

GRACE CHURCH ANNUAL REPORT

2020-2021



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A NOTE FROM PASTOR DEREK

Dear Grace Church,

I love the words of the Apostle Paul in Ephesians 1:16-17 because it captures the sentiment I have for you.

I do not cease to give thanks for you, remembering you in my prayers, that the God of our Lord Jesus Christ, the Father of glory, may give you the Spirit of wisdom and of revelation in the knowledge of him.

Oh, that we would all be filled with wisdom and a fresh revelation of the knowledge of Jesus in these challenging days. A year ago, we gathered on Zoom for our annual celebration, and I'm eager to celebrate in person again this year!

The last twelve months have continued to be strange in many ways. Yet I am very hopeful for the church. People have asked me in passing, "How's your church doing," and my honest answer is "It's hard to tell!" Our in-person attendance has hovered around 55% of our pre-COVID numbers with thousands of others joining us online and on TV each week. We hear occasional reports from those watching from their living rooms, and from the prison or retirement home, but we have no way of capturing all the names and stories of those who are new to the Grace family through our expanded media options.

But I am excited about the individual stories. Stories of life change. New life in Christ. Baptisms. Stories of people who had never considered it before, stepping into ministry. Stepping into a life group. Stepping up to serve.

I'm also excited about the innovations. A new leadership institute now piloting courses. A new online platform ready to launch in 2022. New children's ministry focus and youth ministry vision. A renewed passion for community service through ServErie. New options for daily encounters with God. New emphasis on discipleship and engagement. Young people filled with a new spiritual fervor.



The future of the church is bright.

God has remained faithful to Grace financially as we are healthy and strong and well-positioned for where we're going. And as we bring our Transform 1:8 vision initiative to a formal close, I believe that God has used these initiatives over the last three years to catalyze our church around what matters most. Jesus Christ, the gospel, and becoming a transformational force in the circles he's placed us in.

We will celebrate all these things and more as we gather for our annual celebration at Grace Harborcreek on October 3. The last time we gathered there for our Annual Celebration of 2019, it was with bare walls and concrete floors. The beautifully finished building will be a great reminder, that even though the last two years have been crazy, God's kingdom marches on. It continues to progress. Lives continue to change. What is bare can still become beautiful. I hope you'll join us. I'm very thankful for your faithfulness to Christ and his church through this strangest of times. May he give us wisdom and a fresh revelation for the year ahead.

I'm honored to be your pastor.

Pastor Derek

AGENDA

2021-2022 ANNUAL MEETING AGENDA

October 3, 2021

Pastor Derek Welcome

Recognition of New Members (see page 11 for list)

Convening of Meeting: Bill Hunter

Minutes of Previous Meeting: Bill Hunter

MOTION: That the church approve the minutes from the 2019-2020 Annual Meeting (pgs. 5-7)

Presentation of Elections Ballot/Vote: Pastor Derek Sanford

MOTION: That the church approves the names on the ballot for election to office (page 8)

Pastoral Licensing – Pastor Derek Sanford

MOTION: That Grace Church License Matt Kent as a minister of the gospel, upon unanimous recommendation of the Elders (page 12).

Financial Report and 2020-2201 Budget: Aaron Lundberg

Closing of Meeting: Bill Hunter

Transform 1:8 Celebration

Pastor Derek Message

Worship



MINUTES

2019-2020 MINUTES

MOTION: That the church approve the minutes from the 2018-2019 Annual Meeting.

The 2020 Annual Meeting was called to order by Church Chair Tom Hesch at 6:48pm.

A motion was made to approve the minutes from the 2018-2019 Annual Meeting by the Elders of Grace Church. Second by Jess Wurst. No discussion. Motion was approved unanimously.

