



# Annual Report for the Year 2017



# The 144th Annual Meeting of the Congregation & Corporation

11:00 am, February 25th, 2018



Rev. R. Winston Presnall,  
Moderator, Presiding

William Teachout,  
President

Joyce Geisert,  
Clerk of Session

## **AGENDA:**

### **The Congregational Meeting**

Call to Order and Opening Prayer  
Annual Presentations of Church  
Departments, Committees &  
Organizations  
Recognition of Church Staff  
Explanation of the 2018 Budget  
Old and New Business  
Prayer

### **The Corporation Meeting**

Opening Prayer  
Treasurer's Report for 2017  
Old and New Business  
Closing Prayer  
Benediction

## **CHURCH OFFICERS**

### **Session**

Clerk of Session: Joyce Geisert  
Treasurer: John Fotch  
Moderator: Rev. R. Winston Presnall  
Jo Ann Bigner, Nancy Blake,  
Margaret Carson, Doug Compton,  
Jim Godfrey, Susan Johnson,  
Bruce Scott, Bill Teachout,  
Ilco Vandercapellen,  
Joe Woollett

### **Board of Deacons**

Moderator: Erlinda Compton  
Jennifer Cota-Robles  
Fred Baja, Bill Benak,  
Shirley Birmingham,  
Karen Godfrey, Tom Godfrey,  
Virna Bolang, Barbara Mantor,  
Chelsea Pickens, Joshua Parera-Bolang,  
Diane Wilson

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# Reviewing 2017

## Church Membership

### Gains During 2017:

Profession of Faith, Reaffirmation, Restoration	
Under 18	0
18 and Over	3
Certificates of Transfer	0
All Other Gains	0
<b>Total Gains</b>	<b>3</b>

### New Members:

Rick & Linda Cota-Robles, Laura Hapke

### Losses During 2017

Deletion by Certificate of Transfer	5
Deaths	5
All Other Deletions	0
<b>Total Losses</b>	<b>10</b>

### Deaths of church members during 2017 - In Loving Memory:

John Mellender	January 13th
William Carr	March 4th
Russell McGregor	April 11th
Henry Nelson	May 17th
Betty Hill	June 2nd

**Total Communicant Membership 12/31/17: 235**

### Worship Attendance:

Sunday, 10:00 am	100 average
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### Marriages:

John R. Fotch & Ruth I. Fotch (Fabr�)	May 20th
Christopher M. Gomez & Rebecca E. Majoros	October 7th



**Baptisms:**

<u>Infant</u>	<u>2</u>
<u>Youth &amp; Adult</u>	<u>2</u>
<b>Total Baptisms</b>	<b>4</b>

**Baptized:**

Eric Jonathan Boyd	December 10th
Evan Jonathan Boyd	December 10th
Jacob James Calvo	December 17th
Elijah Christopher Calvo	December 17th



# Pastor's Remarks

- R. Winston Presnall, Pastor



## Anticipation!

I realize that much of our anticipation as a church this year will be to consummate the deal! The deal is what we have been brokering these last two years amid some resistance and delay. The deal is finally our actions to demolish what has been our administrative and educational wing to increase parking near the church and set the foundation for future redevelopment of our church property. The deal includes a present remodel of our daycare and its expansion. All of this is a BIG deal.

A great deal of our time, effort and money has been spent to get to this point in our deal. This is the year! The Session elected to contract the services of an attorney, Kenneth Kutcher, who will explain the way to deal with the city, its agencies, and our neighbors. The deal is the church's right to determine its

rightful, religious use of property without the city's designation of cultural and historical significance. This is a BIG deal.

In some cases, city councils and its agencies have acted in concert with Historical Preservation Societies to label parts of buildings, walkways, courtyards and even fireplaces as culturally or historically significant. In essence, this limits or could defeat the church's plans for redevelopment. I won't bore you with legal details, but a city's power to make these determinations can be a BIG deal in our freedom to redevelop.

We are nearing the deal. The way is clearing. The time will soon be upon us. I know you join me in anticipating this moment. It is a BIG deal.

However, the anticipation of the deal should not overshadow what it has meant to be the church. The church is people acting together to minister in Christ's name. The church is community gathered in worship, service, study and prayer. The church in its Presbyterian form is governed by a Session of elders who serve on committees such as Worship, CE, Church Management, Church Staff Relations, Health, Deacons/Congregational Life, Nominations and various task forces such as the Preschool Advisory Committee.

The work of the church: its people - is contained here in the Annual Report. This work is what it means to be the church. As much as the building is important to our physical center of activities, we have no church without you! You are God's people! YOU ARE THE BIGGEST DEAL!

Please remember this through the anticipation of redevelopment (the deal)! You are beloved! Precious to God and to kingdom.

In Christian love,



# Music Ministry

- Caitlin Giusta, Director of Music

After many great years of leadership and direction, Aaron Mosley found it necessary to devote more attention and energy to his students and reluctantly forfeited his time at First Presbyterian Church of Orange. As a result, I was hired in July to lead our great choir of 21 vocalists. Our music scholarship program continues to be successful for our choir. This year's recipients are Daniel Sanchez and Reagan Schrum. The choir continues to sell parking for the International Street Fair to fund the scholarship program.



This year we incorporated more music during the Easter service to create a mini Easter concert. It created a very festive Easter worship service. In addition, the Sanctuary Choir presented "Star in the East", a Christmas concert that was well attended, with professional singers and musicians joining us for a festive night of music.



I look forward to continuing our Music Scholarship program into 2018. I will also be directing resources reserved for concerts to focus on guest musicians for services throughout the year. Finally, I have begun discussions and plans to incorporate children's singing into our worship services.

## Church in Pictures



# Orange Presbyterian Preschool

- Teresa Bernal, Director of Childcare

Preschool licensed for 58 (Lic. #304370130)

Infant Center licensed for 20 (Lic. #304370387)

Hours of operation are Monday-Friday 7am-6pm.

**"Love One Another" is our mission statement.**



So many educational and fun things are happening this year at Orange Presbyterian Preschool! I am writing this in my second year as Director, working with an excellent team of early childhood educators. We currently have 4 teachers and one aide in the preschool.

The Infant Center had an increase of capacity that doubled the number of infants. After a long year of remodelling, fire and state licensing approvals, the new infant room was approved at the the end of December 2017. Currently we Have 3 teachers and 2 aides working in the Center.



We were blessed with our volunteers: Betty Wells, Amy de la Roza, Dee Friend and Judy Sollee. A big thank you to them for their hands on involvement in our school.



Our annual events included Graduation of the Pre-K class, a family picnic in the playground, our Christmas program and Back to School night.

Our outings this past year included our twice yearly visit to the Orange Senior Center for Valentine's Day and Halloween. We had weekly visits to the Public Library and neighborhood walks, as well as Storytelling and Chapel at the church. We also had several classroom parties celebrating various holidays.



I am thankful for the support of the congregation and our friends who gave their time, talent and donations in 2017 and look forward to 2018 and all it brings!

**"In Christ Jesus, the only thing that counts is faith expressing itself through love"**

**- Galatians 5:6**



# Christian Education

- Nancy Blake, Chair

Your Christian Education Committee continues to strive to bring quality opportunities for all ages of our congregation. This includes classes for adults that are varied. This past year they have included such topics as *The Market as God*, *The Christian Wallet*, and *Seven Deadly Sins*. Jean Ann Duckworth continues to lead Bible Study on Tuesday evenings for women: *Empowered by the Word*.



youth attended Sierra Service Project in San Diego. It was a meaningful trip for all who went.

Our Children's Ministry is doing well. We continue to connect children with the larger life of the church. We welcomed our young ones to be a part of our Easter hospitality by making butterflies at a *Messy Sunday* event. The congregation joined in the fun, and the butterflies "fluttering" in the sanctuary on Easter morning was a joyous addition. We continued our new tradition of *"Blessing of the Backpacks"* in September. We have worked to develop more activities for families and inter-generational events as well - our Family Ministry. Winston and Pam hosted a family barbecue in October.

We held a "Messy Sunday" event in preparation for World Communion Sunday for the whole congregation. During this time Leanne told the story of Communion, Winston explained the elements and I ran a craft for all to create banners for the Sanctuary on World Communion Sunday. We held our Advent Workshop three weeks in a row, making 5 different Jesse Tree ornaments each week. This was open to the congregation as a whole. Although sparsely attended, those that came enjoyed it.

