

# St. George's Episcopal Church

## General Endowment Fund – Annual Report for 2017

**PURPOSE:** The General Endowment Fund (GEF) was established to ensure a firm financial foundation for the Church and to provide additional funds for outreach ministries, programs of the Church, capital additions and/or improvements, and loans for residential purposes to St. George's clergy and full-time program staff as described and defined in the GEF's Operating Policy Guide. The GEF is not intended to supplement the Church's annual operating budget for current expenses that are administrative or operational in nature and GEF funds shall not be co-mingled with other Church funds.

**GEF BOARD MEMBERS:** The GEF Board consists of five members appointed by majority vote of the Vestry. Board members must be confirmed communicants of St. George's and remain in compliance with any applicable Trustee guidelines that may be adopted by the Vestry. The Rector also serves as an ex officio non-voting member of the Board. Current GEF Board members are:

- Dick Juergens (2019) (Board Chair)
- Ralph Powell (2022) (Secretary)
- Tom Meredith (2018) (Treasurer)
- Mary Jane O'Neill (2020)
- Jane Hunsucker (2021)

**INVESTMENT STATUS:** The GEF retains a small amount of cash within the Church ACS accounting system, Restricted Account # 1-80128 for the annual disbursements and any other costs; however, GEF funds are primarily invested in the Diocese of Virginia Trustees of the Fund (ToTF) a professionally managed investment portfolio benefiting the churches and organizations of all three Episcopal Dioceses of Virginia. Chartered in 1892 The Trustees of the Funds is one of the oldest organizations in the Diocese. The goal of the ToTF is to preserve and enhance the real (inflation-adjusted) purchasing power of the portfolio while providing a steady and consistent spending stream for the support of Fund participants. The GEF balance increased by \$99,572 in 2017 from ToTF investments and parishioner donations of \$1,100 (Christmas) and \$684 (Easter). The December 2017 GEF Funds balance is \$1,004,468 including \$964,356 in ToTF investments and \$40,112 in the Church Restricted cash account.

**ANNUAL DISBURSEMENTS:** The Charter states the GEF will supply 5% of the three-year average balance in the fourth quarter each year to be used for outreach ministries, programs of the Church, and capital additions / improvements; however, in recent years, the Vestry has only approved disbursing the same amount as received from the ToTF annual investment payout.

The ToTF disbursed \$35,093 to the GEF in November 2016 and the Vestry approved the following requests which were distributed in January 2017:

- \$9,600 Building & Grounds (B&G): LED Lighting Project
- \$14,894 St. George's Long-Term Building Fund
- \$1,099 Worship & Music: NRSV Pew Bibles

- \$3,000 St. George's Organ Fund
- \$2,500 Outreach: The Table Ministry
- \$4,000 B&G: Adult Education Sydnor Sound System

The ToTF disbursed \$37,782 to the GEF in November 2017 and the Vestry approved the following requests which were distributed in January 2018:

- \$2,086 Building & Grounds (B&G): Handicap Accessible Door
- \$10,000 St. George's Long-Term Building Fund
- \$1,430 Fellowship: Coffee Brewer System
- \$2,241 St. George's Organ Fund
- \$2,025 Pre-School Scholarship
- \$5,000 B&G: Ascension Window Lighting Project
- \$15,000 B&G: Nave Sound System

**AUDIT/REVIEWS:** In 2013, the GEF paid Bowling & Franklin \$2,200 for audit review costs. Since the bulk of the GEF funds are held at the Diocesan ToTF, and are audited annually at that level, based on presumed audit redundancy, the GEF Board recommended and the Vestry approved a proposed Charter change from:

*"The Fund will be audited or reviewed annually by a certified public accountant. The auditor may not be a member of the Board or the Vestry." to read: "Whereas the General Endowment Fund (GEF) currently has all its money, with exception of a small amount of "local cash", invested in the Diocese of Virginia's Trustees of the Funds (TOTF), which fund is audited annually by independent Certified Public Accountants (CPAs), the only audit requirement is to have an annual review of the "local cash" by a person or persons not members of the GEF Board or the Vestry. In the event that future GEF Board members decide to deploy the investments to something other than ToTF, the annual review or audit by independent CPAs is reinstated, unless it has been determined that the new investment media meets audit requirements similar to the current ToTF."*

For 2016, the Vestry appointed a Trust Account Review Team of Russ Carter (Chair), and members Jim Branscome, and Carolyn Howell. The team met on August 22, 2017 to review the GEF along with the other various church trust and funds and considered that the financial statements of the funds dated December 31, 2016 for the year 2016 fairly represented the financial condition of the funds reviewed. The team proposed no changes to those financial statements. A similar review team will review the GEF financials for 2017.

Additional information about the GEF and other Church Trusts can be found on the St. George's website at: <http://www.stgeorgesepiscopal.net/giving/trustees-trusts-and-endowments/>

Respectfully Submitted,

Tom Meredith  
GEF Board Treasurer