Elder Elections

- Pastor Derek made a presentation of the elections ballot. This was done on Zoom via Polls. Paper Ballots were given to people who were in attendance in person (some staff and elders). There is also an option to abstain from voting as well. Voting is for members only. These Elders listed below are up for Re-Election. They are seeking another Two-year term. Elders can serve up to three consecutive terms which is six total years.
- Tom Hesch, Doug Nelson, and Skip Papa
- TJ Hesch is also on the ballot for the position of Treasurer for two-year term.
- David Snell was thanked by Derek for his many years of service as the treasurer.
- Pastor Derek remind everyone that all results will be announced at the end of the meeting.
- Tom Hesch brought a motion from the elders to approve the names on the ballot for church office. The motion was seconded by Chris Cowan. No discussion. Motion was approved unanimously.

Pastor Derek discussed the process and reasoning for Pastoral Licensing.

- Derek introduced Pastor Stephen Hay who was hired in May of 2020 to oversee the Grace Creative Ministries. Stephen has been a Licensed Senior Pastor at Wilson First Baptist Church for ten years. Grace Church will not re-license Stephen, but will simply take on the oversight of his ordination credentials.
- Sarah Burttt is being recommended for pastoral licensing. Communication and theological explanation was sent to the church regarding women in pastoral ministry. Sarah would be the first female pastor at Grace Church. There were no changes that needed to be made to our by-laws as they already allowed for this along with our denomination who already has a rich history of women pastors. Sarah has been preaching at Grace for many years and we want her title and authority to match her responsibilities. Sarah will serve in a pastoral role as an unpaid volunteer along with many of our other staff. All the information is on page ten of the Annual Book.
- Pastor Derek talked further about women in the bible who held a wide range of leadership roles. Essentially Grace's position is that men and women will have equal opportunity for ministry including pastoral ministry under the spiritual umbrella and oversight of the Elders. Pastor Derek affirmed that a "no" vote doesn't mean you need to leave the church. That we can continue to enjoy fellowship and unity even if we land on different sides of this disputable matter.
- Bill Hunter called for a motion that Grace Church license Sarah Burttt as a minister of the gospel, upon unanimous recommendation of the Elders. A second was made by Meghan Duda. Further Discussion: a question was posted on the ZOOM Chat.
- Question: "I trust Sarah and Nate Burttt and I am excited to have them both in their leadership roles, but I am curious how does having an elder and a spouse pastor impact any conflicts of interest? Or are there no areas of conflict between these two roles?"
- Answer by Pastor Derek: The formal part of this answer is that our by-laws allow for spouses in roles of staff and elder. From a practical standpoint, when there is an issue that affects that staff member or spouse the elder in the room recuses himself from the conversation and excuses himself from physically being in the room. For example, as an elder, Nate Burttt removed himself from the discussions and the vote when the agenda turned to Sarah and her pastoral licensing.

- A short video played of Pastor Derek interview with Sarah Burtt. After the video Bill Hunter asked everyone to vote on the Zoom Poll platform or paper ballot if in person: Yes, no, or abstain.
- Votes will be announced at the end of the meeting.

Financial Report

- Staff Lead Aaron Lundberg recognized the members of the Finance Team and thanked them for their hard work and dedication this past ministry year.
- He also thanked David Snell for his serves as Treasurer for many years. TJ Hesch will step into this role.
- A CPA review happens each year and we can share that audit with any member upon request.

2019-2020 FINANCIAL REPORT

GIVING

Ministries/Operations	\$2,795,213
Transform	\$491,769
Missions	\$257,923
Debt Reduction	\$25,433
Benevolent	\$89,281
Giving Total	\$3,659,619

GENERAL FUND

Giving Distribution	1074 Giving Unit % of all Giving Units
\$1 – 499	26.16%
\$500 – 999	24.67%
\$1,000 – 4,999	32.5%
\$5,000 – 9,999	10.8%
\$10,000+	5.87%
<i>Average Giving per Giving Unit: \$2,609.26</i>	

TOTAL

Giving Distribution	1265 Giving Units % of all Giving Units
\$1 – 499	31.46%
\$500 – 999	21.58%
\$1,000 – 4,999	29.33%
\$5,000 – 9,999	10.51%
\$10,000+	7.11%
<i>Average Giving per Giving Unit: \$2,831.61</i>	

