bible in hand, we considered some of the lesser known Old Testament Minor Prophets. We also look at religious topics beyond a Biblical text. For example, we studied the Protestant and Catholic Reformations in Europe, highlighting such noted figures as Luther, Calvin, and Zwingli. The second purpose of the study is to provide a support group for the members. We share the ups and downs of our lives and consistently pray for each other, as well as laughing a lot. The members of the group deeply care for one another and are always welcoming to newcomers. Join us for a highly stimulating hour!

## **MOVIE & DISCUSSION**

Recently, there have been two movies shown: *The Stone of Destiny* and *Calvary*. The movie site was moved to the Greenways' after the Chaney's moved to California. It is anticipated that new films will be scheduled every two months by the church film group. The goal is to increase publicity by including notices in *The Pipe Organ* and the Harding Township *Thumbnail*.

## **MONTHLY BOOK CLUB**

The Book Club continues to meet monthly in the Fellowship Hall Library at 7:30 pm on a Tuesday evening.

Respectfully submitted,

Martha Coy, Chair

**First Presbyterian Church of New Vernon**  
**BUILDINGS AND GROUNDS COMMITTEE**  
**2018 Annual Report**

**Committee Members**

Tom Ewig, Chair

Rick Barrett

Don Vellekamp

This has been an extremely challenging year that has led to the following projects:

- 1) We have now leased the front rooms of the basement of Fellowship Hall to Deep Roots, a preschool child learning center. This has brought with it various activities to ensure that they operate in a safe working environment. The Lease commenced January 1<sup>st</sup>, and they are looking to start their program by March 1st.
- 2) We replaced the furnace in the sanctuary after the boiler sprang a leak, forcing us to replace the whole unit.
- 3) The septic system, as anticipated, gave up the ghost and had to be completely rebuilt. John Thomas led this effort to a successful conclusion.
- 4) We installed a generator at 16 Lee's Hill Road so that the pastor would not be without electricity in times of power outage. We are also in the process of installing a central air system at the manse.
- 5) We finalized the lease and renovations at 6 Lee's Hill Road, which building is now there for the quiet enjoyment of the Finkel family while they await renovations to their future home.
- 6) We upgraded the smoke alarm system and added carbon monoxide sensors where needed.
- 7) We received a final certificate regarding the remediation of an old oil tank on the property. Thank-you to Don Richardson.
- 8) We listened to Barbara Gill and her issues concerning the hard water at Fellowship Hall and installed a water softening system.
- 9) We continue to work with both the Finance Committee and Administration on all matters of expenditures and policies and procedures and will continue to monitor our expenses to see where we might possibly cut.

Respectfully submitted,

Thomas A. Ewig

Chairman, Buildings and Grounds

**First Presbyterian Church of New Vernon**  
**CEMETERY AND MEMORIAL GARDEN**  
**2018 Annual Report**

Carol Conger and Don Vellekamp, Co-Chairs

The Cemetery had seven burials in 2018. Three were in the Memorial Garden, three were cremains buried in cemetery plots and one was a full casket buried in a cemetery plot. There are no current plots available for sale, but there are numerous vaults available in the Memorial Garden. The cost of a single vault is \$2,000 and two adjoining vaults are \$3,600. Our costs for burials and foundations are comparable to cemeteries in adjoining communities.

There were no major capital expenditures for either the Cemetery or Memorial Garden in 2018. We purchased a chain saw to begin the project of cleanup of the perimeter of the cemetery. We removed the dead shrubs from the perimeter of the Memorial Garden in reparation for planting of small shrubs in the spring. The Zanders prepared drawings of the plantings and will also lay bluestone at both entrances of the Garden.

Regular mowing and general maintenance are provided every two weeks during the growing season and there is a major cleanup in both fall and spring.

**First Presbyterian Church of New Vernon**  
**CONGREGATIONAL LIFE COMMITTEE**  
**2018 Annual Report**

**Committee Members**

Jen McCann, Chair

Robyn Brown      Barbara Gill      Judith Shelton  
Janet Bruns      Meg Richardson      Hayley Stone

The Congregational Life Committee (CLC) plans events throughout the year to create fellowship opportunities and enhance the life of our Church Family. The goal is to place an emphasis on planning multi-generational events to appeal to all members of our congregation. My hope for 2018 is to host an event or two where we invite those who participate in and/or are involved with the Mission and Outreach programs we support throughout the year (much like the Mental Health dinner).

**2018 Events**

<b>Event</b>	<b>Date</b>	<b>Attendance</b>
Souper Bowl Sunday	February 5th	
Valentine's Day Coffee Hour	February 12th	
St. Patrick's Day Coffee Hour	March 12th	
Messy Church - assisted with providing light meal	April 22nd	
Cinco de Mayo Coffee Hour	May 7th	
Annual Church Picnic	May 21st	70
Strawberry Festival Coffee Hour	June 11th	
Messy Church - assisted with providing light meal	October 14th	
Halloween Costume Party Coffee Hour	October 29th	60
Christmas Dinner	Dec. 9 <sup>th</sup>	60

The first event of the year was Souper Bowl Sunday Coffee Hour. A simple lunch of soup, salad, and bread after Sunday service was provided in Fellowship Hall; there were decorations to help make it festive. The New England Patriots and Atlanta Falcons were facing each other at the game of the year.

Valentine's Day Coffee Hour was held on February 12<sup>th</sup> with various red and pink goodies provided for all to enjoy.

On March 12<sup>th</sup>, the Committee hosted Coffee Hour in celebration of St. Patrick's Day. A bag- piper played outside the Church as people exited and made their way to Fellowship Hall. The bagpiper continued playing off and on throughout Coffee Hour. Soda bread and festive foods were served. Decorations enhanced the table. A free-will offering was taken.

On April 22<sup>nd</sup>, CLC helped Youth Ed by providing a light meal during Messy Church, an event held for families with children of all ages. Crafts and activities are made by the children, a short service is held in the sanctuary, and then a light meal is shared by all to close the afternoon event.

Cinco De Mayo Coffee Hour was hosted by CLC on May 7<sup>th</sup>. Mexican and Tex-Mex-themed food was served, including bean dips, guacamole and chips, etc. A piñata was provided for the children.

The Annual Church Picnic was held on May 21<sup>st</sup> at the Manse (Bill and Hayley kindly hosted this year's event) directly following Sunday worship. It was Hawaiian Luau themed. BBQ pulled pork and huli huli chicken were served. Members of the congregation contributed salads, appetizers, and desserts. Decorations and floral leis added to the festive atmosphere. The Youth Ed Committee helped provide activities and games for the children while music played in the background.

Thanks to Barbara Gill, strawberry shortcake and ice cream were enjoyed by all at the June 11<sup>th</sup> Coffee Hour assisted by CLC and Youth Ed. This special time, Moving Up Sunday, celebrated all the children moving up to a new grade or attending a new school the following September.

