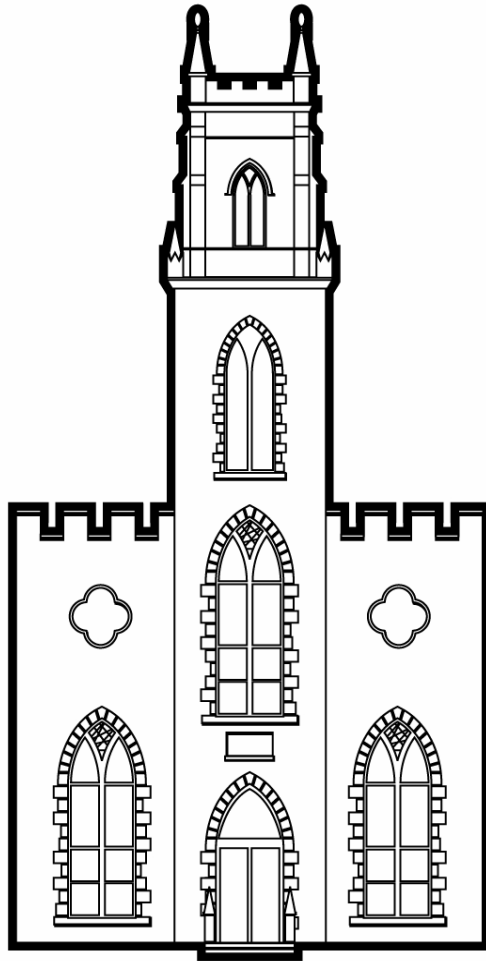


SAINT LUKE'S CHURCH

HOPE, NEW JERSEY



*A caring community where people experience the love, power
and presence of God*

2006 Annual Report
February 4, 2007

TABLE OF CONTENTS

Minutes of the Previous Annual Meeting	3
Rector's Report	5
Report of the Nominating Committee	6
Senior Warden's Report	7
Junior Warden's/Building & Grounds Report	9
Other Reports	
Altar Guild	11
Children's Church School	12
Music Committee	13
Concert Committee	14
Restoration Committee	15
Outreach Committee	17
Haven of Hope for Kids	18
Youth Committee	20
Treasurer's Report	
Income Statement	21
Proposed Budget	24
Balance Sheet – 12/31/2005	25
Balance Sheet – 12/31/2006	27
Rector's Discretionary Fund	29

Annual Meeting Minutes - February 19, 2006

Fr. Bill Potter opened the meeting with a prayer.

Minutes of the 2005 Annual Meeting were distributed and read by all in attendance.

- Phyllis Smith made a motion to accept the minutes; Bill Lapp seconded and the motion carried.

Fr. Bill thanked the outgoing vestry members. He encouraged all in attendance to look to John Norcross as a model of how to faithfully serve St Luke's Church. Fr. Bill talked about "new times ahead", the priesthood of the believer, and the need for a balanced ministry. He presented a plaque and a print of the renovated narthex to John for his service as Sr. Warden.

Election of Vestry Members

Fr. Bill presented the Nomination Slate for new vestry members. Sue Franson was nominated to serve as Sr. Warden. Ed Roper, Guy Walton, Tom Palmieri, Joan Baron, and Gerry Kuehn were nominated as new vestry members. There were no additional nominations from the floor.

- Vito DiCristina moved that the nominations be closed, seconded by John Norcross. Motion passed.
- Guy Walton moved and Carol Dilly seconded to accept the candidates as presented. Motion passed.

Fr. Bill reported that the treasurer for the coming year would be approved by the vestry at its next meeting.

Delegates to Diocesan Convention and District 1

Fr Bill opened the floor for nominations for delegates to the Diocesan Convention of 2007 and for District One delegates. The following people were nominated and approved:

Delegates to the Diocesan Convention January 2007

- John Hovell
- Bill Lapp
- Carola Walton
- Alternates: Sue Franson, Cynthia Potter

Delegates for District One

- Bill Lapp
- TomPalmieri

In addition, the delegates to the Diocesan Convention of January 2006 were asked to represent the membership of St Luke's at the Convention to elect the new Bishop. Those voting representatives will be: Bill Lapp, John Norcross, and Carola Walton.

Fr. Bill presented Peter Pfunke the Annual Rector's Award for his devotion to the music ministry at St Luke's and for his work on as chairman of the Restoration Project.

Restoration Project - Peter Pfunke.

Peter Pfunke reported that the state of New Jersey recognizes St Luke's as an important historical structure. The grant of over \$11,000.00 awarded by the state allowed us to develop a historically accurate paint scheme that was completed in the narthex the summer of 2005. The slate roof has also been repaired, although it will need continued maintenance. Peter also recognized the work of Guy Walton and John Hovell on the new church historical brochure that is available for anyone who visits St Luke's. The next step in the restoration process is to have the building recognized as a historical site – this would allow us to apply for a larger grant from the state to continue restoration work – and to raise \$13,000 to paint the interior of the sanctuary in the summer of 2006.

Restoration Committee members include Peter Pfunke, Guy Walton, John Hovell, Elaine Norcross, Ed Roper, and Fr. Gary Bloomer.

Financial Report – Sharon Cousins

Sharon Cousins presented the treasurer's report. This report was followed by a lengthy discussion about the financial health of the church. Vito DiCristina proposed the creation of a finance committee consisting of the Rector, Sr. Warden, Treasurer, and one other individual. These people would be given the fiduciary responsibility for the church. He suggested that the committee be responsible for knowing the status of each member's pledging, defining the magnitude of the financial problem at St. Luke's, and proposing a solution to the vestry in the form of a financial plan. After much discussion it was proposed that the vestry be responsible for a job description for the proposed financial committee.

- Vito DiCristina made a motion that the members of St Luke's permit the Rector, Sr. Warden, Treasurer and one other person to be determined by the Rector, access to the personal giving records of each member of this parish. John Norcross seconded this motion. Motion passed.
- A motion was made by Bart Cousins and seconded by Vito DiCristina to amend the budget to reflect Haven of Hope's contribution to the personnel expenses of St Luke's and then to accept the budget as amended. Motion passed.

