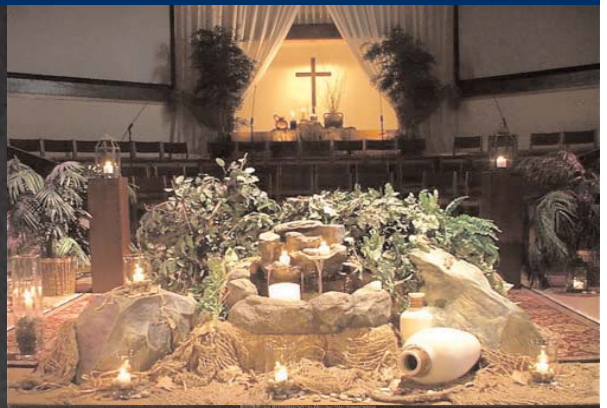


Annual Ministry Report

May 1, 2008 - April 30, 2009



A MESSAGE FROM BRYAN WILKERSON, SENIOR PASTOR



As we come to the end of a year-long focus on ONE ANOTHER: Becoming the Body of Christ, we have much to celebrate! At a recent staff meeting, we brainstormed a list of ways God enabled us to "gain ground" for the Kingdom this year. Here are a few highlights:

- Crossed the 3,000 threshold in average worship attendance
- Offered five Christmas Eve Services reaching 5,949 people
- Explored biblical teaching on relationships and the church
 - The Fruit of the Spirit
 - The One Anothers of the New Testament
 - I Corinthians

- Welcomed 79 people into membership
- Baptized 58 Christ-followers
- Improved look and efficiency of the lobby area
- Began simultaneous translation into Korean and Brazilian Portuguese
- Introduced "January Jolt" Adult Discipleship courses
- Improved and expanded our Welcome Team Ministry
- Gave over \$50,000 to the Global Awareness Week project in Malawi
- First Men's Retreat: "Road Trip"
- Introduced LIFE Community coaches and Oasis for leader development and support

In addition to these new initiatives and upgrades, just about every area of ministry saw growth and improvement this year. Most importantly, we saw relationships grow as we came to know one another, care for one another, and serve one another more fully and deeply.

The pastoral staff enjoyed another year of collaborative, team-based ministry. As the year draws to a close we are saying good-bye to Brian Dietz, our Middle School Pastor, and to Dan Griswold, our High School Ministry Assistant. We're thankful for all they have contributed here at Grace Chapel, and are grateful to have played a role in their ministry development as they head off to serve the Kingdom in other places.

I'm thankful for the wisdom, support, and energetic engagement the Elders have brought to their work this year. Tom Colatosti, Chairman, has provided strategic leadership as we look to the future. Treasurer Bob Landrebe has guided us wisely and faithfully through these financially challenging times.

After focusing on Transformation last year, and One Another this year, next year we will set our sights outward by extending God's grace beyond the walls of our church. We also look forward to sharing a vision for Kingdom growth and impact, that the elders and staff have been prayerfully considering and clarifying for the past year. We believe that VISION 2020 will define and energize our ministry for years to come, by inviting God to do greater things than we could ask for or imagine in and through us!

As I look back over nearly nine years at Grace Chapel, I am humbled and grateful for all that God has done, and for how rich these years have been in life, ministry, and relationships. I am looking forward to a couple of months of rest and renewal, but I am equally excited about all that God has in store for us in the years to come.

A handwritten signature in black ink that reads "Pastor Bryan".

Pastor Bryan

About this Annual Report

In the interest of good stewardship, we minimized the number of pages included in this report and produced it in-house. Please help us save even more money and trees by utilizing the electronic version on our website at www.grace.org rather than taking a paper copy. The Treasurer's Report provides a summary of our financial results for the year. The audited financial statements will be published separately (on our website and paper copies) as soon as they are finalized (in the next few weeks) by our outside auditors.