A second Messy Church was hosted by Youth Ed on October 14<sup>th</sup> at which CLC helped provide a light meal to be shared by all attendees.

On October 29<sup>th</sup>, CLC held a Halloween Costume Party, including a pumpkin carving contest. Everyone was invited to wear costumes to church. Prizes were given for costumes and pumpkins, and treat bags were given to the children. Cider, hot dogs, and slider sandwiches were provided. Caramel apples, face painting, and other crafts were offered for the children to enjoy.

The final event of the year was a Christmas Dinner held on December 9<sup>th</sup> from 5-8pm. Despite snowy weather, there were approximately 60 people in attendance. Roast beef, mashed potato casseroles, green beans, mushrooms, salad, rolls, and desserts were served. A reception hour prior to the dinner, with tasty appetizers brought by members of the congregation, was a time for friends and family to come together and share holiday cheer. A special guest, Santa, arrived during the meal to hand out treats to the children and hear their special wishes for Christmas. Even a few adults were lucky enough to tell Santa what their wish was for the holidays. Decorations were provided by the Flower Committee. Beautiful centerpieces were made by Lisa Chapman, Faith Winow, Ann Ewig, and Patti Wood that were sold after the dinner and the next day at Coffee Hour. Everyone joined in a carol sing that created a perfect ending to the evening. CLC asked for reservations in advance: there was a charge of \$20 for adults and \$5 for children 5 and older.

Respectfully Submitted,

Jen McCann  
Congregational Life Chair



# **First Presbyterian Church of New Vernon**

## **FINANCE COMMITTEE**

### **2018 Annual Report**

#### **Committee Members**

Keith H. Wood, Chairman

Todd Claytor

Tom Ewig

Tom MacCowatt

Don Richardson(cc)

Peter Saulnier

Jonathan Shelby

Reverend William Stone, III

Don Vellekamp

#### **MISSION**

To provide the FPCNV with the financial resources to support the needs of the congregation, as directed by the Session.

#### **PROCESS**

The Committee is organized to operate primarily through the sub-committees or teams represented, working independently but also coordinated at the Finance Committee level to provide the leverage from interaction and additional resources, as necessary. These independent efforts include Accounting and Audit, Banking, Budgeting, Insurance, Investments, Stewardship, and Strategic Planning. Liaison is conducted with representation from Buildings and Grounds, Investment, Stewardship and Personnel Committees serving on the Committee.

#### **2018 OPERATING RESULTS:**

Amidst growing signs of strength elsewhere throughout our Church, we experienced a difficult year financially. As detailed below a strong recovery is in prospect for 2019. A deficit of -\$56,120 was recorded, substantially exceeding the modest deficit -\$11,806 budgeted. While most major expense categories operated efficiently and within close tolerance of projected levels, the larger than expected deficit relative to the budget resulted from: (1) a lower level of Total Revenue of -\$19,852 which developed from Rental income at the Brick Manse, -\$4,570, Plate Offerings -\$5,736, in Pledges unfulfilled -\$17,656 and (2) higher Expenses of +\$24,463 relative to the budget. Maintenance (often emergency) by Buildings and Grounds of +\$18,310 was the principal variance in expenses.

The combined deficits of 2017 and 2018 (totaling -\$79,416) have drawn upon a strong balance sheet but it is now imperative that during 2019 cost reductions must be implemented while awaiting the benefit of expanded revenues, resulting primarily through recruitment of additional members. On the latter score, we are encouraged by the recent progress evident in unaffiliated families' attendance at church services and events.

#### **2018 CONSOLIDATED RESULTS:**

Including the consistently volatile cash flows experienced in the Sure Foundation, the combined results of Operations and the net surplus of \$29,400 recorded in all of the Investment Accounts was a deficit of -\$26,720. Detail of transactions taking place in the individual Investment Accounts, appearing on pages

23 through 32. It is noted that the surplus in 2019 in the Investment Accounts follows a period of outstanding performance in the two prior years, totaling \$134,100. The Sure Foundation grew by a Net of \$57,620 in 2018.

#### **2018 INVESTMENT RESULTS:**

Returns for the year suffered from exposure to negative performance recorded for literally all equity markets but also benefitted from the decision to hold substantial allocations in cash equivalents and short duration fixed income. Whereas the S&P 500 showed a Total Return of -4.38% and the International Developed Market Index (EAFE) produced -13.79%, the performance for the combined portfolio assets in the investment accounts was -2.56%, slightly ahead of the Blended Index Return of -2.82%.

#### **2019 OPERATING BUDGET:**

A decidedly improved result is projected, compared with 2018 results. While current year pledges (accounting for 75% or so of Total Revenue) will experience a year over year decline, other revenue sources, particularly total rental income, is expected to expand over 2018 levels. All Committees have implemented cost reduction and improved efficiency programs and those efforts are reflected in the improved budget outlook. The result is a return to at least a modest surplus of \$2,888 in 2019. Please refer to pages 21 and 22 for details.

#### **RENTAL PROPERTIES**

**Brick Manse:** Rented through September 2019 at a competitive rental rate. Significant upgrading of this facility during 2018 took longer than expected resulting in a loss of revenue budgeted. Excellent response from prospective tenants when we advertised this space in 2018 is encouraging regarding our ability to re-rent after the current lease expires.

**Chorba Hall:** About 1,200 square feet has been leased in the basement for a minimum of two years, to a start-up Nursery School, "Deep Roots School." We are encouraged by the commitment to success evidenced by the Principals.

#### **SURE FOUNDATION:**

Excluding finishing the Sanctuary basement and some possible landscaping, the project for which this funding was created (major stabilization of the foundation of the Sanctuary), is now completed and the 5-year pledge period also concluded on 12/31/18. At the Annual Meeting of the Congregation on February 24, 2019, Session will be asking for Congregational approval to merge the assets remaining in the Sure Foundation into the Capital Improvement Fund so that the funds may be available to fund a broader base of projects in the future, including the Sanctuary.

## **FOUNDATION FOR FREEDOM FROM RELIGION (FFFR)**

This organization successfully challenged the Morris County Board of Freeholders and Churches receiving grants (including FPCNV) to preserve their historic structures and won a favorable decision by the New Jersey Supreme Court during 2018. The action sought a cease and desist order and return of the grants by the recipients. FPCNV joined with the other Morris County Church grant recipients as a defendant in this matter. While the NJ Supreme Court's ruling provided for a cessation of the grants, the Court ruled against FFFR's petition that previous grants be returned. The matter has been appealed now to the US Supreme Court and a decision on whether the case will be heard is imminent. We are represented on a pro-bono basis in this matter.

## **FINANCING CAPITAL PROJECTS**

The schedule of projects for 2019 is significantly reduced from 2018. The reduction results principally from the acceleration of projects from 2019 into 2018 and are now completed. The Capital Improvement Fund (CIF) and remaining assets within the Sure Foundation have been and remain adequate to fund these projects for both 2018 and 2019. Nevertheless, future funding operations will be required to establish a reserve for capital projects in order to maintain our historic structures.