Fr. Bill called all those newly elected to the vestry or as delegates to the convention to come forward to be presented to the congregation. They were anointed and received a prayer of guidance and commissioning from Fr. Bill and the parish members in attendance for their upcoming work that they will perform on behalf of St. Luke's.

- Motion to adjourn was made by Guy Walton and seconded by John Norcross. Motion passed and the meeting was adjourned.

Respectfully submitted by
Robert C Bremer
Recording Secretary

Rector's Report

"There was a time when the Holy Spirit came upon an ordinary group of men and women and filled them so strongly with his presence and power they became irrevocably committed to God and irrationally devoted to one another."

Gilbert Bilezikian's paraphrase of Acts 2

My Dear Fellow Parishioners:

What a year 2006 was in the life of this parish! Everyone should be proud of what through God's grace your hard work and commitment have produced. For the first time in a decade we ended the year without a deficit. That is an amazing accomplishment! Even more importantly, our membership and our ministry have grown. Within this Diocese and the national church we have become recognized as a model for what a small rural church can do. We have truly lived into our mission statement to be a "caring community where people experience the love, power and presence of God." None of this would have happened without God and without you. Rejoice and be glad!

We especially want to acknowledge the new members who have joined us this year. Young and old, you have enriched our community with your many talents and enthusiasm. Chuck Winch and Cheryl Crisp have already agreed to serve on our Vestry and Dave Ebbels is our new Junior Warden.

And, speaking of the Vestry, what a job our Senior Warden, Sue Franson, has done as the lay leader of this congregation! Her remarkably calm, focused and faith-filled leadership has been a true blessing from God and is truly appreciated by you Rector. And, none among us should overlook the tireless effort and hours Sharon Cousins has given in managing the finances of St. Luke's.

Our ministry depends on all of us. Each one of us is indispensable. Carola Walton is our marvelously dedicated program director for Haven of Hope for Kids, but she totally depends on our 50 dedicated volunteers of whom so many come from St. Luke's. We have given so much caring love to our guest families and their children. Think of what we do together here: The Altar & Flower Guild, the Church School, the music program, the acolytes, lay readers and chalice bearers, landscaping & maintenance, concert series, youth activities, food & refreshments, the church restoration effort, Hope Market Day, Haven of Hope for Kids, the Afghan School . It's a remarkable list! And, you together are making it happen!

I thank each and every one of you. And, I firmly believe that through Jesus Christ and the power of the Holy Spirit we will continue to build this community and accomplish even greater things!

Faithfully yours in Christ,
Father Bill Potter
Rector

Proposed Candidates for Election to the Vestry

VESTRY NOMINATIONS

Nominations	Status	Standing Committee Responsibility	term will expire	Subsequent Terms Eligible for RE-Election
Sue Franson	Existing	Sr. Warden	1/1/2008	1
Dave Ebbels	Nomination	Jr. Warden/Property	1/1/2009	1
Cheryl Crisp	Nomination	Vestry Member	1/1/2010	1
Chuck Winch	Nomination	Vestry Member	1/1/2010	1
Tom Palmieri	Existing	Vestry Member	1/1/2008	1
Laura Wright	Existing	Vestry Member	1/1/2008	1
John Hovell	Existing	Vestry Member	1/1/2009	0
Gerry Kuehn	Existing	Vestry Member	1/1/2009	1
Vacancy			1/1/2010	
Sharon Cousins	Nomination	Treasurer	1/1/2008	annual
Fr. Bill Potter				

Submitted by
The Vestry

Senior Warden's Report

It has been a great pleasure as well as a very rewarding opportunity serving this past year as the Senior Warden for St. Luke's. In many ways I have surprised myself in that it was originally, for me, going to be an opportunity to give back to a church that has served both as a place to celebrate as well as a place to heal. And while it continues to offer me a great deal of comfort and joy serving in a leadership position has provided me with opportunities to develop close relationships, grow as a person, and to be part of something almost magical. I have witness some very extraordinary things occur all due to the willingness of a group of people committed to making a difference and the belief that God would provide.

The year started out with a retreat where members of the Vestry met to develop a strategy and set goals for the next three years'. We spent some time understanding our differences and appreciating the contributions of each other in accomplishing important work for St. Luke's. While "understanding each others differences" may sound a bit cliché, it has helped significantly in moving us forward.

We spent a great deal of time creating a vision for our future and a mission statement to define our purpose. We also spent time discussing our values which we felt are to be welcoming, inclusive, and spiritual, to show compassion, serve and mentor, and to be a traditional community.

While it still needs some refinement our mission statement reads "St. Luke's is a caring community where people experience the love, power and presence of God". Additional areas that we would like to consider are social action, traditional and historic, Anglican, and Christian's doing Gods' work. It is my hope that we can finalize a mission statement at this years' retreat. Stay tuned!

The vision or priorities that we developed include:

- 1) Vibrant, active youth participation
- 2) A membership of 70 families
- 3) Vibrant congregationally generated prayers of intercession and thanksgiving
- 4) A congregation that is irrationally devoted to each other
- 5) Confirmation programs for youth and adults
- 6) A fully restored church

The beginning of 2007 finds us with many accomplishments to celebrate. New members have brought creative ideas and more energy, Haven of Hope for Kids has touched and changed the lives of many, a music program for adults and children that has created a whole new way for us to worship, a restoration project that will create a beautiful atmosphere in which to serve God and attract people, and a Sunday School program that

has given our littlest members the opportunity to understand what it means to be Christians.

We have much left to accomplish to be the church we want to be but with the commitment of each and every one of us, a lot hard work, and most especially the love and help from our heavenly Father we can face any challenges.

I would like to thank the Vestry for their commitment to making sure that St. Luke's is well cared for, Father Bill for his boundless energy, spiritual leadership and endless optimism, and to you, the members of the parish, for your friendships and for allowing me to be part of something so rewarding and powerful.

Submitted by
Sue Franson
Senior Warden

Junior Warden's Report

Completed Projects

Mroz Cottage.