A MESSAGE FROM TOM COLATOSTI, CHAIR, BOARD OF OVERSEEING ELDERS



Dear Friends,

It has been a wonderful ministry year at Grace Chapel - the Word is relevantly taught with passion and clarity and people are being cared for and ministered to in greater ways. As a result, new people are coming as never before and lives are being changed. The church is growing - Sunday worship service attendance this spring has averaged over 3,000 adults each week as well as over 1,000 children and youth. The congregation is becoming more diverse with people joining us from a broad variety of ethnic, racial, geographic, social backgrounds. This, perhaps more than anything, suggests that not only is there a hunger for God and His Word, but that we are becoming a welcoming, friendly, accepting and ministering community.

But, Grace Chapel has always been about the future:

- We are committed to growing deeper in our passion for God and to live in Christ-likeness.
- We are committed to growing larger to reach and serve more and more people for Christ.
- We are committed to growing in our influence on culture including working with other churches to more effectively reach communities across New England and beyond.

VISION 2020

With this commitment to spiritual and physical growth in mind, for the past nine months, the Elders and pastoral staff have been working on long-term planning known as VISION 2020. This vision is all about transforming lives. By God's grace we will extend this message by establishing additional Grace Chapel campuses and by working closely with local churches:

To transform lives and communities by:

- Establishing vibrant Grace Chapel campuses across New England.
- Forming regional and global networks of like-minded churches that collaborate for Kingdom growth.

You will be hearing much more about this vision in the coming months and years. But for now, know that we believe God is leading us to a grander level of Kingdom impact.

Increasing Congregational Participation

The Elders will soon be bringing a proposal forward to amend our bylaws to encourage greater member participation. This is a very important and empowering proposal to engage more members to be more fully engaged in the life of the church. The Elders unanimously recommend this proposal and look forward to continuing this discussion with you.

Appreciation

The Elders are incredibly thankful, inspired and humbled by your generosity. During one of the most challenging economic years in a generation, you have given more this year than any year in the history of Grace Chapel. As a result, we again can report a balanced budget with no major retrenchment in ministry! We thank God for His provision and for your faithfulness and generosity!

Our balanced budget not only reflects your sacrificial and generous giving, but it also includes significant sacrifice and discipline from the pastoral staff who worked hard and creatively to reduce budgeted spending by more than \$200,000. They graciously embraced and led the idea to "do more with less." God has been honored by the stewardship of the congregation and the pastoral staff.

We want to thank all the pastoral staff for who they are and for what they do. They are God's gift to us and serve us with dedication and love. We especially need to recognize the competency, the skill the passion and commitment of our Executive Pastor, Bill Burke. None of us can fully appreciate all he does, mostly behind the scenes, to make Grace work in the outstanding way it does. His calm, patient, mature, professional, winsome and wise leadership enables us all. Certainly we express our deep thanks, admiration and love to Pastor Bryan Wilkerson for his Godly leadership, his faithful and effective expositing of God's word week after week, for his pastoral love for each of us, and for his concern for the spiritual growth of the congregation.

We must extend our deepest appreciation to more than 800 of you who faithfully volunteer to serve in so many ways. From leading and teaching God's word, to all the numerous support services that make everything work so well. You all serve God and His children with grace, love, passion and dedication - thank you!

Lastly, I want to thank my fellow Elders for their service to you and to God. While I can list dozens of activities and ministries; scores, if not hundreds of hours of service they perform, nothing gives them more joy than to ensure Grace Chapel is faithful to Scripture, to seek constantly for God's vision for the future, to care for your spiritual growth and to pray for your needs. If there is any one thing that marks Elder leadership it is prayer. The Elders receive a daily update of all the prayer requests that come to the church. They pray for these needs daily; they serve in the Prayer Chapel every Sunday to pray individually for the sick and needy; and they meet together every Wednesday to pray for you and the church.

It is an honor, joy and privilege for me to work with these humble, wise and Godly servants.

A handwritten signature in black ink, appearing to read "Tom Colatosti". The signature is fluid and cursive.

Tom Colatosti

To get to know more about the Elders at Grace Chapel, log onto www.grace.org/elders.