## **CROSSROADS SOCIETY**

Members of the Congregation are responding positively to this appeal for members to include FPCNV in their Estate Planning. A total of 33 members (19 families) have already expressed their intent and 22 members and 13 families have completed the documentation and are full-fledged members of the Crossroads Society. Members are entitled to wear lapel pins identifying them as now full-fledged members of the Crossroads Society and their names are engraved on leaves of the Donor Tree located in the northeast corner of the auditorium in Chorba Hall. More information on this important topic will be circulated to the Congregation during 2019 and we are anticipating adding more leaves (perhaps creating our own orchard!) in 2019 and the years beyond.

I wish to thank each of the members of the Finance Committee for their dedication and hard work throughout the year. Thanks also to Deb Hennessey (Manager of Accounting) and Darlene Cappel (Financial Secretary) for pitching in and maintaining a high level of proficiency and good spirits during a turbulent year.

Finally, on behalf of the Finance Committee, we express our appreciation, most importantly, to the Congregation for your Financial and moral support.

Respectfully submitted,



Keith H. Wood  
Chairman

**TO:** Clerk of Session, First Presbyterian Church of New Vernon  
Keith Wood, Finance Committee Chairman

**FROM:** Russ MacAusland, Audit Committee Chairman

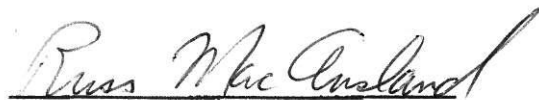
**DATE:** February 1, 2019

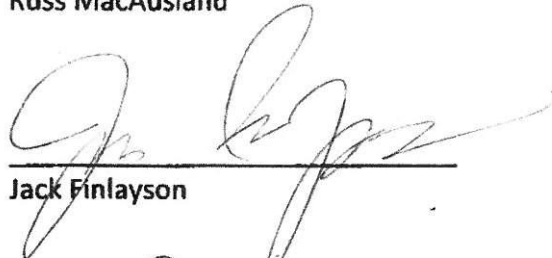
**SUBJECT:** 2018 Financial Review Statement

As requested by the Finance Committee of the First Presbyterian Church of New Vernon, we have conducted a review of the financial statements and the accounting policies and procedures in place for the year ending December 31, 2018.

We found the underlying financial statement to accurately reflect the financial health of the First Presbyterian Church of New Vernon. Accompanying this document is a detailed set of observations and recommendations for consideration by Session and the Finance Committee.

Sincerely,

  
Russ MacAusland

  
Jack Finlayson

  
Doug Coy

**First Presbyterian Church NV**  
**Balance Sheet**  
As of December 31, 2018

<b>ASSETS</b>	<b>Dec 31, 18</b>
<b>Current Assets</b>	
Checking/Savings	
M&T Bank	46,770.59
Peapack Gladstone Bank	108,679.22
<b>Total Checking/Savings</b>	<b>155,449.81</b>
Other Current Assets	
#6 Rental Sec. Deposit	4,050.00
<b>Total Other Current Assets</b>	<b>4,050.00</b>
<b>Total Current Assets</b>	<b>159,499.81</b>
<b>Fixed Assets</b>	
Church Property	3,317,951.48
Manse at 16 Lee's Hill Road	987,813.64
<b>Total Fixed Assets</b>	<b>4,305,765.12</b>
<b>Other Assets</b>	
Donor Restricted Funds	
Cemetery Fund	242,669.43
Endowed Fund	108,013.47
HERB Fund	209,172.24
Organ Fund	50,605.00
Sure Foundation Fund	92,822.97
<b>Total Donor Restricted Funds</b>	<b>703,283.11</b>
Session Restricted Funds	
Capital Improvement Fund	66,442.72
Crossroads Society Fund	253,728.97
Memorial Fund	106,845.23
<b>Total Session Restricted Funds</b>	<b>427,016.92</b>
<b>Total Other Assets</b>	<b>1,130,300.03</b>
<b>TOTAL ASSETS</b>	<b>5,595,564.96</b>

**First Presbyterian Church NV**  
**Balance Sheet**  
As of December 31, 2018

<b>LIABILITIES &amp; EQUITY</b>	<b>Dec 31, 18</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
#6 Rental Security Deposit	4,050.00
Choral Fund Scholarships	2,125.00
Christmas Offerings	3,823.00
History Fund	1,000.00
PIN Fund (Discretionary)	15,362.93
Prepaid 2019 Pledges	85,079.90
Prepaid 2019 Presbytery Dues	296.00
Ready, Steady, Christmas	548.42
Soup Kitchen Donations	30.07
<b>Total Other Current Liabilities</b>	112,315.32
<b>Total Current Liabilities</b>	112,315.32
<b>Long Term Liabilities</b>	
Peapack Gladstone Mortgage	285,547.32
<b>Total Long Term Liabilities</b>	285,547.32
<b>Total Liabilities</b>	397,862.64
<b>Equity</b>	
Equity in Fixed Assets	4,018,062.02
Fund Balances	1,130,300.03
Retained Surplus	105,427.74
Net Income	-56,087.47
<b>Total Equity</b>	5,197,702.32
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,595,564.96</b>