During October 2006, The Warren County Housing inspector determined that several corrective actions were required to place this dwelling in compliance with Housing Quality Standards. Among these were:

1. Building Exterior: Must reattach leader from gutter in front.
2. Building Exterior: Must clean gutters.
3. Must install carbon monoxide detector in between bedrooms.
4. Must move smoke detector to bedroom, closer to ceiling.

The above conditions were corrected by the Junior Warden, as well as additional repairs which were handled by Dick Krause, including reparation of a leak in the roof.

Current Projects

St. Luke's Tower Restoration.

In late October 2006, a severe wind storm caused significant damage to the bell tower of St. Luke's. The storm blew off one finial spire. An insurance claim has been filed with the Church Insurance Corporation. They requested that the remaining three finial spires, also weakened in the storm, be removed as well. For over 10 years, St. Luke's has expended considerable funds maintaining the tower.

In order to now determine the most cost effective and long lasting way to meet the challenge of the tower's deterioration, the Diocese and the church's Vestry are exploring the following four options:

1. Scrape, repair and repaint the tower using traditional materials, including the use of hardwoods.
2. Replace most vulnerable components in fiberglass or other synthetic material, repairing and repainting other components using traditional materials.
3. Replace entire tower in fiberglass or other synthetic material.
4. Remove entire wooden belfry and cap the tower at the level of stone construction.

All of the above options are currently being considered, and cost estimates obtained. Among the organizations involved in helping to fund the project are the Church Insurance Corporation; the Ward J. Herbert Fund of the Diocese; and the New Jersey Historic Trust.

Future Projects

Painting of the Parish Hall's Exterior.

The Parish Hall exterior is in need of repainting. We will be contacting painting contractors for estimates. Informally, it is believed that St. Luke's would be able to fund the project if it does not exceed \$5000. A more formal discussion is needed by the members of the Vestry to determine the appropriate course of action. Timeframe TBD as of report date.

Reinforcement of the Walkway Behind the Church.

There is a growing sinkhole beneath the concrete walkway near the back parking lot of St. Luke's. It is feared that the walkway could collapse under weight, or that a small child could slip into the hole. Before this can just be filled in, the location of the Church's septic system must first be determined. Timeframe TBD as of report date.

Submitted by
Dave Ebbels

Altar Guild Report

The Altar Guild still has only 3 active members: Evelyn Constantine, Val DiCristina and myself. The tasks we perform are not difficult and rarely involve any time besides 15 minutes immediately after Sunday service. Please consider serving St Luke's as a member of the Altar Guild.

Continued thanks to Leigh Kramer for her behind the scenes time taking care of the linens for the Altar Guild and to John Hovell for helping after the services with the clean up of the altar. We really appreciate all your help.

New hand linens were consecrated this year thanks to donations received by the Altar Guild. The linens were blessed in memory of Leigh's mother and in grateful thanksgiving for Evie's years of support at St. Luke's. Even though I have taken over the title of Altar Guild director, Evie is still an indispensable force in the smooth running of St. Luke's. I could not get half of what needs to be done accomplished without her generous help.

A new altar is to be built as part of the church restoration project. At that time new fair linens will be purchased as the altar will be of different dimensions.

The Flower Guild has outdone themselves this year. The members include Val DiCristina, Guy Walton, Kate Skeffington and Evie Constantine. These generous souls arrange flowers June – November at their own expense. I think they have all done an excellent job in arranging the flowers for our services. Thank you all for your time and dedication to St Luke's.

Anyone who has attended a service at St. Luke's knows what a splendid job these folks do. The color, variety and subtlety of arrangements makes even a normal Sunday service come alive in beauty. Holiday services, -Wow! God has certainly given them the gift of vision to display his creations to his glory.

Karen Ebbels has also made contributions to the splendor of St. Luke's by providing flowers from her garden for a Sunday service and also for planting lovely flowers along the walkway between the church and the parish house.

Iona Hills Farms donated the plants gracing the church at Thanksgiving. The enormous wreathes gracing the front of the church for Christmas were donated by A & J Messina Greenhouses. The generosity of these businesses is greatly appreciated as they added so much to the beauty of our church.

Anyone wishing to join this splendid group should speak to one of the members.

Yours In Christ
Laura Wright, Altar Guild Directress

Children's Sunday School Report

September marked the second year of our new church school program at St. Luke's. We continue to designate the first Sunday of each month as "Children's Sunday", with the service directed towards and including the children of our parish. All other Sundays we offer a church school class from 10:00 AM until the offering is collected in the main church, at which time the children join their parents for communion.

We have been using the curriculum provided by the Episcopal Church web site. They have lesson plans geared for smaller congregations and they vary the lesson depending on whether the class has older or younger children. Our church school attendance varies between 3-6 children each week and these children are usually under the age of 10. You can visit this website and view all the lessons by going to:

http://www.episcopalchurch.org/50534_ENG_HTM.htm

The lesson plans follow the revised common lectionary, so our church school students learn about and discuss the same Bible lesson that their parents hear during the main church service.

This curriculum does an excellent job of outlining and explaining each lesson, giving the leader step-by-step instructions that draw the class into discussions, play acting, artwork, and group prayers. The lesson plans are geared to show children how the Bible relates to them today, in their day-to-day lives. The children are challenged each week to find an opportunity to apply the lesson in their own lives during the following week. The variety of activities in each lesson and the informal approach to learning is fun for the children and enjoyable to teach.

This fall we tried to incorporate musical worship into our Children's

Program under the direction of our organist, Gary Kutzleman. The children participated in singing contemporary hymns and playing various musical instruments. Due to time and financial restraints, this part of our curriculum may need to be limited to Children's Sunday only.

The current Church School leadership team that alternates teaching each week is Pam Faris or Laura Wright, but we are hoping that other members of the congregation will take the opportunity to sign up and teach a Sunday school class. We will have a sign up sheet at Coffee Hour each week for anyone interested, as well as extra copies of the lessons for them to take with them and review. We also encourage the teens in our church to participate as discussion leaders or as part of a parent/teen leadership team.

Hope to see you in Church School!