TOTAL OPERATING REVENUE \$2,837,559 *\$14,194 better than plan*

TOTAL OPERATING EXPENSE

Personnel	*\$1,454,938
Mortgage Fund	\$298,500
Operations	\$228,999
Ministries	\$445,839
Missions	\$207,112
Café & Rentals	\$11,184
Fixed Asset Transfer	\$144,000
Total	\$2,790,572

*includes \$279,330 PPP

2019-2020 OPERATING SUMMARY

Total Operating Revenue	\$2,837,559
Total Operating Expense	\$2,790,572
Net Income	\$46,987

TRANSFORM PROJECT EXPENSE \$1,711,691

Total Debt Balance \$4,196,843
Total Reserves \$585,046 (not including \$160,000 & including \$142,011 loan to Transform)

2020-2021 OPERATING BUDGET

REVENUE

Ministries/Ops Giving \$2,326,500
Other \$40,465
Cash Flow \$313,100
Total \$2,680,065

EXPENSE

Personnel \$1,414,755
Mortgage Fund \$432,000
Ministries \$492,822
Operations \$247,103
Cafe & Rentals \$9,425
Fixed Asset Transfer \$84,000
Total \$2,680,105

2020-2021 OPERATING BUDGET SUMMARY

Total Revenue \$2,680,065
Total Expense \$2,680,105
Deficit -\$40

ASSET BUDGET BALANCES

\$350,050 – includes Repair, Maintenance, Construction, Renovations & Equipment
(This is total of Assets on Dashboard)

Aaron opened the floor to questions while his video played. There was also a time after the meeting for people to ask questions via ZOOM chat and Q&A.

Closing

- Bill Hunter announced the voting results for Elders, Officers and Sarah Burt Pastoral Licensing. The votes were tabulated, and all elders and officers were affirmed into their positions and Sarah Burt was affirmed as a pastor at Grace Church.
- New Church Chair Bill Hunter closed the business portion of the meeting.
- The meeting adjourned at 7:31 PM

BALLOT

2021-2022 BALLOT

MOTION: That the church approves the names on the ballot for election to office.

ELDERS



1 | Tom Hesch | Elder Chairman



1 | Doug Nelson



1 | Skip Papa



2* | Nate Burt



2* | Neil Donovan



2* | Bill Hunter | Church Chairman



2* | Dennis Wagers



1 | Bernie Farabaugh



1 | Aaron Lundberg



1 | Jim Scarpitti

TREASURER



1 | T.J. Hesch

LEGEND

- * On the ballot for a vote
- 1 One-year term.
- 2 Two-year term

FINANCIALS

2021 MINISTRY YEAR FINANCIAL REPORT

If you would like to see greater budget detail or have questions, please contact Aaron Lundberg (814.480.0189 or aaron@whoisgrace.com).

2020-2021 GIVING	Ministries/ Operations	All
Total giving units	1,199	1,236
Average Gift	\$ 2,370	\$ 2,808
\$ 1-499	40.9%	39.5%
\$ 500-999	12.5%	10.1%
\$ 1,000-4,999	30.9%	31.9%
\$ 5,000-9,999	10.8%	12.0%
\$ 10,000+	4.9%	6.6%

2020-2021 GIVING BY DESIGNATION

	Actual	Budget	Difference
Ministries/ Operations	2,874,287	2,326,500	547,787
Transform	507,456	686,083	(178,627)
Missions	66,903	70,470	(3,567)
Debt Reduction	26,822	-	26,822
Benevolent	77,761	-	77,761
Giving Total	3,553,229	3,083,053	470,176