**First Presbyterian Church of New Vernon  
2019 Operating Budget**

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>2019 Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Administrative</b>				
#6 Rental Income	20,922.00	17,430.00	22,000.00	32,400.00
Basement Rental	7,000.00	0.00	0.00	13,500.00
Denominational Assessment	595.00	650.00	1,000.00	1,000.00
History Book Sales	0.00	85.00	0.00	
Investment Income	3,363.00	4,218.00	4,000.00	5,000.00
Miscellaneous Income	7,518.00	2,633.00	6,000.00	3,500.00
Use of Buildings	4,780.00	6,050.00	5,000.00	5,000.00
<b>Total Administrative</b>	<u>44,178.00</u>	<u>31,066.00</u>	<u>38,000.00</u>	<u>60,400.00</u>
<b>Offerings</b>				
Bequest				13,000.00
Current Year Pledges	332,822.00	362,344.00	380,000.00	350,000.00
Flowers	5,230.00	4,445.00	6,000.00	5,000.00
Gifts Rec'd in Excess of Pledge	6,124.00	17,596.00	5,000.00	9,000.00
Special Gifts	20,850.00	10,698.00	10,000.00	10,000.00
Plate Offerings	22,791.00	17,263.00	23,000.00	20,000.00
Prior Year Pledges	19,425.00	12,736.00	14,000.00	5,000.00
<b>Total Offerings</b>	<u>407,242.00</u>	<u>425,082.00</u>	<u>438,000.00</u>	<u>412,000.00</u>
<b>Total Income</b>	<u>451,420.00</u>	<u>456,148.00</u>	<u>476,000.00</u>	<u>472,400.00</u>
<b>Expense</b>				
<b>Administrative Expenses</b>				
Denominational Assessment	12,250.00	10,500.00	10,500.00	11,100.00
Insurance	23,738.00	27,451.00	24,000.00	27,000.00
Miscellaneous	5,145.00	4,571.00	3,000.00	3,000.00
Office Equipment Maintenance	2,386.00	1,971.00	3,000.00	2,000.00
Stationary/Supplies/Postage	5,938.00	5,404.00	6,000.00	3,000.00
Telephones & Internet	4,410.00	6,122.00	5,500.00	6,000.00
<b>Total Administrative Expenses</b>	<u>53,867.00</u>	<u>56,019.00</u>	<u>52,000.00</u>	<u>52,100.00</u>
<b>Buildings &amp; Grounds</b>				
<b>Building Maintenance/Repairs</b>				
CE Building	12,494.00	17,594.00	11,500.00	15,600.00
Deep Roots School		790.00	0.00	
Church	600.00	2,184.00	2,000.00	2,000.00
Miscellaneous	3,147.00	507.00	0.00	500.00
Cleaning Services	0.00	575.00	0.00	0.00
Custodial/Kitchen Supplies	1,545.00	1,538.00	1,500.00	1,200.00
Equipment	84.00	3,656.00	1,000.00	500.00
Grounds Maint/Snow Removal	19,512.00	22,589.00	18,000.00	15,200.00
Manse expenses (6 Lee's Hill)	3,259.00	3,252.00	5,000.00	1,250.00
Manse Maint. (16 Lee's Hill)	5,735.00	5,302.00	5,000.00	4,300.00
Manse Mortgage Interest	13,561.00	12,911.00	13,600.00	12,350.00
Trash Removal & Misc.	1,126.00	960.00	1,000.00	1,000.00



**First Presbyterian Church of New Vernon  
2019 Operating Budget**

	2017 Actuals	2018 Actuals	2018 Budget	2019 Budget
<b>Utilities</b>				
CE Building	13,058.00	14,932.00	10,000.00	15,000.00
Church	5,204.00	4,658.00	5,000.00	4,500.00
<b>Total Buildings &amp; Grounds</b>	<b>79,325.00</b>	<b>91,448.00</b>	<b>73,600.00</b>	<b>73,400.00</b>
<b>Christian Education-Adult</b>				
Adult Program	1,808.00	1,450.00	1,500.00	1,500.00
Bible Study	6,800.00	5,300.00	7,000.00	2,600.00
Miscellaneous & Library	108.00	0.00	200.00	200.00
<b>Total Christian Education-Adult</b>	<b>8,716.00</b>	<b>6,750.00</b>	<b>8,700.00</b>	<b>4,300.00</b>
<b>Christian Education-Youth</b>				
Sunday Nursery Aide				1,700.00
Sunday School Curriculum	445.00	316.00	800.00	500.00
Youth Programs & Retreats	682.00	2,396.00	3,000.00	4,000.00
<b>Total Christian Education-Youth</b>	<b>1,127.00</b>	<b>2,712.00</b>	<b>3,800.00</b>	<b>6,200.00</b>
<b>Congregational Life Committee</b>	<b>34.00</b>	<b>998.00</b>	<b>850.00</b>	<b>1,000.00</b>
<b>Membership Committee</b>	<b>244.00</b>	<b>1,460.00</b>	<b>1,000.00</b>	<b>1,500.00</b>
<b>Music &amp; Worship</b>				
Flowers	3,745.00	2,903.00	4,000.00	4,000.00
Guest Preachers	1,000.00	2,000.00	1,000.00	1,000.00
Instruments Maintenance	635.00	1,250.00	800.00	800.00
Music & Supplies	1,819.00	1,357.00	1,000.00	1,200.00
Musicians & Singers	11,275.00	17,125.00	13,200.00	13,500.00
Special Christmas Decorations	426.00	186.00	1,500.00	1,000.00
<b>Total Music &amp; Worship</b>	<b>18,900.00</b>	<b>24,821.00</b>	<b>21,500.00</b>	<b>21,500.00</b>
<b>Outreach</b>	<b>54,500.00</b>	<b>58,851.00</b>	<b>62,550.00</b>	<b>48,750.00</b>
<b>Personnel</b>				
All Other Salaries	126,934.00	127,554.00	124,192.00	118,365.00
Employer Taxes	15,699.00	15,386.00	15,520.00	14,000.00
Mileage Reimbursements	644.00	992.00	1,600.00	1,700.00
Minister's 403 (b)	0.00	3,000.00	3,000.00	3,000.00
Minister's Educ Allowance	272.00	823.00	1,200.00	1,200.00
Minister's Pension/Med/Dental	36,670.00	39,150.00	39,150.00	39,742.00
Minister's Salary	55,000.00	52,000.00	52,000.00	53,600.00
Minister's SECA	7,268.00	7,268.00	7,268.00	7,390.00
Minister's Utilities	4,339.00	6,088.00	5,000.00	5,000.00
Miscellaneous	1,077.00	2,073.00	1,000.00	1,000.00
Non-Clergy Health/Pension	8,100.00	8,875.00	8,876.00	9,765.00
Youth Leader	2,000.00	6,000.00	5,000.00	6,000.00
<b>Total Personnel</b>	<b>258,003.00</b>	<b>269,209.00</b>	<b>263,806.00</b>	<b>260,762.00</b>
<b>Total Expense</b>	<b>474,716.00</b>	<b>512,268.00</b>	<b>487,806.00</b>	<b>469,512.00</b>
<b>Net Income (Gain/Loss)</b>	<b>-23,296.00</b>	<b>-56,120.00</b>	<b>(11,806.00)</b>	<b>2,888.00</b>



**S-1**  
**FIRST PRESBYTERIAN CHURCH OF NEW VERNON**  
**CAPITAL IMPROVEMENT FUND**

Purpose: A depreciation reserve to be drawn upon for replacement or repair of major capital items.

Restrictions: None, when used for purposes defined above.