We will continue to explore new and exciting ways to bring quality Christian Education to our adults, youth and children. Thank you to all who helped and/or participated with us this past year.

## Christian Education Committee:

Nancy Blake, Chair  
Betty Wells  
Jean Ann Duckworth  
Shawna Lynch

Leanne Strommen, Staff  
Christina Flores  
Sarah Tannas  
Jennifer Grissom

Our Youth program continues to do well under the leadership of Sarah Tannas. With the resignation of Norma Galeana, we have welcomed Jennifer Grissom to the Tuesday night crew. The youth continue to grow and learn in knowledge and fellowship each Tuesday evening. This past summer six



# Church Staff Relations

- Ilco Vandercapellen, Chair

Having assumed responsibility for the Preschool staff, 2018 was a very busy year for the Church Staff Relations committee. Our continued collaboration with the Preschool Advisory committee has grown and developed to where regular communication occurs, as it pertains to staff changes, pay increases and Preschool/Nursery Center rules and regulations. Karen Scott is on the Preschool Advisory committee, as well as on CSR, so she provides regular and insightful information that is helpful in making decisions and recommendations to Session.

In March, Music director Aaron Mosley gave his notice of intent to resign. After nearly 8 years as our Music Director, Aaron felt the time was right to move on and focus on new ventures. His last Sunday with us was on June 11th. Aaron was an exceptional Music Director, taking our music program to new heights, different directions, and exciting challenges. In the process he became our good friend and brother in Christ. Aaron is missed. A farewell reception was planned, organized, and held by Keith Yusko and the Board of Deacons.

Session approved the formation of a task force, consisting of Karen Scott, Joyce Geisert, James Touton, Nancy Tsai, and myself. This task force was assigned the duty of finding and interviewing candidates for the Director of Music position, vacated by Aaron Mosley. After interviewing several candidates, the task force recommended the hiring of Caitlin Giusta. Caitlin's official start date was July 16th, 2017. Caitlin is an absolutely delightful person, a strong Christian, and a great singer and choir director. Not a stranger to us, in the past she joined us in singing for Christmas and Easter concerts. Caitlin is already an inspiration to us. Her musical ability and her enthusiasm are contagious. We are excited, and are looking forward as Caitlin leads us to new and different musical ventures.

Custodial duties: In an effort to simplify and economize custodial duties for the church campus, it was decided that we would open, and request, bids from vendors. Request letters, drafted by Lynn Winn, were mailed to three vendors. The contract was awarded to Ricardo Zepeda (Isidro) and his company. Isidro's company is now responsible for the bulk of the church's custodial duties. John Munoz still cleans all the non-office areas of the GSC including the Infant Care Center.

Norma Galeana, one of our Junior High Advisors, gave her notice and resigned in the fall. A replacement search for Norma is still underway. In the meantime, Jen Grissom was hired to help Sarah Tannas on Tuesday nights.

Leanne Strommen: Leanne submitted a letter of Resignation to FPCO Session on February 7th, 2018. She accepted an offer from Community Presbyterian Church, in San Juan Capistrano, to be their Interim Pastor. This is a grand career opportunity for Leanne, as this is exactly what she has been working towards. The proximity of this church to Leanne's home makes the opportunity even greater, for herself and her family. We will miss Leanne. Her enthusiasm and positive outlook are contagious. Our church has benefitted from her work and dedication towards the establishing and building of Family and Youth programs. We bid farewell to her, and her family, with God's blessings and success.

R. Winston Presnall – Pastor, Session Moderator and Head of Staff: In his 16<sup>th</sup> year with our church, Winston continues to be a tremendous leader and friend. Balancing Pastoral, Session Moderator, Head of Staff and Presbytery duties, Winston continues to preach and teach with passion, love and dedication. His caring personality and humor make him very approachable and inspirational.



**Teresa Bernal – Director of Child Care:** The Orange Presbyterian Preschool and Infant Care Center continues to grow, as we expand the facility and as we grow in child enrollment. The Preschool is a very dynamic work environment. Teresa stays on top of changes, making staff and administrative adjustments as necessary. The OPPS is a tremendous asset to our church and community now, and will continue to be, in the future.

**Lynn Winn – Business Secretary:** What can I, or anyone, say about Lynn Winn? Her dedication to her job and to our church, her work ethic, her love for all the people in our church, her love for God, our love for her, her job expertise, her flexibility, shall I go on? Lynn Winn is somewhat of a legend in our church, we are so blessed to have her.

**James Keniston – Director of Communications:** Another extremely dedicated individual, always going way above and beyond what may be expected from him. James is extremely efficient, working with diligence, professionalism and expertise. He is always ready to help and guide when called upon - by other Staff members, by Church members, and by members of the community. A dedicated Christian, James' work and presence are blessings from God.

**Caitlin Giusta – Director of Music:** Only with us for a few months, Caitlin's approach is refreshing and upbeat. Our Christmas concert, prepared and conducted by Caitlin, was beautiful and enjoyed by the participants and congregants alike.

**Nancy Tsai – Organist/Accompanist:** An accomplished pianist and accompanist, Nancy learned to play the organ in our church. She took lessons and practiced on her own, a real testament to her musicianship. Quiet, kind and dependable, Nancy works hard during our rehearsals, church services, concerts and events. We are delighted to have Nancy in our church and part of our community!

**Sarah Tannas – Junior High Ministries:** The exciting Tuesday evening Junior High Youth Group program that we have is due, in no small part, to Sarah Tannas' hard work and dedication. Sarah loves the participants and is loved by them as evidenced by their consistent weekly attendance. Sarah leads with love, nurture and care as she teaches and encourages the Youth to love each other, work together, and to grow in the Lord.

**Bruce Scott – Facilities Manager:** Working part-time, Bruce makes himself available for any and all facility matters, challenges and problems. On any given day of the week you'll find Bruce making repairs, taking and making phone calls, working with vendors, participating in committees, and coordinating facility efforts among staff members. Bruce is a key member of the Church Management Committee, and has been instrumental in the Site Redevelopment process.

In summary, God has blessed our church with a dedicated and competent team of staff members. CSR is cognizant of this fact, doesn't take anything for granted, and is grateful to God.

The Church Staff Relations Committee consists of: Karen Scott, Joyce Geisert, Keith Yusko, Jim Smith, Margaret Carson and Ilco Vandercapellen (Chair).



# Mission

- Pam Presnall, Chair

The Mission Committee has the privilege of supporting FPCO ministries, as well as local and foreign mission endeavors.

## First Presbyterian Church:

- **Sunday Night Together:** Until early September, 2017, a hot meal was served to the Homeless and Hungry every Sunday night (approximately 80 individuals). A collaborative effort with several other faith communities.
- **Tuesday Night Together:** Dinner and Bible Study for developmentally challenged adults.
- **Food Bag Distribution:** Bags of food are distributed every Wednesday to the hungry in our community. Those with kitchens and those without kitchens receive different items.
- **Orange Presbyterian Preschool/Casa Teresa:** Help support Casa moms with carseats, diapers and other necessities when they arise. Also support "Moms Night Out" for Casa graduates: provide child care while the moms are served dinner, socialize and play games.

## Special Mission Projects:

### School supply drive:

- Some supplies were assembled by church members into school supply kits that were sent to Presbyterian Disaster Assistance to help hurricane victims.
- Others were given to the Orange County Department of Education to distribute to homeless children throughout the county.
- **Hygiene kits** were assembled by church members that were sent to Presbyterian Disaster Assistance to help hurricane victims.
- Supported Presbytery-wide Habitat for Humanity build.

## Local Missions:

- **Skyview School** – Support educational support and enrichment to children living in transitional circumstances.
- **Family Promise** – Interfaith shelter program for homeless families.

## Foreign Missions:

- Brian Bush's Mission to the Holy Land.
- Zeteo Missions in The Philippines – Ester Berg and Kate Berg.
- Starfish Project in China – Jennifer Melton.
- Video Pioneer 10x in the Middle East – Tom Khazoyan.
- Amor Lutheran Missionaries, Greg and Malissa Secrets in San Diego.



## Presbyterian Church (U.S.A.):

- Special Offerings for the denomination and Church World Services.
- Christmas Joy Offering.
- Presbyterian Giving Catalog.
- One Great Hour of Sharing.