Transform Balance 147,001

Debt Balance 3,923,671

Reserves Balance 382,214

2020-2021 OPERATING SUMMARY

	Actual	Budget	Difference
INCOME			
Contributions	3,553,229	3,083,293	469,937
Other Income	26,989	39,575	(12,586)
Total Income	3,580,218	3,122,868	457,351
EXPENSE			
Ministries	328,884	342,780	13,895
Missions & GLI	346,530	240,132	(106,398)
Personnel	1,480,305	1,432,022	(48,283)
Facilities	826,508	173,078	(653,430)
Operations	71,984	41,908	(30,077)
Mortgage Interest	183,556	182,789	(767)
Total Expense	3,237,767	2,412,708	825,059
Surplus/ (Deficit)	342,451	710,160	(367,708)

FINANCIALS

2022 MINISTRY YEAR BUDGET

If you would like to see greater budget detail or have questions, please contact Aaron Lundberg (814.480.0189 or aaron@whoisgrace.com).

2021-2022 OPERATING BUDGET

	Budget
INCOME	
Contributions	3,014,233
Other Income	58,500
Total Income	3,072,733
EXPENSE	
Ministries	300,895
Missions & GLI	347,184
Personnel	1,788,011
Facilities	755,307
Operations	81,550
Mortgage Interest	169,282
Total Expense	3,442,229
Net Gain	(369,496)



MEMBERSHIP

NEW MEMBERS

Welcome to the family!

Michael Alabran
Tera Alabran
Tammera Brown
Linda Ciotti
Sandra Covello
Emily Crisman
Michael Crisman
Amanda Kenna
Matthew Kent
Sadie Kent
Marie Myers
Thomas Myers
Emily Rossi
Sheila Schoenfeldt
Connie Smith
Michael Smith
Grant Stubelt
Justin Sweeney
Erik Thor
Jennifer Thor
Dane Truitt
Marlene Ulland
Frank Winkelbauer



MEMBERS REMOVED

The following members have been removed at their request:

Robert Chandler
Kevin Cook
Laura Cook
Andrea Dorich
Maria Fagley
Jered Gossage
Sarah Gossage
Myron Rogerson
Patti Rogerson
Renee Sedgwick

**Please contact us if we have accidentally omitted or added your name. We sincerely apologize for any oversight! Jeannine@whoisgrace.com | 814.427.8413*

LICENSING

PASTORAL LICENSING

MOTION: That Grace Church License Matthew Kent as a minister of the gospel, upon unanimous recommendation of the Elders.

This Year Grace had the privilege to license Matt Kent as a minister of the gospel. Matt is on the Central Preaching Team. A Ministerial license is a form of temporary certification by the local church. We license un-ordained pastors so they can perform all the responsibilities of their office while they are considering the process of ordination. Several our Pastors have been licensed through Grace, including Pastor Derek, John, Scott, Jim, and Sarah etc. A licensed minister of the Gospel receives all the governmental privileges and legal rights of an ordained minister.

The steps in the process of Pastoral licensing are:

1. The candidate makes his/her desire for licensure know to the Elder Board
2. The Elders interview the candidate to determine his/her eligibility for licensing.
3. Upon favorable recommendation of the Elders-the candidate is presented to the church body for a vote of approval.
4. Upon an affirmative vote of the church, a license to preach the Gospel is granted to the candidate.

We have already completed Steps 1-3 of this process and the Elders are bringing a unanimous recommendation to the church body for a vote.

A Word from Matt:

I went to church growing up and I learned about God, but I did not know God personally. Then when I was in middle school my world was rocked when I was diagnosed with Type One Diabetes. I became angry at the God that I had learned about and could not understand why He let this happen to me. Little did I know that just a few years later the very thing that caused anger at God and grief in my life would be the very thing that would cause me to surrender my life to Jesus. Since that point I have tried to make my life around those two verses. Doing whatever I can to lay aside everything to follow Jesus whether that be in my marriage to Sadie (Who is my best friend and keeps me in check!), my personal life, or while doing ministry. I am honored that I would be able to become a pastor to help show others how they can follow Jesus too. My passions are teaching the Word of God and discipleship. At the end of the day if I can point someone to Jesus then that is enough for me. Sadie and I are grateful for Grace Church and are praying that we may be used by God here in His plans for His glory!