Asset Allocation Policy: 100% Cash Equivalents

Actual Asset Allocation: 12/31/2018 - 100% Cash Equivalents

**CASH FLOW 2018**

**SOURCES**

Balance January 1, 2018		\$30,404.00
Grant Funding	\$150,000.00	
Dividends & Interest	1,250.00	
<b>Total Income</b>		\$151,250.00
<b>TOTAL SOURCES</b>		<b>\$181,654.00</b>

**USES**

**#2 - Church**

AC System	(\$8,410.00)	
Permit for AC System	(238.00)	
<b>Total #2 - Church</b>		<b>(\$8,648.00)</b>

**#4 – CE Building**

Electrical System upgrade	(2,797.00)	
Oil Tank Certification/Removal	(1,982.00)	
Alarm System upgrade	(7,125.00)	
<b>Total #4 - CE Building</b>		<b>(11,904.00)</b>

**#6 – Brick Manse**

Renovation	(18,357.00)	
<b>Total #6 – Brick Manse</b>		<b>(18,357.00)</b>

**# 16 - Manse**

Central Air	(5,000.00)	
Garage Door	\$1,650.00	
Generator	(13,369.00)	
Septic System & Inspection	(3,954.00)	
Tree Removal	(1,200.00)	
<b>Total #16 – Manse</b>		<b>(25,173.00)</b>

**Grounds Maintenance**

Utilities Project

(1,438.00)

Water Remediation - refund

409.00

**Total Grounds Maintenance Expense**

(1,029.00),

Loan Repayment

(50,000.00)

Advisor's Fees

(100.00)

**Total**

(50,100.00)

**TOTAL USES**

(\$115,211.00)

Balance December 31, 2018

**\$66,443.00**

**S-2**  
**FIRST PRESBYTERIAN CHURCH OF NEW VERNON**  
**CEMETERY FUND**

Purpose: To maintain and provide funds for capital projects for the cemetery.

Restrictions: Use of income and principal.

Asset Allocation Policy: 50% Stocks, 50% Fixed Income

Actual Asset Allocation: 12/31/2018 - 77% Exchange Traded Funds, 22% Cash Equivalents.

**CASH FLOW 2018**

**SOURCES**

Balance January 1, 2018		\$263,422.00
<b>Operating Income</b>		
Burials	\$5,900.00	
Sale of Cremains Vaults	4,000.00	
Miscellaneous	108.00	
<b>Total Operating Income</b>		10,008.00
<b>Investment Income</b>		
Dividends & Interest	5,379.00	
Change in Value of Investments	(13,701.00)	
<b>Total Investment Income</b>		(8,322.00)
<b>Total Income</b>		\$1,686.00
<b>TOTAL SOURCES</b>		\$265,108.00

**USES**

<b>Operating Expenses</b>		
Advisor's Fee	(100.00)	
Cremorial Scrolls	(188.00)	
Grave Digging	(3,030.00)	
Headstone Repairs	(1,350.00)	
Landscaping	(15,845.00)	
Laptop Computer	(587.00)	
Memorial Garden Maintenance	(350.00)	
Miscellaneous	(348.00)	
<b>TOTAL USES</b>		(21,798.00)
Balance December 31, 2018		<b>\$242,669.00</b>
<i>Accrued Income</i>	574.00	
Total Value with Accrued Income		\$243,243.00

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON  
CROSSROADS SOCIETY FUND**

Purpose:	Dedicated to general needs and capital improvement requirements.
Restrictions:	Income may be distributed only after the principal balance reaches \$1 million or when the portfolio has been in place for 5 years. Thereafter, principal withdrawals are limited to 5% of the balance as directed by Session.
Asset Allocation Policy:	50% Stocks, 50% Fixed Income.
Actual Asset Allocation:	12/31/2018 - 73% Exchange Traded Funds, 27% Cash Equivalents.

**CASH FLOW 2018****SOURCES**

Balance January 1, 2018		\$210,206.00
Loan Repayment	\$50,000.00	
Bequests	2,000.00	
Donations	1,000.00	
Investment Income	4,774.00	
Total		57,773.00
Change in Value of Investments	(12,543.00)	
Income Reinvested	(98.00)	
Total		(12,641.00)
TOTAL SOURCES		<u>\$255,339.00</u>

**USES**

Advisor's Fee	(100.00)	
Embossing Machine	(101.00)	
Lapel Pins	(460.00)	
Recognition Tree	(948.00)	
TOTAL USES		<u>(\$1,609.00)</u>
Balance December 31, 2018		<b>\$253,729.00</b>
Accrued Income	517.00	
Total Value with Accrued Income		<u><u>\$254,246.00</u></u>

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON  
ENDOWED FUND**

Purpose: Used to support church's programs.

Restrictions: Limited to use of income only.

Asset Allocation Policy: 50% Stocks, 50% Fixed Income.

Actual Asset Allocation: 12/31/2018 - 74% Exchange Traded Funds, 25% Cash Equivalents.

**CASH FLOW 2018**

**SOURCES**

Balance January 1, 2018		\$113,994.00
Investment Income	\$2,334.00	
Change in Value of Investments	(5,867.00)	
Income Reinvestment	(13.82)	
Total		<u>(3,547.00)</u>
<b>TOTAL SOURCES</b>		<u>\$110,447.00</u>

**USES**

Income Disbursement to Operations	(\$2,384.00)	
Advisor's Fees	(50.00)	
<b>TOTAL USES</b>		<u>(\$2,434.00)</u>

<b>Balance December 31, 2018</b>		<b>\$108,013.00</b>
Accrued Income		<u>244.00</u>
<b>Total Value with Accrued Income</b>		<u><u>\$108,257.00</u></u>

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON**  
**HERB (Help with Education Related Basics) FUND**

Purpose:	Provide funds for Scholarship and Education. Administered by the HERB Fund Committee, which consists of the Pastor and the Deacons.
Restrictions:	Individual Grants are limited to \$5,000 per year. Disbursements are limited to 6% of the beginning of the year market value unless otherwise approved by the Session.
Asset Allocation Policy:	70% Stocks, 30% Fixed Income.
Actual Asset Allocation:	12/31/2018 - 87% Exchange Traded Funds, 12% Cash Equivalents.

**CASH FLOW 2018****SOURCES**

Balance January 1, 2018		<b>\$229,971.00</b>
Investment Income	\$4,701.00	
Change in Value of Investments	(15,390.00)	
Income Reinvested	(10.00)	
Total Income/Change in Value		<u>(10,699.00)</u>
<b>TOTAL SOURCES</b>		<b>\$219,272.00</b>

**USES**

HERB Fund Educational Grants	(\$10,000.00)	
Advisor's Fees	(100.00)	
<b>TOTAL USES</b>		<b>(\$10,100.00)</b>

<b>Balance December 31, 2018</b>	<b>\$209,172.00</b>
<i>Accrued Income</i>	<u>667.00</u>
<i>Total Value with Accrued Income</i>	<u><b>\$209,839.00</b></u>

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON  
MEMORIAL FUND**

Purpose: General Endowment

Restrictions: Unrestricted use of income and principal

Asset Allocation Policy: 50% Stocks, 50% Fixed Income

Actual Asset Allocation: 12/31/2018 - 75% Exchange Traded Funds, 25% Cash Equivalents

**CASH FLOW 2018**

**SOURCES**

Balance January 1, 2018		<b>\$112,774.00</b>
Investment Income	\$2,312.00	
Change in Investment Value	(5,818.00)	
Income Reinvested	(11.00)	
Total Income		(3,517.00)
<b>TOTAL SOURCES</b>		<u>\$109,257.00</u>

**USES**

Income Disbursement to Operations	(\$2,362.00)	
Advisor's Fees	(50.00)	
<b>TOTAL USES</b>		(\$2,412.00)

<b>Balance December 31, 2018</b>	<b>\$106,845.00</b>
<i>Accrued income</i>	244.00
Total Value with Accrued Income	<u>\$107,089.00</u>

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON  
ORGAN FUND**

Purpose: To pay for organ repairs and to provide for its replacement at the end of the organ's useful life.