Submitted by
Pam Faris

Music Committee Report

The highlight of St. Luke's music ministry in 2006 was the welcoming of Music Director Gary Kutzelman to our church family. Mr. Kutzelman has been a public school music teacher for over 10 years and has an extensive background in church and contemporary music. In addition to his inspirational organ playing at Sunday services and coordinating special musical performances, he is directing our Youth Choir.

On the first Sundays of the month and on Christmas Eve the youth choir dazzled us not only with talent but also enthusiasm. The new choir will be meeting at the beginning of the 10 AM Sunday service during Church School. Fr. Bill sees this as an opportunity for children both from within the congregation and from the wider community to broaden their knowledge and appreciation of music and singing. He says, "We are so pleased to have Gary offering this program. And, you certainly don't have to be a member of this church to participate. Everybody is welcome. With Gary's leadership and talent we know this will be exciting and fun for everyone involved."

Because of the generosity of Vito DiCristina, we have invited over the past several months extraordinary musicians to perform at St. Luke's on Sunday mornings. We welcomed on Sunday, October 15th Mike Esposito, reso-guitar master, singer and songwriter, and then on Sunday, November 19th Travis Wetzell, master of contemporary fiddle music, mandolin and guitar, and then on Sunday, November 26th Valerie Bernhardt, the highly acclaimed opera singer. Vito's generosity also helped launch the Youth Choir.

Although these events were well publicized in flyers and local newspapers, attendance by new comers as well as by our own parishioners was significantly less than anticipated. Before continuing with additional financial support, Vito has requested that the Vestry and Music Committee thoroughly rethink the program. In the mean time, however, we will be continuing with the Youth Choir on the first Sunday of the month and the 4/5ths Band on the third Sunday.

The Music Committee and Vestry are now considering hosting monthly events with special artists on selected evenings. As we move forward with our planning, we would appreciate your thoughts and ideas. Please speak with the Music Committee chairperson Chuck Winch. Speak with him on Sunday morning or reach him by phone at 908-537-6511 or by email at cwinch@earthlink.net.

Submitted by
Chuck Winch

Concert Committee Report

Two successful concerts took place in the church. On Saturday evening, February 11 Gary Pate and Liesl Odenwaller presented "An Evening of Romance and Song," and on Saturday evening September 16 *LYRA*, a group of singers from Saint Petersburg, Russia performed a program of *a capella* music of the Russian Church, opera arias and folk songs. Both were important fundraisers for the church but also were intended to make a contribution to the cultural life of the Hope community. The concerts were attended by an audience largely from outside of the church community. A group of musicians organized by Chuck Winch entertained the public at Hope Day on December 3. Their presence seems to have played an important role in the success of the cookie sale for the benefit of the church on that day. Conversations continue with the aim of presenting another concert by Pate at the church but it will have to await our 2007 Season.

In December we received notice that we have received a matching grant of \$600 from the Warren County Cultural and Heritage Commission for a concert to celebrate the 175th Anniversaries of Saint Luke's Church and Saint John's Church in Hope. The anniversaries are of the building of Saint Luke's and the founding of Saint John's parish. The event that will take place on March 25 at 6:30 will be a special Lenten Concert by candlelight. The program will include Haydn's *Seven Last Words of Christ* (with appropriate readings from Scripture) performed by the Faculty Quartet of Moravian College, Bethlehem. *LYRA* is already booked for a return in September.

Submitted by
Guy Walton

Restoration Committee Report

The substantial accomplishments of the committee began with the completion of the *Preservation Plan of Saint Luke's Episcopal Church, Hope, NJ*. Assembled and written in large part by Mark Alan Hewitt, AIA, members of the committee refined, corrected, and updated the text over the year, including in the text many responses to the suggestions of the New Jersey Historic Trust that has financed the document. Five copies of the completed plan were received by the committee in November, and some may now be consulted by members of the congregation at the church office. Two of the five copies have been reserved for the Diocese of Newark and for the Trust. The *Short History of Saint Luke's Church* by Guy Walton and John Hovell, written as a result of the research for the preservation study, was corrected, augmented and republished in August.

The long and complex job of submitting an application for the listing of St. Luke's on the National and State Registries of Historic Places, requested by the NJ Historic Trust as prerequisite for preservation future grants, was completed and sent to Trenton in April. It was reviewed and approved by the state committee on October 19, 2006, and at present awaits the signature of a state official, promised for the immediate future. Final designation should take place in the course of 2007 in time for the celebration of the 175th Anniversary of the building of the church.

Work continues on obtaining funding allocated by the NJ Historic Trust. 85% payment of a first grant should be available soon. The remaining 15% should become available after the registration process is complete and after architect Hewitt completes some modifications of the drawings for proposed renovations of the entrance and the area in front of the church. These items were included in the state grant as originally approved by the trust. This funding should be in hand in 2007.

The committee is awaiting word on a second grant proposal submitted to the state last year, money for the repair of the church windows, for the replacement of the current storm windows and some other work such as improved handicapped access. A grant of \$4,600 has already been received from the Ward-Herbert Foundation of the diocese to help meet part of the expenses of window repair and other matching funds will be necessary to meet the terms of the state grant if it is forthcoming. These have been allotted by the vestry from the Paul Smith bequest and should be available to meet the terms of the state grant if it is approved so that work may begin in 2007.

At the suggestion of the committee the vestry approved in principal the idea of repainting the church interior in connection with the celebration of the 175th anniversary of the building. Interior decoration can not be undertaken with state funds, but the vestry was successful in raising pledges for more than half of the estimated \$15,000 cost, and a campaign to raise the rest is due to get underway soon. It should be noted that the narthex has already been painted with volunteer labor in 2005.

At a spring meeting of the vestry the rector expressed concern over the condition of the church tower. This turned out to be well founded since part of the tower fell down in an autumn storm. Subsequently, for safety reasons, part of the decoration of the tower has been dismantled. A special committee (different from the Restoration Committee) has been established to look into issues of insurance and repair. The Restoration Committee has been working with this group to determine whether our contacts with the state trust could be of help with this repair.

The committee is committed to continue working with the Historic Trust over the next years on the restoration and maintenance of our historic church. After the repair of the tower, the return of the entrance and the front church yard to their original appearance are a high priority, and as things appear now it seems quite possible to realize these goals.