And calling the crowd to him with his disciples, he said to them, "If anyone would come after me, let him deny himself and take up his cross and follow me. For whoever would save his life will lose it, but whoever loses his life for my sake and the gospel's will save it. -Mark 8:34-35



GRACE LEADERSHIP INSTITUTE

Melanie Deppen, Executive Director

What an exciting project! I have seen so much evidence of sweat, strategy, and structure in this new endeavor. I started this position the beginning of June and immediately appreciated the efforts of those who worked well over a year on the building design and construction, organizational strategy, higher education partner potential, and program possibilities. The collective energy fueled by the spark of the Transform campaign and ignited by God has prepared the way for Grace Leadership Institute to offer Christian training for emerging leaders to enrich and serve their organizations and communities!

We spent the summer months in planning and meetings with local pastors and ministry leaders, in order to create an environment for learning and leveraging Christ-like leadership together through three pillars or levels of learning. They include a School of Ministry including credit-level graduate courses with hands-on application, a Center for Leadership with courses, classes, training sessions, and speaker series to focus on personal leadership development, and Church to Church Partnerships which will be collaborative learning environments that resource churches.

We have held special invitation breakfasts to showcase the building to local church leaders, community leaders, and others while at the same time having conversations about how we can serve them and learn together. Some of our first events have been held including the Ed Stetzer pastor's breakfast, our first GLI developed course, "Making Time for What Matters", authored by Quyen Aoh, Ph.D., Gannon University who also taught the course along with Lisa Holman, Erie Insurance, and the first event in our Speaker Series "Racial Unity in a Divided World" with Parris Baker, Ph.D. from Gannon University and Pastor at Believer's International Worship Center. Additional events are scheduled and can be found at graceleadershipinstitute.com/calendar.

Looking ahead, we plan to continue to build relationships with other churches and non-profit organizations as we create our slate of programs and prepare to officially launch the School of Ministry in Fall 2022. Thank you for your faithfulness in prayers and support for Grace Leadership Institute!

SERVERIE

SERVE | CONNECT | EQUIP | RENEW



SERVERIE

Michael Washington, Executive Director

This has been an interesting year for everyone and ServErie is of course, no different. Serving in a pandemic has brought along many challenges, but we have seen some amazing things take place as well. When the pandemic first hit, ServErie was called upon to help with the distribution of masks throughout our city. We partnered with, MaskErie and together, we passed out thousands of masks to people in need. We also connected people in our community to the Martin Luther King Center where they were able to receive free COVID testing, and we partnered with the Health Department to give people information about the COVID vaccine as well as offering people the opportunity to receive the vaccine at our Summer Project.

This Summer, we also partnered with 25 different organizations through the Department of Justice to put on a neighborhood clean-up in the Heritage District. Together we were able to clean multiple blocks between 6th and 12th and Holland and Wayne and we filled up eight 32 ft dumpsters as well as collected over 700 tires and removed refrigerators, televisions, and other large electronics through a partnership that we had with our city to come and collect those items for free. This ministry event was created because we wanted to let the people that live in this neighborhood know that they matter and where they live matters. We had over 100 people come out over this three-day period to help share that message with the community and we had folks that lived there come outside and volunteer to help serve as well.

These are just a few of the things we've been able to do this year. We worked hard to make sure that people in Erie County understood that they were loved, even through a pandemic. The work is not done yet. We currently find ourselves in a season of transition and I for one am so excited to see what God has in store for ServErie and I am honored to be a part of this organization.