Restrictions: None when used for purpose defined above.

Asset Allocation Target: 50% Stocks, 50% Fixed Income

Actual Asset Allocation: 12/31/2018 – 77% Exchange Traded Funds, 23% Cash Equivalents

**CASH FLOW 2018****SOURCES**

Balance January 1, 2018		\$53,409.00
Investment Income	\$1,080.00	
Change in Value of Investments	(2,755.00)	
Income Reinvested	(59.00)	
Total Income		(1,734.00)
TOTAL SOURCES		<u>\$51,782.00</u>

**USES**

Organ Repairs	(\$970.00)	
Advisor's Fees	(100.00)	
Subtotal		(\$1,070.00)

<b>Balance December 31, 2018</b>		<b>\$50,605.00</b>
<i>Accrued Income</i>		115.00
Total Value with Accrued Income		<u>\$50,720.00</u>



**FIRST PRESBYTERIAN CHURCH OF NEW VERNON**  
**PIN (Persons in Need) FUND**

Purpose:	For humanitarian and educational needs; administered by Minister and Deacons.
Restrictions:	None when used for purpose defined above.
Asset Allocation Policy:	100% Cash Equivalents
Actual Asset Allocation:	12/31/2018 - 100% Cash Equivalents

**CASH FLOW 2018****SOURCES**

Balance, January 1, 2017	\$17,099.00
Donations	3,345.00
<b>TOTAL SOURCES</b>	<u><b>\$20,444.00</b></u>

**USES**

Grants	<u><b>(\$5,081.00)</b></u>
Balance December 31, 2018	<u><b>\$15,363.00</b></u>

Note: No income is attributed to this account. Given the relatively short life of deposit, balances are commingled within the Peapack Gladstone Bank Account but activities of the fund are segregated for purposes of this presentation.

**FIRST PRESBYTERIAN CHURCH OF NEW VERNON  
SURE FOUNDATION FUND**

Purpose: To fund the Church Restoration Project.

Restrictions: None when used for purpose defined above.

Asset Allocation Policy: 100% Cash Equivalents

Actual Asset Allocation: 12/31/2018 - 100% Cash Equivalents

**CASH FLOW 2018**

**SOURCES**

Balance January 1, 2018		\$35,203.00
Sure Foundation Commitments	64,041.00	
Dividends & Interest	730.00	
Income Reinvested	(251.00)	
Total Income		<u>\$64,520.00</u>
<b>TOTAL SOURCES</b>		<b>\$99,723.00</b>

**USES**

Advisor's Fee	(100.00)	
Structural Repairs to Attic Wall	(6,800.00)	
<b>Total Expenses</b>		<u>(6,900.00)</u>
<b>Balance December 31, 2018</b>		<b><u>\$92,823.00</u></b>

**First Presbyterian Church of New Vernon**  
**MEMBERSHIP COMMITTEE**  
**2018 Annual Report**  
**Committee Members**  
Jane O’Keeffe, Chair

Janet Bruns  
Nancy Burrows  
Caroline Ford

John Thomas  
Patti Wood

The Membership Committee further refined the Church Directory over the course of 2018. In June we hired a professional photographer to come to the church over two Sundays to photograph members for a less formal directory that can be printed and updated easily in *Servant Keeper*. We were able to photograph many members, but not all, so the directory can be printed with the photos separate from the contact information. Members can update or add photos as they make them available. Caroline Ford was trained and continues to be the point person for additions and updates to the database. Changes for 2018 include the following:

New Members (1): Jamie Miller

Confirmands (6): Kaitlyn Bednarski, Kristin Bednarski, Katie Ewig, Nicole Izaguirre, Zachary McCann, Grant Myers

Removed by death (4): Thomas Allocco, Charlotte Hartlaub, Bill Paton, Phil Van Kirk

Letter of Transfer/Moved Away (11): Aimee & Hannah Bloom, Fenton & Ruth Chaney, Jeffery & Kerra French (Noah and Aaron), David, Linda, and Amanda Kaugher, Jody Mead

Current Membership: 290

The Committee continued to place “ads” in publications such as the *Observer Tribune* and the Historical Society brochure. We hosted a wine and cheese party at the O’Keeffes’ for prospective new members. We have a number of new families that have been attending and have indicated a desire to join, but have not yet been formally brought before the congregation. We have a prospective new member list and have made additions to it during the 2018 year. The Committee will use the prospects list to send information about our activities to potential members. We have had several outreach efforts over the last year to our members to update and make our contact information accurate as well as make them aware of programs and check in on how they are faring. We will try to obtain contact information for adult children of members, confirmands who have gone to college or moved out of the area, who may like to receive information on activities and news about the church in 2019. We continue to send birthday cards to members for whom we have a birthday month and day.

Respectfully submitted,  
Jane O’Keeffe, Chair

**First Presbyterian Church of New Vernon**  
**MISSION AND OUTREACH COMMITTEE**  
**2018 Annual Report**

**Committee Members**

Eileen Urban, Chair

Nancy Barrett  
Nancy Burrows  
Jane Coyle  
Marjatta DiSerio

Tom Ewig  
Jonathan Shelby  
Rev. Bill Stone

The goal of our committee as established by the Session is to *fulfill the commitment of the Church of Jesus Christ to minister to the needs of the poor, the sick, the lonely and the powerless, locally and throughout the world; to help establish Christ's just, peaceable and loving rule in the world; and to be a visible presence of our church in this community.*

**GRANT FUNDING FOR 2018: \$58,850**

The Chaplaincy Program-Morris County Correctional Facility	\$6,940.00
Children on the Green <i>Early childhood education for homeless children</i>	6,940.00
Community Enterprise Solutions <i>Computer equipment: Exploration Center, Guatemala</i>	1,470.00
Morristown Community Soup Kitchen <i>General Fund</i>	4,700.00
Deirdre's House <i>Clinical Counseling Program for Abused Children</i>	6,940.00
Homeless Solutions <i>Case Management Services for Shelter Guests</i>	4,700.00
Cornerstone Family Programs (Morristown Neighborhood House) <i>Supports After-School &amp; Employment Services</i>	6,940.00
Nairobi-Newton Presbytery	1,470.00
Kirkridge - Together It's Possible program	4,700.00
Mental Health Association of Morris County <i>General Fund</i>	6,940.00
Mrs. Wilson's (Alfre, Inc.) <i>Addiction Counseling for Women</i>	6,940.00
Other Expenses: <i>Reimbursements for Mental Health Association Dinners</i>	171.00

The 2018 Christmas Offering was dedicated to Children on the Green to support early childhood education for homeless children in Morris County. The organization received an additional \$3,823.00.