TREASURER'S REPORT 2009



From a stewardship standpoint, this has truly been an extraordinary year at Grace Chapel.

Despite the major downturn in the global financial markets, the plummeting of home values and a growing unemployment rate as a congregation, you contributed about \$6.6 million for our ministry operations and missions. In a year of financial distress not seen since the Great Depression, you gave towards ministry operations and missions at a new record level! Only God can work in the hearts of His people to give with such commitment when faced with so many reasons to hold back. On behalf of the Board of Elders, thank you for your unprecedented, generous level of giving to the Lord's work. You made history at Grace Chapel in the year 2009! Praise God! To add to all of this, we also received a \$1 million estate gift this year – something totally unexpected. For now, this gift has been set aside by the Elders as a reserve in these financially uncertain times, and to be used strategically at the appropriate time.

When we built our budget in early 2008, we had no idea that fiscal year 2009 would be so challenging. But, even though we fell a little bit short on our original budget revenue goals, we still managed to end the fiscal year with a modest operating surplus. This was made possible because of some tight cost controls exercised by our pastoral and staff teams. Both the Board of

Elders and Finance Committee realized how challenging this was to our pastors, staff and voluntary leaders. With the combination of generous giving and a \$200,000 budget reduction, we "lived within our means" while meeting all of the priority ministry goals and services we hoped to reach this year. We give thanks to our God for such a marvelous team of Christ-like and gifted pastors, staff and volunteers who took the resources He provided to advance Christ's kingdom in Lexington and beyond.

The Board of Elders set the proposed fiscal year 2010 budget (for the fiscal year beginning May 1, 2009) for an amount equal to the final fiscal year 2009 giving levels. The Board of Elders believed that this approach made sense given the economic realities of today. On one hand, this budget intends to demonstrate that your church leaders are taking appropriate "cost reduction" steps given the economic climate. On the other hand, we are not taking any drastic actions that would eliminate ministries or cut staffing levels for budget purposes. In order for us to bring the congregation a balanced budget, the fiscal year 2010 budget does not allow for pay increases for our pastors and staff. We are also implementing a high deductible health insurance plan that will reduce our health insurance costs. In addition, in order to present a balanced budget, we will be holding our ministry programs and missions budgets to amounts similar to our fiscal year 2009 spending levels.

The proposed budget includes a small reserve which will be used to seed ministries, meet unforeseen cost increases or emergencies, or fund approved new initiatives - if giving meets or exceeds budgeted amounts.

May God continue to give you great joy in your serving and giving as we enter this new ministry year together.

Sincerely in Christ,

A handwritten signature in cursive script that reads "Bob Landrebe".

Bob Landrebe, Treasurer and Elder

ANNUAL MEETING MINUTES - JUNE 1, 2008

The Grace Chapel Annual Meeting was held on Sunday, June 1, 2008. At 12:50 p.m., John Schoenherr, Chair, Board of Overseeing Elders, and acting Moderator, declared a quorum and called the meeting to order. He also led the opening prayer.

Minutes of 2007 Annual Meeting

There was a motion and a second to approve the minutes from last year's annual meeting, which passed.

Senior Pastor's Report

The Moderator called on Pastor Bryan to share his report, entitled *Gaining Ground*. Pastor Bryan provided an overview of 10 ways in which Grace Chapel experienced transformation and growth over the past year.

Treasurer's Report

The Moderator called on Bob Landrebe, Elder and Treasurer, to present the Treasurer's Report. He highlighted Grace Chapel's financial comeback with a fiscal year close of 1.5% over core budget after being down 13% for first five months. Bob thanked Tom Hermann and Janice Pinto and their teams for their service and the Finance Committee for their help this year.

He walked the congregation through the fiscal year 2008 operating results and fiscal year 2009 Budget. He reported a \$155,000 surplus to fund capital projects, resource Vision 2010, and reduce dependency on lines of credit. He also stated that the Audit Report will show a loss for the year due to depreciation expense, which is not included in the Operating Results. Bob reported that the fiscal year 2009 budget is a 4.5% increase over last year.