Guy Walton, co-chair; Ed Roper, co-chair; Rev. Gary Bloomer, John Hovell; Peter Pfunke

Submitted by
Guy Walton

Outreach Committee Report

While the major outreach activity of St. Luke's is Haven of Hope for Kids, there have been other outreach efforts. Thanks to Evie Constantine, five families have received food baskets or cash on the occasions of Easter, Thanksgiving and Christmas. There was again an Angel Tree, decorated by Gladys Bellott, with Christmas presents going to Haven of Hope for Kids families.

The Afghan School Project goes forward, albeit with less momentum. At the beginning of the summer our group of girls sent off letters and diaries to the school in Nyack. The theme they selected to write about was: three favorite activities outside of school. Recently we received letters from five girls, plus a letter from Haqmal, the young man who is a part-time employee of AFSC and the person who is translating the diaries from English to Dari and from Dari to English. He writes: "It's very enjoyable when I am seeing the diary with its beautiful pictures and really want to be part of this program." So clearly we need to find a correspondent for Haqmal! The future of the Afghan School Project is somewhat up in the air at this point. There seems to be less enthusiasm on the part of our girls or, at least, a lack of clarity about how we should continue. Another of the problems is that AFSC is no longer focusing on schools. I would appreciate input from our girls and from their parents as to where they want to go from here. One possibility, should we want to continue the project, would be for me to add a learning dimension by showing some films and organizing some trips, perhaps to New York to a Shi'ia mosque or to meet an Afghan woman.

At present the Outreach Committee consists of Evie Constantine and myself. Anyone wanting to join us would be welcome!

Submitted by
Carola Walton

Haven of Hope for Kids Report

This past year, the first year in which we ran a year round program, has been a successful one for Haven of Hope for Kids. 17 new families stayed in the cottage, while we had visits, also, from two families from the previous year. This year, for the first time, we had children who are being treated for brain tumors and asthma, as well as children with leukemia, sickle cell disease and cancers. We hosted one bereaved family, a young couple whose two year son had just died. This year, also, there was more of a socio-economic mix.

It was clear from remarks on the Guest Questionnaires that families felt they had benefited enormously from their stay. Stephanie, 15, wrote about “this phenomenal journey we’ve spent together.” The parents of Oswaldo, a two year old, wrote: “We’ve never felt so happy since before Oswaldo was sick.” Another mother wrote: “I DON’T WANT TO GO HOME!!! I would just like to say that this has been the most relaxed that I’ve been since Ta’shaun was diagnosed with cancer. I really hope many more families can enjoy this as much as I did. Good Luck with Haven of Hope for Kids. And thanks to everyone who made our stay a very very very very fun one.”

It was also clear from what families said that a large part of what made the experience special was interaction with volunteers. “The children we met were so kind and yet ran around with our kids like they were old friends...We did not feel like strangers or that we were on stage, everyone treated us as “friends”! Indeed, we are blessed with a group of wonderful volunteers, most but not all of them from St. Luke’s. In addition to Fr. Bill and myself, there were 48 volunteers, old and young, interacting with families this past year.

There were 7 new volunteers, 4 of them from the community. A parishioner from St. Paul’s Episcopal Church in Morris Plains and her (RC) family hosted one of the barbecues. Although we lost some of our volunteers from St. Jude’s RC Church, we still have strong support from Gladys Bellott, who is on the Haven of Hope for Kids Board, Jeannette Horetsky, and Beatrice Bullock. In addition to those volunteers who have invited families to their farms (the Deans, Phyllis Burke), to boat and fish in their lake (Donna Burns), offered them a ride on an ATV (Eric Sandwall) or on a beautiful, big horse (Carol Dilley), we have continued to get help from Land of Make Believe, Lakota Wolf Preserve, and Mansfield Clearview Cinema (free tickets), and from Condit Toyota in Newton, who again gave us the use of a van. This past summer Jessica Seman earned hours of community service by helping at barbecues and doing various jobs, such as an inventory of the toys and games and watering the garden, suggesting that appealing to high school students might be one way to increase the number of volunteers.

Thanks to a donation from Hugh Walton, we now have a laptop and projector to make presentations, and we are planning a drive in the spring to try to bring in more volunteers from churches in our community.

I am also looking for someone to help me with volunteers. Specific jobs would be: working with me to maintain a list of volunteers; keeping in touch with them; working with me on scheduling; making sure volunteers are thanked. All of these are tasks that can be done at home.

The major problem facing Haven of Hope for Kids continues to be funding. Although we have had strong support from the Diocese, there will be a decrease in the ACTS/VIM grants we will receive in 2007 and funding from private foundations has been small (see financial report). In an effort to deal with this problem, two new members were recruited to join the Board of Trustees, Jack Lynch (now President of the Board) and Bryan Grace, both men with a great deal of fund raising experience.

We are also finalizing plans to set up a Haven of Hope for Kids Foundation that will work on fund raising, especially from corporations. Cathy McFarland, the recently retired Executive Director of the Victoria Foundation, has agreed to head up the foundation. The Board of Trustees, also in the process of being reorganized, will devote themselves to program matters (including the smaller scale fundraising efforts).

An area in which there needs to be some rethinking is that of follow up of families after they leave. At the present time I am the main person who keeps in touch, but this is getting to be too big a job as time goes by. This year several volunteers have continued to be in touch with families with whom they developed some relationship in the summer. Perhaps there should be a more organized follow-up program that pairs volunteers with families in some way. An important way of keeping up with families would seem to be the "Reunion" which we had for the first time in September for families that had been with us last year. The seven families who came went to Land of Make Believe in the morning, then met at the cottage for a picnic organized by Jeannette and a group of other amazing volunteers. Vito DiCristina gave the money to pay for a bus for those families without transportation of their own. We hope to repeat the reunion this year.

The last thing to mention is that Haven of Hope for Kids was the subject of two terrific articles in the Newark Star Ledger. I also want to thank all of you (and the participation from St. Luke's was impressive) for all the different things you did to make Haven of Hope for Kids the success it is. As one of our volunteers said: "I don't think we ever know the true difference this program makes for people, including us."