Members of the congregation participated through the Church in a variety of other outreach projects, including:

**Christmas Is for Children**

“Adopt” a child and buy three Christmas gifts from their “Wish List”, coordinated by Susan Fischer.

**Social Club Italian Dinner for Mental Health Association of Morris County**

Dinner and entertainment for guests was held in October, coordinated by The Mission and Outreach Committee. The children of the Church, through a Messy Church event, created goody bags for our guests.

**Interfaith Food Pantry**

Thanksgiving food drive to supply needed items. Delivery of goods was made by Matthew McDonald.

**Presbyterian Disaster Assistance for Hurricane Victims**

The congregation responded generously for victims of hurricane relief, donating \$2,815.00.

**Jersey Cares**

The Mission and Outreach Committee identified the non-profit organization, New Jersey Cares, as a partner to provide project opportunities for our church family. The church family supported a summer back-to-school backpack supplies program. In addition to supplies, \$886.00 was donated. Matthew McDonald and Dave Mitchel delivered the supplies. In October, the families of Messy Church collected and donated Halloween costumes.

**Christmas Gift Program for The Chaplaincy Program at MCCF**

Collected undergarments for inmates, coordinated by Nancy Barrett for our church and other churches in Morris County.

**Community Soup Kitchen**

Three teams from our congregation shop, purchase, prepare, and serve lunch the third Wednesday of each month, coordinated by Carol Conger. Additionally, many members participated in the October Hunger Walk.

**HERB Fund and PIN Fund**

In 2018, the Deacons approved grants of \$10,000.00 to families in need for educational purposes from the HERB Fund. Additionally, \$5,082.00 was released by the Deacons from the PIN Fund to families in need.

Respectfully submitted,

Eileen Urban, Chair

**First Presbyterian Church of New Vernon**  
**MUSIC AND WORSHIP COMMITTEE**  
**2018 ANNUAL REPORT**

**Committee Members**

Peter Saulnier, Chair

Edna Conway	Eileen Cooper Sedek
Susan Fischer	Marty Sedek
Jany Izaguirre	Rev. Bill Stone
Min Kwon	Tricia Tiensch
Sue Mitchell	Patti Wood

2018 was the second full year under the leadership of Marty Sedek as Director of Music. Together with his wife Eileen Cooper Sedek, who sings Soprano in the choir, and Accompanist Jany Izaguirre on organ and piano, we are blessed to have such a dedicated, energetic, and talented core team.

**Review of Sunday Worship Service and Mission Statement**

In April and May, the Music & Worship Committee spent considerable time reviewing the flow and content of our Sunday worship service, and we sought input from a wide range of the congregants. We formed a Special Committee for the review that included Katherine Newburg Stieh and Ann Talcott. Its main theme was to make sure we were incorporating and presenting new and fresh content in an engaging way, while retaining the best of the historical worship traditions. Bill Stone helped us reach consensus by asking each of the participants to write what they valued most in the worship service. We then discussed, consolidated, and ranked the input. It was an iterative process whereby changes and refinements were made to the Sunday service during the year, based on the response of the congregation. Our preliminary work on the Church's mission statement was completed by Session later in the year.

**Music Offerings**

The Center for Musical Excellence (CME) held its "Music Made Here" series in our sanctuary on four Sunday afternoons during the year. Tickets were \$30 for each show or \$100 for the series, and anyone under 18 was admitted free. Families from Morristown Neighborhood House were invited guests to the concerts with many attending the December Winter Celebration. CME paid a building use fee and made donations to the Church totaling \$5,000. CME also tuned the Steinway piano before concerts and provided guest musicians at several Sunday services.

1. February 11<sup>th</sup> – "Two Pianos" - Featuring Min Kwon & Eric Zuber on piano playing works by Mozart, Schubert & Rachmaninoff
2. April 8<sup>th</sup> – "Quartet Plus" - Featuring the Grammy-winning Harlem String Quartet plus Lucy Lee, Viola; Patrick Hopkins, Cello; and Min Kwon, Piano
3. Free Concert on July 1<sup>st</sup> – "CME Young Artists" – Featuring up and coming performers from Denmark, Canada, and USA.

4. October 14<sup>th</sup> – “Opera Extravaganza” - Favorite arias performed by singers from the Metropolitan Opera of New York and Opera at Rutgers
5. December 9<sup>th</sup> – “Winter Celebration” - The return of CME Grant Winners and alumni performing a wide selection of works on various instruments

CME is moving the concert series to The Presbyterian Church in Morristown for 2019. CME hopes that members of the congregation who have enjoyed these events will continue to attend the concerts in Morristown.

We anticipate that there will be periodic concerts at the Church produced by the Music staff in 2019 to replace the CME concerts.

### **Choir & Special Music**

This year the Choir added a tenor section leader that was lacking in 2017. We also, for the first time in recent memory, had paid singers and musicians in July and August. We spent moderately more money than last year on Christmas and Easter music and added some special music for the 185<sup>th</sup> anniversary celebration on September 19<sup>th</sup> and the Longest Night service in December. The result was some great music but a budget overshoot of \$3,300 for 2018 that was a reversal of underspending the budget by a similar amount in 2017.

We remain focused on choir recruitment (with some early success) and strongly encourage everyone with an interest to give it a try. Practice is Thursday evening at 7:30 in Chorba Hall. There are opportunities to participate without a fulltime commitment, and all voices are welcome. Longer term, we look forward to forming a children’s choir.

**First Presbyterian Church of New Vernon**  
**PERSONNEL COMMITTEE**  
**2018 Annual Report**

The objective of the Personnel Committee is to provide the Congregation with competent, responsive staff members whose individual and collective efforts are channeled effectively in support of the Congregation's requirements.

Throughout the year, there is ongoing communication and consultation with members of staff, either at their request or a Committee's initiation, relating to all issues of job performance. This is to ensure that effective communication is taking place both vertically and laterally within the staff, and that both the human and financial resources of the Church are being applied in a manner consistent with achieving the Congregation's objectives.

The Committee operates as an independent third party in resolving disputes and has the responsibility for securing the confidentiality of all communications in matters entrusted to the Committee and access persons.

An annual program of evaluation and guidance of individual staff members relative to their performance is conducted by Committee members. A personal meeting with each staff member is held annually in order to review the staff member's past performance and set goals for the upcoming year, as well as to continue a dialogue on matters of importance. As background for these interviews, the Personnel Committee solicits confidential evaluations provided by the Chief of Staff and members of the Congregation most directly involved with the staff member.

Recommendations to and from the Finance Committee regarding appropriate and competitive compensation and benefits for each employee are made.