Bob made a motion to accept the Treasurer's Report for fiscal year 2008 and approve the proposed budget for fiscal year 2009 as recommended by the Finance Committee and Board of Elders, which was seconded. Several questions were asked. The Moderator asked to call the motion to question and the motion passed.

Nominating Committee's Report

Brad Gardner, chair of the Nominating Committee, thanked the Nominating Committee for its service and presented the slate of candidates for Elder, Audit Committee, Moderator, Clerk and Nominating Committee. A motion was made to approve the slate of candidates as recommended by the Nominating Committee and Board of Elders and seconded. Several questions were asked. The Moderator asked to call the motion to question and the motion passed.

Matters Arising

The Moderator opened the floor for discussion regarding any matters arising. Several questions were asked. Those with budget-related questions were asked to speak with Bob Landrebe, Tom Hermann, or Bill Burke after the meeting for further discussion.

A motion to adjourn was made and seconded. The motion passed. Tom Colatosti, new Chair, Board of Elders, closed in prayer at 1:40 pm.

Respectfully submitted,
Brooke Sulahian
Church Clerk

CLERK'S REPORT

Baptisms

May 1, 2008 — April 30, 2009 58

Membership

Members as of April 30, 2008 1,987

New Members

May 1, 2008 — April 30, 2009 79

Reinstated

2

Less

Transferred 25

Dropped by Request 17

The following members went home to be with the Lord: 19

Richard Bruhn
Helen Clark
Forestine Cole
Ernie Craig
Jean Diniz
Eliot Eames
John Favaloro
Joan Flemming
Joe Hunt
Edwin Ings
Ken Kirkland
Pauline Lewis
Mark Moore
Charles Rae
John Sandblom
Marty Shannon
Miles Strodel
Judy Swanson
Josephine West

Total Membership

as of 4/30/09 2,007

Report of the Nominating Committee

Overseeing Elders

Class of 2009

Mark Cannister
Brad Gardner
Ravi Ravichandran
Ron Silvestri

Class of 2010

Paul Bodet
Bill Hanley
Paul Selian

Class of 2011

Tom Colatosti
Don Nelson

Class of 2012

Roy Ciampa
Bob Landrebe
Gary Thorburn
David Ting

Slate of officers to be elected at the June 7, 2009 Annual Meeting

Elder (4-year term)

Mark Cannister
Brad Gardner
Ravi Ravichandran

Clerk (1-year term)

Brooke Sulahian

Moderator (1-year term)

Cynthia Parker

2008 Nominating Committee

(1-year term)

Don Coughlin
Victor Gerdes
Patti Moy
Judy Olson

Audit Committee (1-year term)

Varnel Antoine
Sarah Shaw
Larry Warfield

Respectfully Submitted, Nominating Committee 2008-2009

Ron Silvestri, Elder Chair
Julie Schaffner

Gary Thorburn, Elder
Emanuel Tucker

Steve Palmer
Audrey Wang

New Members in 2008 - 2009 Fiscal Year

Margarette Alcime	Mishele Chin	Marc Gorgenyi	Roger Paradis
Esther An	Erica Corley	Jianping Guo	Anne Petropoulos
Jungwon An	Jacqueline Cronin	Janice Hamilton	Sharon Reimsnider
Edson Andrade	Charles Day	Maritza Hernandez	Greg Roberts
Deborah Andreson	Michelle Day	Joelle Hong	Pam Roberts
Ulrich Becker	Robert Dee	Deborah Humphrey	Kristina Rodriguez
Justin Bennett	Dwyer Dennis	Daniel Jimenez	Pauline Shanks
David Bernier	Tammy Dennis	Elizabeth Jimenez	Philip Snell
Meghan Blosser	Daniel Deuppen	Tony Jimenez	Taeminn Song
Kerri Bouthiller	Karen Deuppen	Jennifer Johnson	Diane Tobbyne
Nicque Bradshaw	Linda Doll	Seongju Kim	Debbie Turner
Philip Bradshaw	Mark Douglass	Scott Kinkade	Richard Vail
Eugene Buchiere	Deppti Erikipati	Sampath Kongala	Sally Vail
Barbara Buchieri	Linda Frizzell	Craig Lillehei	Guo Wei
Blake Callais	Earl Gambino	Deborah Lobbregt	Jessica Wightman
Catherine Callais	Chitra Godwin	Susan Machnik	Susan Wilkinson
Li-Wen Chao	Joel Godwin	Theo Marston	Robert Williams
Tyrone Chao	Brian Goodman	Shirley Moore	Lyn Xavier
Howard Chin	Eva Goodman	Lauren Nash	Alexandria Young
Lily Chin	Lisa Gorgenyi	Eunhee Paik	