## Year-End Support:

- Provided Christmas gifts to a Skyview School family, including grocery store, gas station and Honeybaked Ham gift cards.
- Sponsored two girls to attend high school for a year in Malawi (through Unicef).
- Purchased desks for school children in Malawi (through Unicef)
- Sent funds to Unidos: A Hurricane Relief Fund for Hurricane Maria Victims in Puerto Rico. 100% of donations go directly to assisting people in Puerto Rico.

# Deacon Congregational Life (DCL)

## - Deacons (Congregational Care)

- Erlinda Compton, Moderator

### THE YEAR IN REVIEW:

#### DEACON RE-ORGANIZATION:

In July and August, deacons were introduced to a new structure for Deacon operations, resulting in a Deacon Board with a Moderator and three defined service areas: **COMPASSION, WITNESS/JUSTICE** and **SERVICE/EUCHARIST**. A Minutes Clerk and a Finance Clerk round out the board.

#### PARISH LISTS:

In September the Deacons approached Session with a Parish Plan that would remove Elders from the day-to-day care of parish members; birthday and holiday greetings, home-bound visits, prayer needs. This plan, unanimously supported by Deacons, met with no objections from our Elders and was passed unanimously.

October found us still mired in a parish list morass. The Deacon Board attempted to produce parish lists that contained a variety of ages and living situations (single/couple/family).



#### SESSION JOINT MEETING:

On November 1st, the Deacons attended Session to be introduced to the elders and to report on how the structure re-organization and the Parish re-distribution was going.

#### GIVING THANKS DINNER:

Our annual Giving Thanks Dinner was held on November 17th and attendance was estimated at 100. Besides the (always outstanding) traditional meal, the program this year included a Children's Message (thank you, children!), special music from Hill Song graduate David Graciano (Youth Pastor, Faith Community Church, Spanaway, Washington), and a short video concerning the importance of pizza during the holiday season. Financially, the dinner came very close to breaking even: expenses \$547.52/donations \$540.00. Thank you congregation!

#### DEACON SUNDAY:

December's Deacon Sunday was the first "Meet Your Deacon" event of the year. Members of the Congregation who were successful in identifying their deacon received a tiny snowman to cheer them through that busy time. February's Deacon Sunday was themed "All About Love."

#### COMMUNION SHADOWING:

Blessed with the continued support of Keith and Barbara Yusko, communion preparation rests in good hands. In an effort to be prepared, the Deacons signed up to "shadow" the communion prep. This effort paid off on December 3rd, when communion prep unexpectedly fell to the Deacons.

#### CONCLUSION:

Deacons as a whole, have struggled to meet the goals targeted at the beginning of the year. Our Deacons have worked very hard, at times pushing, other times pulling, to meet required service deadlines. It has been a struggle; the moderator keeps seeing the glass "half-empty." In 2018, we are determined to prove the glass not just "half-full," but brimming over.

# Deacon Congregational Life (DCL)

## - Congregational Life

Even though we do not currently have a committee chair, many activities and functions continue.

The purpose of the Congregational Life Committee is to attract new members by sharing our story of God's love in a warm, inviting and receptive family atmosphere. To engage and retain our members through interaction in fellowship and service. We do this in many ways with Christ as our constant companion. Including:

### **Recognize and welcome guests, assist with Sunday activities:**

- Organizing the Welcome Visitors table and Narthex greeters at the door, headed by Carol Culbert.
- Karen Godfrey buys and brings donuts every Sunday in which the expenses and revenues are recorded in the DCL budget.
- The kiosk: Gail Telkamp provides name tags and greets people walking up each Sunday.
- Visitors & membership tracking: Ruth Kutcher tracks the attendance every week and reports visitors, missing you's and glad to see you's to Carol Culbert, who writes personal notes to each.

### **Activities supported throughout the year for recognition and retention of new and regular members:**

- We actively support on online presence by funding and overseeing subscriptions to maintain the e-press and church website.
- Funding and overseeing advertising in the Register and Orange City News promoting church activities (Christmas & Easter services and events). Ensuring banners are also visible during these special events on the church property.
- Funding and overseeing digital advertising such as web banners with the Register and on Facebook.
- Provide receptions after concerts and special services (primarily through Flagship).
- Provide Palm Sunday Brunch and support Deacons with the Giving Thanks Dinner.
- Flagship, Windjammers, Women Connected and Golfers are all under the umbrella of DCL but manage their own reporting.



### **Social and Educational Activities:**

Some of the activities of the last year, which were lead by Bonnie Sharp and much enjoyed, included Bridge, Chapman University Library tour, Chapman Auditorium presentation, Hilbert museum with breakfast at Ruby's, Movies on the 3<sup>rd</sup> Friday. We also had Seasonal Sundays lead by Kate Stanley with celebrations of Valentine's, Mother's, Father's and Veteran's Days.

Submitted by Ruth Kutcher.



## Flagship

Flagship – ahoy, ye mates and maty’s! We are in our 60’s – 90’s age wise, and we are tough!! As of December 2017, we are 78 singles/doubles strong in our membership. Dues are \$5 per year. Our Lord and Savior are our leaders.

The 2<sup>nd</sup> Friday of each month at 6:00pm in McAulay Hall you find us with a catered, home-cooked, or potluck dinner. July and August we vacation. Our organizers are Ruth Kutcher and Bonnie Sharp - Co-chairs, monthly team members. Secretary: Annette White; Treasurer: Ruth Kutcher; TNT: Bonnie Sharp; Dr./Nurse report: Shirley Birmingham; Sunday Coffee: Karen Godfrey; Greeters: Carol Culbert; Opportunity Tickets: JoAnn Bigner and Lynda Stewart; Technician: Bill Telkamp.

Our meetings include dinner, devotions, program, business meeting, happily giving applause to members’ birthdays and anniversaries, and end with the Opportunity Drawing. Those members with a birthday the month of the meeting bring a slightly used or new gift. These are used for the drawing. We bring in close to \$100 monthly. Mainly, funds are used to support our three home-grown missionaries: Esther Berg, Zeteo Mission Project in the Phillipines; Brian Bush of the Christian Foundation for the Holy Land, and Tom Khazoyan of International Pioneer 1OX Productions. Funds are given to other worthwhile projects throughout the year.

On the first Tuesday of each month members serve TNT (Tuesday Night Together). We also serve as Sunday morning greeters and do setup/cleanup for Sunday coffee. Christmas Eve finds us serving Wassail and Cookies after the service.

**Sixty two years at FPCO** have our groups been meeting. Our 2016/2017 meetings were the following: September – Ken Zanca: *No Try-Do: Yoda’s Life Philosophy*; October - *Music, Music, Music*; November - *Knowing YOU Surprises*; December – *Christmas Special*; January – *Scotland Visited*; February – *We Support Mission*; March – *Game Night*; April – *Good Friday Service*; May – *After Dinner Concert*; June – *UCI Mind: Normal Brain Aging*; September – *Where In the World?*

October started our programs of “Getting to Know FPCO Staff” and James Keniston was our first wonderful Director of Communications and also an artist. November – Michaela Vaughn, our soprano soloist told us of her life and sang special songs from the Czech Republic. In December we were delighted to hear more about our Director of Childcare here at First Pres: Teresa Bernal. we gave Teresa many, many items that will be used in the Preschool and Infant Care Center.

You too, must join us as the Lord wants us in togetherness – and it’s good for us!

Submitted by Bonnie Sharp.

# Taking Care Ministry



The Taking Care Ministry was launched in October 2017 as an extension of the existing Grief Ministry. It operates under the auspices of Pastoral Care and works in tandem with church staff and the Deacon Body. The purpose of Taking Care is to assist congregation and community members with hardships of life. We deal with any hardship, and we say: *"If it hurts your heart, or the heart of someone you love, please give us a call and let us help you"*. This is a ministry of the church and all services we

provide are free of charge. We minister by prayer, preliminary counseling, access to resources, and spiritual support for those who request help. All services are completely confidential and no problem is too small. The team consists of James Keniston, Rick Cota-Robles, Linda Cota-Robles and Amy Wilson.

In the time we have been active we have responded to about 30 requests. Many of these were regarding the distribution of helpful items from our Taking Care Library, which is staffed by Amy Wilson. However we have a significant number that were more in-depth needs for help inclusive of preliminary counseling and prayer support. In an effort to familiarize the congregation with this Ministry we manned information tables for the month of November outside the Worship center following services. We presented five classes to interested church groups ranging in size up to 25 per class. We also shared personal testimony and encouragement on Care-giver Sunday with the Congregation at large during worship.