Submitted by
Carola Walton

Youth Committee

The Youth Committee held a number of functions in 2006 including popular "Movie Nights" and a "Family Game Night." The Easter Egg Hunt was back with chocolate enjoyed by all. Young members of St. Luke's sent a strong message toward the well-being of the families and children of Haven of Hope by participating in barbeques and related activities. Finally, the children pitched in at the December 2006 Hope Day.

Our goal for 2007 will be to expand on existing activities; we welcome suggestions for new activities.

Submitted by
John Hovell

Treasurer's Report

**St. Luke's Episcopal Church
2006 Income & Expense Statement
Comparison of Actual to Budget
January 1 - December 31, 2006**

	2006 Budget	2006 Actual	Variance from Budget
<u>Income</u>			
Stewardship pledges			
Current Year	65,375	63,326	(2,049)
Reserve for Non-collections	(3,269)	(1,700)	1,569
Total Pledge Income	62,106	61,626	(480)
Plate & other undesignated offering	7,000	10,440	3,440
Sunday School Offerings	0	9	9
Vacation Bible School Offerings	0	2	2
Special Gifts	1,000	0	(1,000)
Undesignated Memorial Gifts	0	20	20
Outreach Programs Income	5,000	3,814	(1,186)
Fund Raising (net)	7,000	5,088	(1,912)
Investment Income	1,000	1,530	530
Gain (Loss) on Stock Sale	0	340	340
Total Income	83,106	82,870	(236)
<u>Expenses</u>			
Clergy Stipend & Housing	55,325	55,325	0
Rent Income (after expenses-see Notes)	(23,200)	(22,822)	378
Pension (paid quarterly)	10,004	10,004	(0)
Rector's Payroll Taxes	4,252	4,252	0
Rector's Medical Ins.	19,404	19,404	0
Parish Administrator	12,480	10,788	(1,692)
Payroll Taxes - Parish Administrator	955	825	(130)
Haven of Hope for Kids Reimbursement for Payroll Expenses (see Balance Sheet for amount still due)	(43,119)	(42,407)	712
Musicians & Other Music Expenses	8,200	7,120	(1,080)
Buildings Cleaning Expenses (Joe Mroz)	1,560	1,260	(300)
Payroll Taxes - Non-Clergy	545 ¹	281	(264)
Christian Education	200	22	(178)
Insurance	8,500	7,151	(1,350)
Miscellaneous Expenses	1,000	1,575	575
Office Expenses	3,500	1,548	(1,952)
Postage	500	486	(14)
Printed Materials	500	577	77
Repairs & Maintenance	4,000	2,815	(1,185)
Telephone	2,600	2,514	(86)
Utilities	7,000	6,932	(68)
Diocesan Share (6%)	3,900	4,774	874
Outreach & Ministry	5,000	3,824	(1,176)
Total Expenses	83,106	76,247	(6,859)
Net Operating Income (Loss)	0	6,623	6,623

Prior to 2006, this expense included Payroll Taxes - Parish Administrator.

Note: There may slight discrepancies in Totals due to rounding.

St. Luke's Episcopal Church
Income & Expense Statement - Notes Page 1
January 1 - December 31, 2006

Rental Income & Expenses	2006 Budget	2006 Actual	Variance from Budget
Income	29,400	29,400.00	-
Late payment fee		20.00	20.00
Vacancy			
Property Taxes	(4,800)	(5,137.68)	(337.68)
Repairs & Maintenance	(1,400)	(1,460.67)	(60.67)
Net Rental Income	<u>23,200</u>	<u>22,821.65</u>	<u>(378.35)</u>

Outreach Programs Income & Expenses - Details

Income

Food Pantry Offerings	151.25
Holiday Food Baskets	1,005.00
Rector's Discretionary Fund	2,297.60
United Thank Offering (Spring & Fall)	359.99
Total Income	<u>3,813.84</u>

Expenses

St. John UMC Food Pantry	151.25
Holiday Food Baskets	1,005.00
Rector's Discretionary Fund	2,297.60
United Thank Offering	359.99
H.O.P.E. membership	10.00
Total Expenses	<u>3,823.84</u>

Fund Raising - Details

Income

Feb. Evening of Romance & Song	3,512.00	
Candy Sale	912.00	
Hope Craft Days Project ("Rental fee" from 1 craft person)	975.25	
Lyra Concert	1,422.00	
Parish Photo Directory Advertising	1,545.00	
Wedding Ceremonies	300.00	8,666.25

Expenses

Feb. Concert Fees paid to performers	2,000.00	
Cost of Candy	682.30	
2006 Lyra Concert Costs	838.01	
Hope Days Cookie Shoppe-listing in map & supplies	53.13	
Parish Photo Directory-postage to mail advertising materials to Vestry Members	4.35	3,577.79
Net Fund Raising		<u>5,088.46</u>

Expenses Paid from Funds Reserved for Altar Guild from 2005

1 Liturgical calendar	5.00
Communion supplies	44.59
Palms for Palm Sunday	48.85
Paschal Candle (partial cost)	20.94
Total (all funds have been disbursed)	<u>119.38</u>

**St. Luke's Episcopal Church
Income & Expense Statement - Notes Page 2
January 1 - December 31, 2006**

Miscellaneous Expenses - Detail

Registration for 2006 Diocesan Convention	540.00	
Supplies for kitchen & restroom	110.77	
Vestry Retreat (net expense)	25.00	
Payment for 2-year Domain Name renewal	18.40	
Snack for District 1 Clergy Conference w/Bishop	10.49	
UTO children's tattoo (\$1) and shipping charges for UTO materials	12.00	
Flowering plant sent to Phyllis Smith	46.99	
Registration for 4 Deputies to Bishop Election Convention	240.00	
Digital recorder	99.99	
Contributions applied to plant sent to Phyllis Smith	(47.00)	
CPA fees for 2005 audit (net after \$500 contribution)	325.00	
Youth choir advertisements	100.00	
Donation to Hope VFD	50.00	
Pizza purchased for Olan Mills photography crew	14.23	
Flowers purchased for Jeannette Horetsky	18.45	
Refreshments for District 1 meeting	10.56	
Total		<u><u>1,574.88</u></u>