GRACE SITES



GRACE HARBORCREEK

Pastor John Tiernan

Celebrating what God has done in the past helps us worship Him in the present and trust Him with the future. Ten years ago, we launched Grace Harborcreek in Harbor Creek High School and we have much to celebrate for what He has done and continues to do in and through the people of Grace Harborcreek! I think of the many people who worship, serve and lead at Grace Harborcreek who weren't connected to a church and didn't know Jesus ten years ago, but are now walking with Him with growing devotion because they experienced His transforming grace at Grace Harborcreek. Since our launch in 2011, we have celebrated 273 people getting baptized – 35 of those being adults, youth and kids who were baptized over this past year. In expressing her gratitude for the loving welcome she has experienced at Grace Harborcreek, a woman who was baptized this year shared these words: *“It took until last year for me to figure out what was missing in my life. God was missing! And that’s why [my baptism] was so important to me! God gave me a second chance at life, and for that I’m eternally grateful, and will devote the rest of my life to honoring Him.” Praise God!*

This past year has certainly brought about significant challenges, but I am so proud of our Harborcreek family for rising to the occasion to continue to invite and welcome new people, to serve and lead with passion, and to grow in their relationship with Christ and others. I am SO thankful for our many volunteers and leaders – especially those who have faithfully served for years – like Karen who teaches our pre-schoolers about the love of Jesus, Matt who leads our Tech Team so people can experience & worship God in our services, Missy who cares for and encourages the women in her LifeGroup through the highs and lows of life, AJ who helps our teenage guys navigate high school with faith and character — and so many more! I am also grateful for those who started serving or stepped up to lead this past year. It is amazing to see how God used them so that we could continue to make and be fully devoted followers of Jesus through a challenging year. They made it possible for us to have our first outdoor worship night last Fall, our Christmas Drive Thru Experience in December, re-open our in-person worship services in January, re-open GraceKids and our Café in April, have our first on-site church picnic in June and our first outdoor Sunday worship service in July – AND continue to have supportive LifeGroups meeting in-person or virtually all the way through! It's been so encouraging to be together with around 400 adults and kids at church each week, up from 150 last August. As I pray for and look forward to the next Site Pastor who God is calling to shepherd Grace Harborcreek, I am excited for them to meet this incredible church family that God has brought together and built up over the past 10 years — and the new brothers and sisters He keeps bringing to be part of it ever week!

GRACE SITES



GRACE MCKEAN

Pastor Scott Michel, Executive Director of Grace Sites

We have been through quite a year. The first half saw a racial reckoning and awakening, a political firestorm amidst a presidential election, and then there was Covid Part II...or was it Part III? I must say reflecting on this year has been quite a challenge given the backdrop of all that has occurred in our country. Each one of the aforementioned events has brought with it plenty of heartfelt conversations that have led to greater understanding as well as some tough goodbyes. Our volunteer culture took a major hit. The number of Life Groups that were meeting consistently began to wane. Fatigue set in and with it a new normal began to take hold. A rhythm and routine of comfort from home. I think if we each took the time to reflect on this year, we each have learned a bit more of who we are as well as who we have yet to become. Praise be to God that He is who He says He is; a God that is unchanging and constant, the creator and narrator of all life.

Amidst all of this, though, God still provided. Towers of diapers. Boxes of coats. 250+ cars during our Christmas Drive-thru experience. He provided inspiration through a small group of volunteers that faithfully served every Sunday for months on end. He brought countless new faces through our doors for the first time, all because of what they stumbled across on TV one Sunday. It is no accident that since our doors have opened back up, so have the hearts of many to the saving grace of Jesus Christ. While our attendance numbers have not yet rebounded to what they once were, we have tripled since this time last year from an average of 250 to an average of 800.

Yes...Grace McKean looks and feels different, but I believe that is intentional. Walk around the building on a Sunday morning and you can catch glimpses that God is up to something. A youth contingency that is growing in number and influence. Our CORE class constantly being filled with people ready to take next steps. A new wave of volunteers and leaders feeling called to use their gifts to glorify God. God slowed us down and shook off some of the dust on our hearts for a reason. My hope and prayer is that we as His bride be vigilant, be obedient, and ready with open hands and hearts for what He has in store.

NOTES