We are in the process of completing our planning for 2018 and plan to personally interact with our young families and all caregivers and their patients in the church family. We also plan to expand the library to include books for children experiencing hardship, as well as learning to effectively interact with those in our Congregation facing physical challenges including:

Impaired Vision, Impaired Hearing, Mobility Issues, Chronic Illness, Acute Illness.

Our library is still growing but we have in excess of 75 electronic articles right now and counting. We are updating all our listings and will have a quick index on file at the church if anyone is looking for information. The majority of the articles come from the internet but we also have electronic copies of the articles on file. We can email an article or simply send you a link. For those whose needs differ, we can also print out article(s) of interest.

We would like to hear from the congregation. If there are things you would like us to research in the vein of dealing with life's hardships, please let James Keniston in the church office know and we will see what we can do. We plan to have additional times to man tables and will be glad to take requests at that time as well. We are willing to hold class at any time on church campus on a variety of subjects including final planning, protecting medical rights, protecting personal rights, raising children, dealing with illness, using simple technology and dealing with challenges, as well as any you ask for. Our class size starts with 1, so if you want a class, just say so. We offer prayer, preliminary counseling, emotional support and physical assistance upon your request. We are your family and we are "Taking Care".



Submitted by Amy Wilson.

# Women Connected

- Debbye Karaffa, Co-Moderator

**Women Connected:** is a fellowship group open to all women at First Presbyterian. We had an enjoyable and busy year in 2017. We worked together to fulfill the purpose of our group by nurturing our faith through prayer and bible study, by supporting mission programs worldwide and in our community, and by building an inclusive, caring community of all women within our church. For witness, fellowship, fun, support and personal growth.

**General Meetings:** We held three general meetings last year. The program topics were based on suggestions from members. Healthy eating was the first program, with speaker Chris Douglas-Langermann presenting about healthy eating and fitness. Attendees brought a healthy snack or dish to share pot-luck style, along with the recipe which was later made into a cookbook to take home. Our second program was a fun time of showcasing and sharing crafting ideas and knowledge. We saw beautiful quilts, and tried our hands at homemade cards, perler bead bowls, and fabric ornaments. Our own Amy Wilson presented at the third meeting of the year about care-giving, healthy living tips, and an overview of necessary documents to complete in advance so we are ready when an unexpected medical emergency occurs.

**Bible Study:** The Lydia Circle, with approximately 25 participants, meets monthly for bible study, prayer, and fellowship. They are currently studying "Cloud of Witnesses" - a study based on the book of Hebrews. Lydia Circle also collects the Least Coin and Love Offerings.

**Mission:** This year Women Connected promoted the Blankets+ Program benefiting Church World Services in May. We have an ongoing program of collecting "Box Tops for Education" and cancelled stamps to support Tecate Mission International. We wrote and submitted a Bogle grant proposal through Los Ranchos Presbyterian Women, nominating MOMS Orange County in Santa Ana. As a result, a grant of \$1500 was awarded to them for use in their "Mommy and Me" parent education and support program.

**Boutiques:** We held craft boutiques in the spring and fall. The vendor fees support our yearly budget, and are purposefully set at a low rate to assist women who are trying to help support their families with their small handmade businesses.

**Woman of the Year:** Each year, we honor a woman who has gone above and beyond in their service to our church and our community. The Woman of the Year award for 2017 goes to the very deserving Betty Wells.

**Presbyterian Women:** We are associated with PW of Los Ranchos Presbytery. Some members attended their Fall and Spring Gatherings last year. We will be hosting the Spring Gathering for 2018 at our campus on April 21<sup>st</sup>.

**Women Connected Board Members:** Debbye Karaffa, Co-moderator; Ruth Kutcher, Treasurer; Brenna Bell, Secretary; Jo Ann Bigner, Shirley Birmingham, Nancy Blake, Cristina Flores, Karen Godfrey, Pam Presnall and Amy Wilson.

**Advisors:** Ruth Fotch, Connie Noren, Dawn Olsgaard, Bonnie Sharp and Lynda Stewart.



# Health Ministry

- Susan Johnson, Chair

The Health Ministry Committee members are: Parish Nurse Kathleen Baker, Virginia Carson, Shirley Birmingham, Margaret Carson, Joe Woollett, Chair Sue Johnson, and Betty Wells: Member Emeritus.

The Health Ministry Committee has a covenant with Hoag Health Ministries which allows First Pres. Orange to offer and provide our members with certain privileges. Probably the best known service we are able to provide our members is the yearly free Flu Clinic. We are able to get the vaccine and necessary supplies from Hoag. Kathleen coordinates with Hoag, picks up the supplies and returns any unused vaccine and supplies back to Hoag. The other members of the committee provide support by ensuring each person receiving a flu shot has been given a copy of the Vaccine Information Statement and signed the Information Form. At Kathleen's recommendation, Session approved the Committee holding the Flu Clinic each year in October; this allows Kathleen to begin coordinating with Hoag earlier in the flu season.

The Committee received a current copy of the Educational Offerings from Hoag Health Ministries with our February 2018 Courtesy Invoice from Hoag. These are classes of varying topics, that are available to our members. The committee will be reviewing the topics to ascertain if there are any that would be of interest or educational to church members.

Virginia Carson graciously volunteered to continue providing health-related articles for the monthly church newsletter as well as the posters for the "Backdoor Ministry". This "ministry" can be found on the doors of the stalls in the campus restrooms.

We continue to provide the monthly Health Screenings, which began in June 2013, in McAulay Hall on the last Sunday of each month during the Fellowship time. On occasion, the Health Screening needs to be changed to either the week before or the week after, to accommodate church events. Every effort is made to notify members as soon as possible when there is going to be a change.

## Holiday Hope

- Judy Sollee, Completing her duties as Chair after 23 years!



Saturday, December 2nd 2017 was our 23rd annual Holiday Hope event! It was a great day filled with Christian love, kindness and joy. This year we served 142 children and 125 adults - not bad for a morning's work! Families attending received lunch, manicures, haircuts, visits with Santa for the kids - who also had the chance to pick out donated items for parents. Each family went home with plates of cookies, gift cards, and hopefully some additional Christmas cheer. This event has helped so many over the years who have found themselves in times of hardship. We could-



n't host Holiday Hope without the generosity that is so abundant in our congregation and community partners. Thank you to all who contributed! Thank you to everyone that gave of their time and donations - the number of plates of cookies received was truly astonishing! It literally takes a village! Going forward Holiday Hope will continue and will be a responsibility of the Mission committee.

**Editor's Note:** We would like to thank Judy for her many years of faithful service to this wonderful cause.

# Facilities

- Bruce Scott, Chair



It has been a very busy year! The Facilities Committee joined with the Finance Committee and Site Redevelopment Task Force (SRFT) to form the Church Management Committee. Our combined tasks have become quite involved! On the facilities side of the committee, we manage the entire church campus, including the Preschool and the Grand Street Center (GSC). We have had to deal with air conditioner problems all across the campus due to our aging buildings and equipment. We had our large trees professionally trimmed, and are trying to stay on top of the paint



maintenance. The new infant room in our preschool has finally been approved by the state and is open for new little ones. We are almost at capacity already! Currently we are in the process of replacing the old, worn carpet in the North and South rooms in the GSC with a durable, vinyl, wood-look planking. During 2017 Bill Teachout handed the reigns of scheduling and bookings at the Grand Street Center over to James Keniston in the church office, under the supervision of Facilities and the Church Management Committee. We thank Bill for his commitment as a wonderful volunteer and driving force behind this superb facility that has served, and

will continue to serve, community groups into the future. This year we welcomed the Boys & Girls Club, who officially opened their doors to the Orange community in April. Some of our other community groups who meet at the center include a variety of National Junior Basketball League teams, Scottish Country Dancing, Orange County Hoarding Task Force, Miss Orange and the California Turtle & Tortoise Club (OC Chapter).

We will continue to work for this congregation the best we can!

I would like to thank the committee members for all the hard work they do to keep our facilities running.

**Committee Members: Don Blake, Doug Compton, Betty Wells, and Bruce Scott.**

(Facilities is a sub-committee of the Church Management Committee).