During 2018, the Committee, with assistance from the Finance Committee, renewed the terms of call with Rev. Bill Stone. A result of these conferences will be the addition of a deferred compensation plan for Rev. Stone to mirror the amortization of the mortgage on the Manse. Employment agreements were finalized with Martin Sedek as Director of Music, Jany Izaguirre as Accompanist, and Diego Antonio Rodriguez as Church Custodian. In addition, an employment contract was drawn up and agreed to with Debbie Hennessey as Office Manager and Manager of Accounting.

Respectfully submitted,  
Jonathan Shelby, Chair



**First Presbyterian Church of New Vernon**  
**STEWARDSHIP COMMITTEE**  
**CAMPAIGN REPORT 2018 AND PLEDGE RESULTS 2019**

**Committee Members**

Tom MacCowatt, Chair

Gwenn Claytor

Todd Claytor

Tom Ewig

Peter Saulnier

Jonathan Shelby

Christin Willis

**CAMPAIGN REPORT**

This year's campaign, "**Growing Together, Rooted in Faith,**" celebrated our 185th anniversary, reflecting on our church's rich history and the integral place we have held in the Harding community for generations. Now we are looking ahead to ensure that our church family will continue to thrive and prosper for another 185 years.

Stewardship is a year-long endeavor, and our hope is that all members of our congregation will participate in the life of our church with their time, talent and treasure in the New Year. In 2019, we will continue celebrating our history as we remain rooted in our faith and friendships. We will also introduce some exciting new initiatives to help people of all ages connect as we recognize the great opportunity we have to grow together as a church community.

This year, we asked members to increase their pledge/contribution by 5% over last year to compensate for a reduction in pledging caused by the passing of key supporters and a loss of other members through relocation. While we did not reach our dollar goal, due to a reduction in a couple of large pledges and moves out of the area, nearly two thirds of our members pledged/contributed at a higher rate than last year, indicating our membership overall stepped up and are engaged in our ministry. We cannot recall that positive a response from the congregation in recent memory. We are also hopeful that a number of new potential members will pledge/contribute early in the near year after joining the church. Thank all of you who gave so generously this year.

**PLEDGE SUMMARY AS OF 2/10/19:**

*2019 STEWARDSHIP CAMPAIGN*

Total amount pledged to date: \$334,164

Total amount used for budgeting: \$350,000 (estimate based on an updated survey of donors offering their financial support during 2019 but declining an advance formal commitment).

# pledges/contributions received: 98

# increased pledges: 58, increase of \$23,811

# decreased pledges: 9, decrease of \$19,590

# pledges stayed the same: 27

# new pledges: 4, total of \$4,850

# pledged last year but not this year: 12, total of \$21,300

Respectfully submitted,

Tom MacCowatt, Stewardship Chair

**First Presbyterian Church of New Vernon**  
**YOUTH EDUCATION COMMITTEE**  
**2018 Annual Report**

**COMMITTEE MEMBERS**

Don Richardson, Chair

Susan Fischer	Meg Richardson
Kerra French (half year)	Katherine Newburg Stieh
Brenda Myers	Rev. Bill Stone
Rev. Hayley O'Connor	

Activities were performed in the following key programs:

- Confirmation
- Nursery Time (Sunday during Worship)
- Sunday School (Sunday during Worship)
- Messy Church/Ready Steady Christmas
- Christmas Pageant & All-Age Worship
- Toddler Time
- Collaboration with Congregational Life & Mission and Outreach Committees

Overall, we had a highly productive year with an emphasis on building a sustainable foundation for pre-school and elementary school-aged children. Our focus in 2018 was a system-based approach – creating a healthy and strong foundation for our children and youth ministry (e.g., actively recruiting volunteers, renovating spaces, rethinking priorities and vision, creating an annual calendar, etc.), all of which will allow us more effectively to recruit. The Rev. Hayley O'Connor's work with this Committee and her retention as a youth education consultant this past year paid great dividends as evident in the growth of and interest in youth programs and participation.

Rev. Stone led a Sunday morning confirmation class with the support of Don Richardson that engaged eight young people in 8<sup>th</sup> and 9<sup>th</sup> grades. We used the Youth Alpha curriculum and enjoyed discussions about the intersection of faith and life.

We continued our Sunday School class for students in grades K-7. Attendance numbers are holding steady as compared to the prior year with attendance typically 8-10 students per Sunday. We successfully implemented a rotational basis among five dedicated teachers over the past year. Each teacher was supported by a growing list of excellent adult helpers, consistent with our church's youth protection policy of having two adults in the classroom. We also introduced a Volunteer Appreciation Evening that celebrated our wonderful team of volunteers, including several new volunteers to Sunday School and Nursery, as well as incorporating a brief training for the coming year.

We continue to use the curriculum, "Feasting on the Word," an ecumenical, downloadable, and lectionary-based curriculum. We have also added supplementary material to support this core

curriculum. We added a flat screen TV in the classroom to enhance the student connection to the bible story and/or check-in with the live feed from the worship service in the Sanctuary.

We made a significant change in 2018 and developed a volunteer-only led nursery care program, with no full-time paid staff in this position. Rev. O'Connor was instrumental in leading the charge to make room improvements, administratively coordinate the volunteers, and establish curriculum for the nursery & Sunday School programs. We were blessed to have a wonderful group of volunteers roll around on the floor with our youngest members of the Church.

We continue to work to evolve the concept of "Messy Church" with the Congregation. We completed three successful events with 30 to 40 people in attendance, in addition to dedicated volunteers, both on and outside of our committee. These were held on Saturdays from 4-6 pm with a churchwide expansion of the concept with "Ready Steady Christmas" in a come-as-you-are format. This first-time event was incredibly well received by all ages, with attendance just under 100 and over one-third of participants being non-members. Volunteers set up craft stations in Chorba Hall for the youth and their parents/caregivers to jointly engage. After about an hour of craft time, the Rev. Bill Stone led a brief worship time in the Sanctuary. This service was followed by a return to Chorba Hall for a simple supper. Special thanks to the Congregational Life Committee who helped to support several of these events with the gift of food.

We continued the tradition of the entire congregation participating in a no stress, no fuss Christmas Pageant using our traditional costumes and props to tell the Christmas Story, and have expanded all-age worship on a Sunday morning to a monthly rotation. Children and youth have had an active role in these services and seem to enjoy taking part (e.g., reading, lighting candles, saying prayers, coloring up front, etc.).

The Stones have led a successful mid-week (Wednesday afternoon) program to provide caregivers and their youth (up to 4 years old) an opportunity for safe inside play and fellowship during play time. The program started in the Town Library but has expanded into the Church facility and hosts seven regular families, plus visitors. This program is a marvelous way to facilitate outreach and develop relationships with the local community.

Finally, with the understanding that children and youth are a priority for our church, we are seeking further staff and resources in 2019 to lead Sunday School and the Nursery. On a sad note, we had to say good-bye over the summer to a long supporter of youth education, Kerra French, who set out with her husband on a new adventure with a move to the southeastern part of the country.

Respectfully submitted,

Don Richardson, Chair  
Youth Education Committee