Repairs & Maintenance Details

Cleaning supplies	49.08	
Garbage service	291.00	
Snow plowing	675.00	
New thermostat for Church & air filter	28.85	
Parts to repair Parish House plumbing	9.78	
Church furnace repairs & maintenance	376.62	
Replace Church hot water heater & pipe insulation	232.19	
Mulch for grounds	59.36	
Lawn mowing (May - Sept)	560.00	
Church & Parish house furnaces cleaning, maintenance & repair	320.00	
2 hooks for hanging candles in front of back church windows	12.82	
Payment to Belton Carpentry to remove 3 spires from church	100.00	
Painting work done on signs for Church Service Times	50.00	
NJ boiler license for Parish House & handling fee	50.00	
Total		<u><u>2,814.70</u></u>

Altar Guild

Contributions: Altar flowers	935.00	
Altar linens	220.00	1,155.00
Less: Paschal candle (balance of cost)	(41.02)	
Easter flowers	(148.04)	
Altar linens	(208.50)	
Mothers' Day flowers	(60.00)	
Altar candles	(37.31)	
Altar wine	(133.77)	
Flowers for All Saints Sunday	(50.00)	
Communion wafers and hosts	(43.04)	
12 Poinsettia plants	(109.30)	
Replacement hurricane lanterns & candles	(56.92)	
Candles for wreath & candlebras	(12.84)	
Dry cleaning of vestments	(10.75)	
Christmas greenery/roping	(64.20)	
2 large bows	(29.98)	(1,005.67)
Net (set up in Reserve account for 2007 expenses)		<u><u>149.33</u></u>

**St. Luke's Episcopal Church
2006 Income & Expense Statement
Comparison of Actual to Budget
and Proposed 2007 Budget**

	2006 Budget	2006 Actual	Proposed 2007 Budget
<u>Income</u>			
Stewardship pledges			
Current Year	65,375	63,326	67,351
Reserve for Non-collections	(3,269)	(1,700)	(3,368)
Total Pledge Income	62,106	61,626	63,983
Plate & other undesignated offering	7,000	10,440	7,000
Sunday School Offerings	0	9	0
Vacation Bible School Offerings	0	2	0
Special Gifts	1,000	0	1,000
Undesignated Memorial Gifts	0	20	0
Outreach Programs Income	5,000	3,814	5,000
Fund Raising (net)	7,000	5,088	7,000
Investment Income	1,000	1,530	1,500
Gain (Loss) on Stock Sale	0	340	0
Total Income	83,106	82,870	85,483
<u>Expenses</u>			
Clergy Stipend & Housing	51,325	51,325	59,700
Rent Income (after expenses)	(23,200)	(22,822)	(22,400)
Business Expenses Reimbursement	4,000	4,000	4,000
Pension	10,004	10,004	11,563
Rector's Payroll Taxes	4,252	4,252	4,538
Rector's Medical Insurance	19,404	19,404	21,252
Rector's Continuing Education	0	0	500
Parish Administrator	12,480	10,788	12,480
Payroll Taxes - Parish Administrator	955	825	955
Haven of Hope for Kids Reimbursement for Payroll Expenses	(43,119)	(42,407)	(44,788)
Musicians & Other Music Expenses	8,200	7,120	7,000
Buildings Cleaning Expenses (Joe Mroz)	1,560	1,260	0
Payroll Taxes - Non-Clergy (\$6,880 @ .0765)	545 ¹	281	526
Altar Guild	0		200
Christian Education	200	22	200
Insurance	8,500	7,151	8,500
Miscellaneous Expenses	1,000	1,575	1,500
Office Expenses	3,500	1,548	2,000
Postage	500	486	500
Printed Materials	500	577	600
Repairs & Maintenance	4,000	2,815	4,000
Telephone	2,600	2,514	2,520
Utilities	7,000	6,932	7,500
Diocesan Share (6%)	3,900	4,774	4,260
Outreach & Ministry	5,000	3,824	5,000
Total Expenses	83,106	76,247	92,106
Net Operating Income (Loss)	0	6,623	(6,623)
Utilization of 2006 Unspent Income			6,623
NET			(0)

Prior to 2006, this expense included Payroll Taxes - Parish Administrator.
\$29,400 Less: Taxes (5,500) & Repairs (\$1,500)

**St. Luke's Episcopal Church
Balance Sheet
as of December 31, 2005**

ASSETS

Current Assets

Lakeland Bank-Checking	4,340.05	
Lakeland Bank-Savings	18,533.74	
Lakeland Bk-Afghan School Proj	714.74	
Lakeland Bank-ECW Savings	1,827.38	
Undeposited Funds (see Notes)	2,096.00	
Petty Cash	100.00	
Total Cash	27,611.91	27,611.91
Pledges Receivable		3,921.60
Due from ECW account		10.00
Due from The Church Ins Co of VT		5.00
Miscellaneous Receivable		6.17
Prepaid Expenses		737.90

Investments

The Federated Funds		
Altar Guild Account	642.28	
ECW Account	7,066.19	
Total The Federated Funds	7,708.47	7,708.47
Fidelity Investment		
Fidelity Four-in-One Index Fund	37,000.00	
Dividend Reinvestments	1,165.70	
Revaluation of Account	(17,639.13)	
Net Four-in-One Index Fund	20,526.57	
International Business Machine stock	9,433.24	
Cash on Hand	10.70	
Total Fidelity Investments	29,970.51	29,970.51

Total Current Assets

69,971.56

Diocesan Endowment Funds

St. Luke's Fund	566.00	
Vail EndowmentFund	4,777.00	
St. Luke's EndowmentFund	24,201.00	
Total Diocesan Funds-Value at 6/30/72	29,544.00	
Revaluation of Diocesan Investment Trust Funds	7,355.70	
Total Diocesan Endowment Funds at 11/30/05	36,899.70	36,899.70