# Church Management Committee

- John Fotch, Chair

## A REVIEW OF THE OPERATING BUDGET FOR 2018

### REPORT FROM THE TREASURER

#### **Church Operations/General Fund**

2018 is the second year of a two-year budget plan where spending is being maintained at 2016 levels. 2016 and 2017 spending (actual) was below the budgeted 2016 levels for each year, saving money and requiring less of a transfer from Reserves to achieve a zero-budget deficit as mandated by Session. Session continues to focus on church growth, maintaining and enhancing existing programs and ministries, building children, youth and adult programming, and maintaining fiscal responsibility.

The pledge budget for 2018 is \$250,500 which represents a decrease of \$4,450 from the \$254,950 pledge budget in 2017. It should be pointed out here that actual pledges received in 2017 totaled \$274,283, \$19,333 more than had been anticipated. Total Offerings in 2017 were \$313,218 against a budgeted figure of \$283,950 (a \$29,268 increase). A review of pledging data shows 7 new pledges for 2018 and a loss of 11 pledging units due to death, financial hardship or relocation.

All Session committees and budgetary categories within the overall church operation will see their 2017 budgets replicated for 2018 with the exception of Personnel, which will see a slight increase (\$4,225). Spending levels for 2018 will be those that were set for 2016. After careful analysis of resources, the decision was to enable the church to continue operating, as currently configured, for two years (2017 & 2018). The thinking being that we need to continue supporting all our current activities while changes related to the GSC and Pre-School operations are finalized and allowed to solidify.

The 2018 Facilities budget will remain at the \$108,000 budgeted for in 2017 even through actual spending for the year was \$116,207. This difference, \$8,207, is the result of the advanced age of our campus and continuing issues related to protecting the campus from the spiraling homeless issue in our community.

Total 2017 income, including all offerings, special envelopes, special benevolences, and other income such as prior year pledges, interest income and facility rental was \$372,779 (not including \$2,680 in Designated Benevolences as they are a pass through). This represents an increase of \$34,429 over the \$338,350 anticipated (again discounting for Special Benevolences). Total 2018 income is anticipated to be \$336,900 (includes \$3,000 in Special Benevolences). With expenses estimated to be \$559,825 we are anticipating a deficit budget of \$222,925 (up from \$222,700 budgeted in 2017). It is important to stress that while the 2017 budget planned for a \$222,700 deficit; in actuality that deficit was only \$162,847. The difference of \$59,853 represents the net effect of higher than expected revenue and reduced spending.

The entire 2017 budget deficit of \$162,847 was financed with monies from Special Gifts (\$109,900) and transfers GSC Reserves (\$50,000), and Pre-School Reserves (\$2,947). The 2018 budget deficit (\$222,925) will be covered with funds from General Fund Reserves (\$19,380), Pre-School Reserves (\$57,100), Special Gifts (\$27,500), New Fund for Growth & Change (\$15,300) and Endowment Reserves (\$103,645).

It is anticipated that there will be no shortfall as Income vs Expenses amount to zero. The 2018 budget, which accompanies this report, was approved by Session at the regular February 2018 meeting. Due to the severity of the flu going around after Christmas, Session's January meeting was cancelled.

#### **Grand Street Center/Building & Property Fund**

The mortgage in effect for the GSC throughout 2015 was refinanced in December of that year. The results of that transaction paid off the existing loan (\$450,000) and created a new loan for \$850,000. The approximately \$400,000 in proceedings from this new loan were ear marked for the Site Redevelopment Task Force (SRTF) and its campus redevelopment project, specifically the relocation and expansion of our existing Pre-School in the Grand Street parking lot.



Because of this action, the GSC became responsible for the complete interest portion of the new loan payment as part of its monthly operating expenses. The principle portion of the payment was still being serviced with monies from the Faith Commitment fund in 2017. That fund was exhausted in December of 2017. Beginning January 2018, the GSC will be responsible for the entire mortgage payment on the facility.

In 2017, the GSC had Operating Revenues of \$98,767 and Expenses of \$106,303 culminating in an operating loss of (\$7,536). While revenue was in line with expectations, several large one-time facilities related expenses resulted in the loss. This loss was transferred to the GSC's reserves, and that account balance now stands at \$63,517.

The 2018 budget plans for income of \$103,000, operating expenses of \$51,100 and debt service of \$77,050 culminating in a loss of (\$25,150). Available GSC Reserves are sufficient to fully cover operating in this manner for two years (2018-2019).

### **Pre-School/Infant Care Center**

Session voted to combine the Pre-School and Infant Care Center (ICC) into a single operation beginning in 2017. The expansion of the existing Pre-School site was completed and licensed in late 2017 (New childcare spaces).

#### Pre-School/Infant Care Center (ICC)

Combined revenues for these operations in 2018 are projected to be \$672,770 and expenses \$562,583 resulting in an anticipated surplus of \$110,187. The combined operation exceeded its 2017 income projections, had slightly higher than expected operating costs, and generated a \$40,720 surplus. These funds went into the pre-School's Reserve account, which now stands at \$96,729.

CHURCH OPERATIONS/GENERAL FUND  
OPERATING BUDGET FOR 2018

	2017 ACTUAL	2018 BUDGET
REVENUES		
Pledges	\$ 274,283	\$250,500
Open Pledges	33,117	25,000
Plate	5,818	4,000
Special Envelopes	2,568	2,900
Special Gifts	1,115	—
Pledges - Prior Year	2,745	1,500
Investment Income	550	—
Facility Rental Income	52,583	50,000
Sub-Total	<u>372,779</u>	<u>333,900</u>
Designated Benevolences	2,680	3,000
Total Revenues	<u>375,459</u>	<u>336,900</u>
EXPENSES		
Benevolences-Regular	27,698	30,900
Personnel	330,644	348,025
Education	8,640	10,800
Worship & Music	5,677	8,400
Deacons/Congregational Life	5,048	5,200
Plant Operations	116,207	108,000
Office Operations	33,572	37,300
Per Capita Assessment	6,889	6,800
Stewardship	593	500
Session Discretionary	58	100
Health Ministries	600	800
Sub-Total	<u>535,626</u>	<u>556,825</u>
Designated Benevolences	2,680	3,000
Total Expenses	<u>538,306</u>	<u>559,825</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$(162,847)	\$ (222,925)
TRANSFERS FROM OTHER FUNDS		
Grand Street Center Reserves	50,000	
New Fund for Growth & Change		15,300
Special Gift/Bequest	109,900	27,500
Preschool Reserves	2,947	57,100
General Fund Reserves		19,380
Endowment Reserves		103,645
NET SURPLUS/(DEFICIT)	<u>\$ 0</u>	<u>\$ 0</u>

GRAND STREET CENTER  
OPERATING BUDGET FOR 2018

	2017	2018
	ACTUAL	BUDGET
REVENUES		
Facility Rental Income	\$ 93,189	\$ 103,000
Interest Income on Investments	<u>5,578</u>	<u>-</u>
Total Revenues	98,767	103,000
EXPENSES		
Plant Operations	71,538	51,100
Interest Expense	<u>34,765</u>	<u>-</u>
Total Expenses	106,303	51,100
EXCESS OF REVENUES OVER (UNDER)		
EXPENSES	\$ (7,536)	\$ 51,900
Less Service of Debt-Loan Payment		
Principal and Interest		77,050
EXCESS OF REVENUES OVER (UNDER)		
EXPENSES		\$ (25,150)



PRESBYTERIAN PRE-SCHOOL/INFANT CARE  
COMBINED OPERATING BUDGET FOR 2018

	2017 ACTUAL	2018 BUDGET
REVENUES		
Grant Proceeds	\$ 31,538	\$ -
Program Fees	421,381	671,670
Special Donations	980	600
Fundraisers	<u>40</u>	<u>500</u>
Total Revenues	453,939	672,770
EXPENSES		
Personnel	372,099	536,733
Plant Operations	17,488	10,800
Office Operations	10,257	10,400
Program	<u>13,375</u>	<u>4,650</u>
Total Expenses	413,219	562,583
EXCESS OF REVENUES OVER (UNDER)		
EXPENSES	\$ 40,720	\$ 110,187

## A REVIEW OF THE FINANCIAL RESULTS FOR 2017

## REPORT FROM THE TREASURER

Financial Results for 2017

Financial reporting for December 2017 and the twelve months ending December 31, 2017 are included with this report. The following is a brief summary of our overall operations for the year.

Church Operations

As dictated by Session, the church operates under a balanced budget.

Total Revenue (pledges, transfers and other) totaled \$538,306. Offering Income exceeded expectations by \$29,268 (\$313,218 vs \$283,950). Other Income (Facilities Rentals) exceeded expectations by \$2,583 (\$52,583 vs \$50,000).