TREASURER'S REPORT

Five Year Summary of Operations					
	For the Fiscal Year Ending April 30, 2009				
	FY2005	FY2006	FY2007	FY2008	FY2009
Contributions	\$4,693,286	\$5,950,917	\$5,877,945	\$6,554,688	\$6,602,095
Other Income	\$180,167	\$239,852	\$292,245	\$363,716	\$393,763
Total Income	\$4,873,453	\$6,190,769	\$6,170,190	\$6,918,404	\$6,995,858
Expenditures	4,823,827	\$5,807,034	\$6,169,504	\$6,763,152	\$6,972,435
Surplus from Operations	\$49,626	\$383,735	\$686	\$155,252	\$23,423
Total Budgeted Contributions And Expenditures					
	FY2009 Budget	FY2009 Actual	FY2010 Budget	% Change over Prior Year Budget	% Change over Prior Year Actual
Income					
Contributions	\$6,848,130	\$6,602,095	\$6,598,500	-3.6%	-0.1%
Other	\$361,000	\$393,763	\$394,753	3.6%	0.3%
Total Income	\$7,229,130	\$6,995,858	\$6,993,253	-3.3%	0.0%
Expenditures					
Ministry	\$2,533,510	\$2,411,385	\$2,629,530	3.8%	9.0%
Missions	\$1,672,817	\$1,564,690	\$1,610,088	-3.7%	2.9%
Ministry Support Services	\$2,128,789	\$2,116,752	\$1,818,990	-14.6%	-14.1%
Interest Expense	606,020	592,720	554,957	-8.4%	-6.4%
Grand Total	\$6,941,136	6,685,547	\$6,613,565	-4.7%	-1.1%
Ministry Operating Budget	\$6,941,136	\$6,685,547	\$6,613,565	-4.7%	-1.1%
Maintenance Reserve Funded by Interest Income			\$25,000		
Contingency/Reserve			\$50,000		
Subtotal Expenditures	\$6,941,136	\$6,685,547	\$6,688,565	-3.6%	0.0%
Capital Budget					
Mortgage Principal Repayment	\$287,994	\$286,888	\$304,688	5.8%	6.2%
Total Expenditures	\$7,229,130	\$6,972,435	\$6,993,253	-3.3%	0.3%
Surplus from Operations	\$0	\$23,423	\$0		

Notes: 1) Total income presented in our "Ministry Budget" here does not include donated services, certain registration fees, or bequests & planned giving.

2) The allocation between Ministry, Missions and Ministry Support Services has changed to align personnel and certain expense categories more accurately within these departments. All three areas declined in actual budget this year including Ministry but some expenses previously labeled as Ministry Support Services are really directly related to Ministry. Without these allocations, Ministry Support Services would have decreased slightly less and Ministry would not have an "increase" over FY2009 budget.

3) Total expenditures presented in our "Ministry Budget" here does not include certain "non-cash" items including donated services & depreciation.

4) Mortgage Principal Repayments do not have a negative impact on our financial positions but do require significant cash outflows and so they are presented here in our "Ministry Budget" and we count on contributions in the current year to meet these obligations.



Grace Chapel is a nondenominational church that welcomes people from all backgrounds.

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