TOTAL ASSETS

106,871.26

**St. Luke's Episcopal Church
Balance Sheet
as of December 31, 2005**

LIABILITIES & EQUITY

Liabilities

Accounts Payable		2,295.99
Accrued Payroll		65.00
Payroll Liabilities		929.17
Prepaid Pledges - 2006		7,977.36
Rental House Security Deposit		3,000.00
Reserves for Designated Funds		
Afghan School Project Funds	714.74	
Altar Guild from 2005	119.38	
Due to Diocesan ECW-UTO	69.40	
Hurricane Katrina Contributions	480.00	
Memorial Garden Funds	340.00	
Paul Smith Memorial Renovation Project	19,167.30	
Paul Smith Bequest Undesignated Balance	15,000.00	
Rector's Discretionary Fund	20.00	
St. Luke's Altar Guild Funds (Investments)	2,642.28	
St. Luke's Epis. Church Women's Funds		
Bank savings account	1,827.38	
Federated investment	<u>7,066.19</u>	8,893.57
Undesignated Memorial Gifts		<u>355.00</u>
Total Reserves for Designated Funds		<u>47,801.67</u>
Total Liabilities		<u>62,069.19</u>
Equity		
Opening Bal Equity	71,521.49	
Diocesan Funds Revaluation	7,355.70	
Fidelity Fund Revaluation	(17,639.13)	
Net Income	<u>(16,435.99)</u>	
Total Equity		<u>44,802.07</u>
TOTAL LIABILITIES & EQUITY		<u>106,871.26</u>

**St. Luke's Episcopal Church
Balance Sheet
as of December 31, 2006**

ASSETS

Current Assets

Skylands Community Bank	6,837.24	
Skylands Community Bank - Savings	11,727.99	
Skylands Community Bank-Afghan School Proj. Savings	735.74	
Skylands Community Bank-ECW Savings	1,850.77	
Undeposited Receipts	7,418.60	
Due from Skylands Comm. Bk. - ck. Cleared for wrong amt.	0.60	
Petty Cash	<u>100.00</u>	
Total Cash		28,670.94
Pledges Receivable:		
General Income Pledges	6,739.64	
Capital Campaign Pledges	<u>1,000.00</u>	7,739.64
Receivables from Haven of Hope for Kids		4,980.56
Rent Receivable		71.00
Prepaid Expenses		
2007 Offering envelopes	95.80	
2007 Ash Wed, Maunday Thu & Good Friday bulletin inserts	15.52	
1st Qtr 2007 NRSV Lg Print inserts	48.03	
2nd Qtr 2007 NRSV Lg Print inserts	57.07	
Forward Movement booklets for 2007	<u>78.00</u>	294.42
Investments		
The Federated Funds		
Altar Guild Account	668.85	
ECW Account	<u>7,357.44</u>	8,026.29
Total The Federated Funds		
Fidelity Investment		
Fidelity Four-in-One Index Fund	37,000.00	
Dividend Reinvestments	1,845.18	
Revaluation of Account	<u>(14,984.22)</u>	
Net Four-in-One Index Fund	23,860.96	
Internation Business Machine stock	7,383.40	
Cash on Hand	<u>9,800.17</u>	
Total Fidelity Investments		<u>41,044.53</u>
Total Current Assets		<u>90,827.38</u>
Diocesan Endowment Funds		
St. Luke's Fund	24,201.00	
Vail EndowmentFund	4,777.00	
St. Luke's EndowmentFund	<u>566.00</u>	
Total Diocesan Funds-Value at 6/30/72	29,544.00	
Revaluation of Diocesan Investment Trust Funds	<u>9,503.60</u>	
Total Diocesan Endowment Funds at 11/31/06		<u>39,047.60</u>
TOTAL ASSETS		<u>129,874.98</u>

**St. Luke's Episcopal Church
Balance Sheet
as of December 31, 2006**

LIABILITIES & EQUITY

Liabilities

Accounts Payable		3,407.53
Due to Diocesan ECW-UTO (delivered at Convention 1/20/07)		105.55
Due to Haven of Hope for Kids (December Gifts)		1,075.00
Payroll Liabilities		963.37
2007 Prepaid Pledges		7,743.76
Rental House Security Deposit		3,000.00
Reserves for Designated Funds		
Afghan School Project Funds	735.74	
Altar Guild Funds carried over from 2006	149.33	
Hurricane Katrina Contributions	480.00	
Memorial Garden Funds	340.00	
Paul Smith Memorial Renovation Project	16,731.53	
Renovation Capital Campaign	7,219.03	
Paul Smith Bequest Undesignated Balance	15,000.00	
St. Luke's Altar Guild Funds (Investments)	2,668.85	
St. Luke's Epis. Church Women's Funds		
Bank savings account	1,850.77	
Federated investment	<u>7,357.44</u>	9,208.21
Undesignated Memorial Gifts		355.00
Ward J. Herbert Fund Grant		4,389.00
Total Reserves for Designated Funds		<u>57,276.69</u>
Total Liabilities		<u>73,571.90</u>
Equity		
Beginning Balance Equity	55,073.80	
Diocesan Funds Revaluation	9,503.60	
Fidelity Fund Revaluation	(14,896.82)	
Net Income	<u>6,622.50</u>	
Total Equity		<u>56,303.08</u>
TOTAL LIABILITIES & EQUITY		<u>129,874.98</u>

Submitted by
Sharon Cousins, Treasurer

Rector's Discretionary Account Report

January - December 2006

ENDING BALANCE 12/31/05		\$	18.07
INFLOWS			
Finance Charge-Check Book Printing	\$	(27.18)	
General Account			
Collection		2,241.60	
Food Baskets		255	
TOTAL INFLOWS		\$	2,469.42
OUTFLOWS			
Parish Expenses - Unbudgeted		211.41	
Those in Need			
Auto Repair - Gas	\$	230.00	
Clothing	\$	50.00	
Food	\$	402.65	
Medical	\$	-	
Counseling	\$	325.00	
Medicine	\$	50.00	
Prison Outreach	\$	25.00	
Rent	\$	745.00	
Utilities	\$	155.00	
TOTAL OUTFLOWS		\$	(2,194.06)
OVERALL TOTAL		\$	275.36
ENDING BALANCE 12/31/06		\$	<u>293.43</u>

Submitted by
The Rev. William A. Potter