Because of higher than anticipated income for the year, we were not required to make use of all of the Reserve Fund monies that had been budgeted for transfer. \$222,700 had been set aside for use in supporting the budget but only \$162,847 was required. That is a savings of \$59,853. \$109,900 was transferred from the Special Gifts Fund (Huber bequest), \$50,000 from GSC Reserves, and \$2,947 from Pre-School Reserves.

Total Expenses were \$25,424 less than what was anticipated (\$535,626 vs \$561,050).

An example of the importance in remembering the church in our wills occurred in 2017. Longtime member Russell McGregor remembered the church in his trust and the church received his \$5,000 special gift.

Spending for 2017, except for Facilities, was slightly under what was budgeted and broke down as follows:

	<u>Actual</u>	<u>Budget</u>
Deacons/Congregational Life	\$ 5,048 vs \$	5,200
Mission	\$ 27,698 vs \$	30,900
Admin/Staff Relations	\$330,644 vs	\$352,250
Facilities	\$116,207 vs	\$108,000
Office Operations	\$ 33,572 vs \$	37,300
Christian Education	\$ 8,640 vs \$	10,800
Worship	\$ 5,677 vs \$	8,400
Health Ministries	\$ 600 vs \$	800

Grand Street Center Operations

It was a challenging year for the GSC. The 2015 refinancing of the mortgage on the facility, as the source of funding for the SRTF, resulted in the doubling of the interest expense that the GSC carries each month. The full interest payment on the loan was part of the GSC's Operating Expenses in 2017. The principle on the loan payment continued to come from Faith Commitment account funds for the entire year. Those funds are now exhausted and will not be available moving forward in 2018.

Income for 2017 was slightly ahead of what was anticipated (\$93,189 vs 85,000) but Facility Expenses exceeded expectations by \$25,437 (\$71,537 vs \$46,100). The GSC was hit by several significant one-time facilities related expenses. Replacement of the main sewer connection, the removal of the large tree (and associated repairs) in the central courtyard, and various miscellaneous repairs, put operations for the year into a (\$7,535) deficit.

The Boys & Girls Club became the primary tenant in the GSC in early 2017. With barely 6 months of operations, the club has 394 registered members and an average daily attendance (ADA) of 112 children from the surrounding neighborhoods. 109 children are walked daily from three area elementary schools (Cambridge, Palmyra and West Orange). You can see these three orderly columns of kids converging on the GSC every weekday at 3PM. The impact this program is having is staggering. 90% of the children are of minority ethnicities, 87% qualify for free/reduced cost lunches, 69% are from low

income households, 58% from extreme low-income households, 25% from single parent households. The Board of Directors and staff are working hard to ensure that this club becomes one of the most significant providers of afterschool supervision, academic mentoring and leadership skills development for our youth that the city has ever seen. Significant recent developments with the city and other local elementary schools promise to see these number increase rapidly in 2018.

#### Pre-School/Infant Care Center Operations

Income was on target with expectations (\$453,940 vs \$453,500) and Expenses were \$3,718 higher than expected (\$413,218 vs \$409,500). The Pre-school was budgeted to generate a \$44,000 surplus and ended the year with \$40,722, just slightly off target. The cost for outfitting (furnishing) the new childcare spaces in our existing preschool, completed in 2017 accounts for the majority of this minor shortfall.

#### Pledging Unit Recap

There were 74 pledging units totaling \$262,040 in pledge commitments for 2017. On January 1, 2018, 14 units were in arrears \$11,490 against their pledges while 17 units exceeded their pledges by a total of \$25,376.



## A REVIEW OF THE FINANCIAL RESULTS FOR 2017 ANALYSIS OF FINANCIAL STATEMENTS

This analysis is intended to explain and interpret the financial statements that follow this review.

All church financial activities are reported under one of five funds:

**General Fund** – the regular operations of the church are reported in the General Fund.

**Building & Property Fund** – this fund covers the church plant and operations of the Grand Street Center.

**Endowment Fund** – this fund includes gifts and bequests that have been designated by the donors to be held in perpetuity, plus undesignated gifts to the church assigned to endowment by the Session. Only a portion of the total return of donor-directed funds can be distributed and used as determined by Session. Whereas Session-directed funds can eventually be used by Session at its discretion.

**Reserve Fund** – funds designated for special purposes are reported as Reserve Funds. They include memorials, permanent scholarships, capital projects, program activities and church organizations.

**Day Care Fund** – this fund covers the operations of the Orange Presbyterian Pre-School and Infant Care Center.

Summary of funds:

	Beg Balance	Net Change	End Balance
General Fund	\$ 32,181	\$ 0	\$ 32,181
Building & Property Fund	3,003,333	(14,433)	2,988,900
Endowment Fund	487,798	73,809	561,607
Reserve Fund	340,650	(131,054)	209,596
Day Care Fund	130,101	(33,372)	96,729
Total Funds	\$3,994,063	\$ (105,050)	\$3,889,013

### **GENERAL FUND**

General Fund Reserves began the year with \$32,181. The budgeted transfers from General Fund Reserves were not needed, leaving the balance at \$32,181.

### **BUILDING & PROPERTY FUND**

A value of \$3,560,322 is reflected in the financial statements for all the church land, buildings and equipment. This figure is up \$56,533 from the beginning year balance of \$3,503,789 and that increase is due to the capitalization of funds spent in 2017 by the Site Redevelopment Task Force for our redevelopment. This spending includes architectural, appraisal, attorney, geotechnical, city and historical fees.

An appraisal mid-2015 of the entire church campus, resulting from the ongoing SRTF project and subsequent refinancing of the GSC loan, now places that figure just shy of \$10,000,000.

The Grand Street Center was purchased in 2005. Beginning with the initial loan amount of 1.5 million dollars, renegotiations and several principle reduction payments, and refinancing for the Site Redevelopment Project brings the balance to \$783,988 at year end.

The balance of the Faith Commitment Gift account, the source of the GSC mortgage principle payments, was \$39,362 on January 1, 2017. This fund was exhausted by December 31, 2017. The GSC Operating Reserve account began the year with \$120,236 and ended with \$63,517. The change, \$56,719, represents a \$50,000 transfer to the General Fund to support the 2017 operating budget as approved by session, \$7,535 loss from the GSC operations and \$817 transfer to close the Faith Commitment Fund.

## ENDOWMENT FUND

The Endowment Fund was established in 1984. The purpose of the fund is to expand the mission of the congregation, not to support the annual operating budget. Unless the donor specifies otherwise, all principal amounts are retained and only the "real return" is expended. The real return is determined after providing for inflation so that the earning power of the original gift is preserved. These donor-designated gifts are referred to as General Endowment.

Several gifts to the church have been placed in the Endowment Fund by Session even though the donors did not specify endowment at the time their gifts were made. The same rules of "perpetuity", therefore, do not apply and future Sessions may use the principal for reasons they deem appropriate. These are referred to as Endowment reserves.

All gifts are classified either as restricted or unrestricted. Restricted gifts can only be used for the purposes specified by the donor. Unrestricted gifts can be used for almost any purpose that is determined by the Session and is consistent with the purpose of the Fund.

### Summary of Endowment Funds

	Beginning	Net Change	Ending
Unrestricted	\$353,342	\$51,011	\$404,353
Income Beneficiary	16,138	(386)	15,752
Permanently Restricted	<u>118,318</u>	<u>23,184</u>	<u>141,502</u>
Total Funds	\$487,798	\$73,809	\$561,607

### **UNRESTRICTED FUNDS:**

**General Endowment:** According to the Endowment Fund policy, 6% of the total return of the general Endowment Fund is to be available for distribution each year as the Session may determine unless market conditions dictate a rate adjustment. No distributions were made from this fund in 2017. The balance of this account on December 31, 2017 was \$151,041, up from a beginning balance of \$138,423 due to market conditions.

**Endowment Reserves:** No transfers were made to the General Fund in 2017 from this fund. These unrestricted funds increase from \$214,917 in January to \$253,312 on December 31, 2017. This increase is due to market conditions and fees.

**Income Beneficiary:** This fund began the year at \$16,138 and ended at \$15,752. This decrease is due to market conditions and fees.

**Restricted Funds:** This fund began the year at \$118,319 and ended at \$141,502. This increase is due to market conditions and fees.

Monies consist of the following on December 31, 2017:

McInnis Music Scholarship	\$ 5,763
Music Ministry	11,777
Mission Projects	3,637
Pastor Assistance Fund	<u>126,088</u>
Total	\$147,265

**McInnis Music Scholarship:** this fund decreased by \$1,703 in 2017. A net of \$1,271 (interest, dividends, additions less fees) went into the account and \$2,974 in music scholarships to choir students was paid out.

**Music Ministry:** an increase of \$984 was strictly due to market conditions, interest and dividends.

**Mission Projects:** an increase of \$304 was strictly due to market conditions, interest and dividends.

**Pastor Assistance Fund:** An increase of \$21,895 was realized in 2017. This was due in part to a \$12,000 transfer from the Pastor's salary reduction in accordance with the Session approved budget for 2017. The total amount transferred since conception (Sept. 2010) is \$88,000 as of December 2017. Market conditions, fees and other expenses were taken into consideration as well.



### Investment of Endowment Funds

The Finance committee has taken over the obligations of the Legacy committee and is now responsible for investment decisions related to the Endowment funds. Working with our Morgan Stanley representative the committee has continued to monitor the direction of our investments as it searches for larger returns. It is a long-term process that is continually being evaluated. Market conditions were significant in 2017.

<u>Fund</u>	<u>Portfolio Type</u>	<u>2016 Balance</u>	<u>Change</u>	<u>2017 Balance</u>	<u>Percentage</u>
Franklin	Fixed income	\$100,173	\$ 1,088	\$ 101,262	19%
Neuberger	Management	127,653	25,077	152,729	29%
UMA	Management	241,840	37,461	279,301	52%
Total		\$469,666	\$ 63,626	\$ 533,292	100%

### RESERVE FUNDS

Reserve Funds are used for special purposes, which often extend into subsequent years and involve considerable receipts and disbursements, particularly for various program activities that are meant to be self-sustaining. These funds are maintained outside of the General Fund. The balance of ongoing activities as of December 31, 2017 are reflected in the Reserve Fund summary in the financial statements, and total \$209,596. This is a decrease of \$131,054 from January's beginning balance. The Reserve Fund breaks down as follows:

#### **Special Gifts**

Session Designated: This fund began 2017 with a zero balance. Throughout the course of the year, \$109,900 was needed to fund our operating deficit and that amount was transferred into this account from Undesignated Special Gifts and then used to support the budget. The end ending balance on December 31, 2017 zero.

Vic Westling Memorial Garden: This special gift, in Vic's honor, was designated for the new Early Child Education Center. The fund began the year at \$11,675 and ended at \$12,284 (up \$609).

Undesignated Gifts: Certain gifts and bequests are held until the Session determines how these undesignated monies will be used. The account began the year with \$132,428, \$5,000 was received from the Russell McGregor Trust and \$109,900 was transferred to Session Designated Special Gifts for budget support. The balance at December 2017 was \$27,529.

#### **New Fund for Growth & Change**

These former Celebrate the Journey funds (\$330,800 when they were redirected by their donors) are used to implement new programs and ministries. Many exciting projects and programs have benefited from an infusion of funds from this account. January 2017's balance of \$16,880 decreased to \$16,231 at yearend as the net result of \$1,322 in additions from interest earned and special gifts. \$1,971 was used to fund our new website.

#### **Program Activities**

There are a number of program activities that are conducted outside the operating budget by committees. They include:

Christian Education activities that include youth events and retreats, TNT, adult education, and past script sales for youth scholarships and fundraisers. Additions to, and deductions from, this account just about balanced out in 2017. December's ending balance was \$16,359.

Music activities that include special holiday events, fundraisers and funds accumulated in prior years for special purposes and retreats. Additions outpaced deductions to this account in 2017. January's balance of \$11,874, increased to \$13,637 by December 31, 2017.

Mission activities that include Sunday community dinners (until the program was discontinued), food box program and yet-to-be-defined programs. Additions to this account were slightly ahead of deductions in 2017. January's balance of \$7,369 increased to \$8,352 by yearend.



### Capital Projects

The Capital Improvements & Repairs account began the year with \$2,720. \$28,820 was transferred into the account from Reserve Fund reserves to cover the expense of converting the Geneva Room into the new staff office space after they left the CE/Administration building. \$300 in special gifts were received and \$3,019 was used for the new condenser in McAulay Hall. The balance of this account at yearend was zero.

### Scholarships

The church is maintaining nine different permanent scholarships, only the interest of which can be expended. \$1,184 in scholarships were disbursed in 2017. The yearend balance is \$64,300.

### Memorial Funds

Gifts have been received in memory of members who have passed away in recent years. No funds were disbursed or received during 2017. The balance in this fund was \$9,266 at yearend.

### Other Organizations

The church maintains the financial records for several groups within the church. In 2015, the Clippers and Schooners combined and are now the Flagship Group. Also included are the Deacons, Windjammers, Man in Motion, Women Connected and Holiday Hope. The balance for all of these organizations as of December 31, 2017 was \$25,260.

### Other Funds

Other miscellaneous Reserve accounts include Deacons/Congregational Life, Flower Fund, Weddings/Funerals, Reserves and Health Ministries. The balance for these funds as of December 31, 2017 was \$16,378.

## PRE-SCHOOL/INFANT CARE PROGRAM

Session voted to combine our Pre-School and Infant Care Center (ICC) into one operation under one budget in 2017. That combined operation generated a \$40,720 net operating surplus in 2017. The Reserve account for this operation stood at \$96,729 on December 31, 2017. January 2017's beginning balance of \$130,100 was increased by the years surplus and decreased \$71,145 with the expense of building the new infant care spaces in our existing preschool, completed late in the year. An additional \$2,947 was transferred to the General Fund in support of the budget.

The expansion project for the Pre-school, as previously defined by the Site Redevelopment Task Force (SRTF), has undergone a fundamental reconfiguration as a result of stiff opposition from the City. The construction of a new facility on the Grand Street parking lot is no longer feasible.

The depth of discussion required to give you an adequate description of the situation goes far beyond the space allotted here; therefore, **a special meeting of the congregation is being called for Sunday, March 11, 2018** immediately following the conclusion of worship services.

At that meeting you will be provided with a complete written report on the project to date, and a list of Frequently Asked Questions (FAQ) that will hopefully address the majority of your questions/concerns. You are also invited to submit specific questions for the Church Management Committee (CMC), the overarching committee of Session that now encompasses Finance, Facilities and the SRTF, to answer with respect to this project. Those questions can be e-mailed to [jrfotch@reagan.com](mailto:jrfotch@reagan.com) (for this purpose only).

The high-level view of the project to date is this: Although incorrect, and unsupported by the facts, the city has taken the position that our campus falls under their consideration as one of 'historic significance' and therefore must be maintained as is. The fight against this incorrect designation has consumed considerable limited financial resources and valuable time needed for us to react to the position we are in as we work to reconfigure the church into a more sustainable entity.

This being the case, the Session has been forced to retain legal counsel to represent us against the city and the erroneous determination they are attempting to force upon us. Our attorney has successfully defended a Southern California church against just such acts to squelch it's attempting to reconfigure itself as it struggled to survive the changing religious landscape we are living in. The law, and precedence, are on our side. We are confident that once we have completed all of the steps laid out for us by our legal team the city will have no choice but to remove its objections to us doing what needs to be done with our own property in order for us to move forward. Obviously, we would still be held to all relevant health and safety requirements imposed on any comparable construction project, something we have always intended on doing.

Seeing that this action was becoming necessary, the Church Management Committee has explored, and will propose, a new direction for this project. Rather than attempt to build a new facility, we will invest in the expansion and remodeling of our existing spaces (Pre-school and McAulay Hall). Confining our project to our core campus (after successfully overcoming the historical issue with the city) will preserve the Grand Street parking lot for future use and consideration, provide a new parking area 'on campus' after the CE/Administration building is demolished, and greatly reduce the cost of achieving our original goal; increasing the size of our Pre-school and Infant Care operations.

The committee is excited with this new direction. Initial financial analysis of the project is very favorable, and we are looking forward to sharing the details with you on **Sunday, March 11, 2018** after services are concluded.

GENERAL FUND  
STATEMENT OF REVENUES AND EXPENSES

	2016 ACTUAL	2017 BUDGET	2017 ACTUAL
REVENUES			
Pledges	\$ 283,995	\$ 254,950	\$ 274,283
Open Pledges	31,077	25,000	33,117
Plate	3,971	4,000	5,818
Special Envelopes	3,566	2,900	2,568
Special Gifts	5,000	—	1,115
Pledges - Prior Year	1,850	1,500	2,745
Investment Income	230	—	550
Facility Rental Income	43,369	50,000	52,583
Sub-total	373,058	338,350	372,779
Designated Benevolences	3,480	3,000	2,680
Total Revenues	376,538	341,350	375,459
EXPENSES			
Benevolences-Regular	29,635	30,900	27,698
Personnel	327,567	352,250	330,644
Education	10,378	10,800	8,640
Worship & Music	8,385	8,400	5,677
Deacons/Congregational Life	4,841	5,200	5,048
Plant Operations	146,740	108,000	116,207
Office Operations	29,938	37,300	33,572
Per Capita Assessment	6,791	6,800	6,889
Stewardship	693	500	593
Session Discretionary	—	100	58
Health Ministries	600	800	600
Sub-total	565,568	561,050	535,626
Designated Benevolences	3,480	3,000	2,680
Total Expenses	569,048	564,050	538,306
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ (192,510)	\$ (222,700)	\$ (162,847)
TRANSFERS			
Transfer from New Fund For Growth	10,000		
Transfer from GSC	20,000	50,000	50,000
Transfer from Pre-School	15,000	50,000	2,947
Transfer from Special Gift/Bequest	126,000	109,900	109,900
Transfer from General Fund Reserves	21,510	12,800	
NET SURPLUS/(DEFICIT)	\$ 0	\$ 0	\$ 0



**FIRST PRESBYTERIAN CHURCH OF ORANGE**  
**BALANCE SHEET/FUNDS STATEMENT**  
**December 31, 2017**

	<u>TOTAL</u>	<u>GENERAL FUND</u>	<u>BUILDING/ PROPERTY FUND</u>	<u>ENDOW- MENT FUND</u>	<u>RESERVE FUND</u>	<u>DAY CARE FUND</u>
<b>ASSETS</b>						
Cash/Equivalents						
Petty Cash	\$ 400	\$ 200				\$ 200
Checking-General	208,578	120,872	\$ (135,632)	\$ 28,315	\$ 99,453	95,570
Checking-Building Fund	238,535		238,535			
	<u>447,513</u>	<u>121,072</u>	<u>102,903</u>	<u>28,315</u>	<u>99,453</u>	<u>95,770</u>
Investments						
Management Fund	229,278	9,472	109,663		110,143	
Stocks and Bonds	533,292			533,292		
	<u>762,570</u>	<u>9,472</u>	<u>109,663</u>	<u>533,292</u>	<u>110,143</u>	
Receivables						
Accounts Receivable	-					
Fixed Assets (at cost)						
Church Property and Plant	1,250,000		1,250,000			
Grand Street Center	2,053,655		2,053,655			
	<u>3,303,655</u>		<u>3,303,655</u>			
Building Projects						
Early Childcare Ed Center	256,667		256,667			
Total Assets	\$ 4,770,405	\$ 130,544	\$ 3,772,888	\$ 561,607	\$ 209,596	\$ 95,770
<b>LIABILITIES/FUND BALANCES</b>						
Current Liabilities	\$ (1,928)	\$ (969)				\$ (959)
Checking - Due/From Other Funds	87,707	87,707				
Prepaid Pledges	11,625	11,625				
Mortgage Payable	783,988		\$ 783,988			
Advanced Gifts	-					
Fund Balances	<u>3,889,013</u>	<u>32,181</u>	<u>2,988,900</u>	<u>\$ 561,607</u>	<u>\$ 209,596</u>	<u>96,729</u>
Total Liabilities/ Fund Balances	\$ 4,770,405	\$ 130,544	\$ 3,772,888	\$ 561,607	\$ 209,596	\$ 95,770

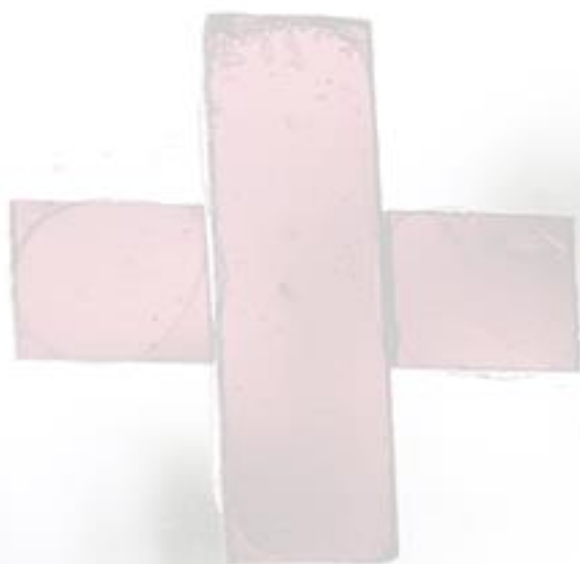


REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2017

		GENERAL FUND	BUILDING/ PROPERTY FUND	ENDOWMENT FUND	RESERVE FUND	DAY CARE FUND
<u>REVENUES</u>						
Pledges	\$ 320,131	\$ 277,028	\$ 43,103			
Open Pledges	38,935	38,935				
Special Gifts	23,414				\$22,434	\$ 980
Special Envelopes	2,568	2,568				
Gifts, Bequests	6,115	1,115			5,000	
Grants	31,538					31,538
Interest/Dividends	32,629	550	5,578	20,047	6,454	
Facility Use	145,772	52,583	93,189			
Special Benevolences	2,680	2,680				
Program Activities	579,546			1,157	156,968	421,421
Pastor Assist. Fund Transfer	12,000			12,000		
Change in Market Value(Net)	51,301			51,301		
Total Revenues	1,246,629	375,459	141,870	84,505	190,856	453,939
<u>EXPENSES</u>						
Benevolences-Regular	27,698	27,698				
Benevolences-Special	5,350	2,680			2,670	
Personnel	702,743	330,644				372,099
Education	8,640	8,640				
Worship & Music	5,677	5,677				
Deacons/Congregational Life	5,048	5,048				
Session	58	58				
Plant Operations	205,233	116,207	71,538			17,488
Office Operations	43,829	33,572				10,257
Per Capita Assessment	6,889	6,889				
Stewardship	593	593				
Scholarships	2,974			2,974		
Capital Improvements	102,984				31,839	71,145
Program Activities	190,876				177,501	13,375
Health Ministries	600	600				
Fees and Other Expenses	7,722			7,722		
Interest Expense	34,765		34,765			
Total Expenses	1,351,679	538,306	106,303	10,696	212,010	484,364
<u>EXCESS OF REVENUE OVER</u>						
(UNDER) EXPENSES	(105,050)	(162,847)	35,567	73,809	(21,154)	(30,425)
Transfers(From)/To Other Funds	-	162,847	(50,000)		(109,900)	(2,947)
FUND BALANCE 1/1/17	\$3,994,063	32,181	3,003,333	487,798	340,650	130,101
FUND BALANCE 12/31/17	\$3,889,013	\$ 32,181	\$2,988,900	\$561,607	\$209,596	\$96,729

RESERVE FUND  
December 31, 2017

	<u>Balance</u> <u>1/1/17</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/17</u>
SPECIAL GIFT-DESIGNATED	11,675	609			12,284
SPECIAL GIFT-UNDESIGNATED	132,429	5,000	\$ (109,900)		27,529
NEW FUND FOR GROWTH AND CHANGE	16,880	1,322		1,971	16,231
CHRISTIAN EDUCATION	16,536	9,286		9,463	16,359
DEACONS/CONGREGATIONAL LIFE	559	1,308		1,520	347
HEALTH MINISTRIES	294				294
MUSIC	11,874	3,313		1,550	13,637
MISSION	7,369	3,242		2,259	8,352
CAPITAL PROJECTS/ORGAN	2,720	29,120		31,840	-
SCHOLARSHIPS	62,288	3,195		1,183	64,300
MEMORIAL FUNDS	9,266				9,266
HOLIDAY HOPE	5,957	13,125		16,077	3,005
CHURCH ORGANIZATIONS	19,490	8,461		5,696	22,255
RESERVE	36,292	1,094		28,820	8,566
FLOWER FUND	5,009	1,581		1,331	5,259
WEDDINGS/FUNERALS	2,012	300		400	1,912
TOTAL RESERVE FUND	\$ 340,650	\$ 80,956	\$ (109,900)	\$ 102,110	\$ 209,596



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