

Annual Report 2024 – Board of Trustees

The Board of Trustees is responsible for managing the real and financial property of the Diocese to support the Diocese's mission now and in the future.

The following trustees, David Bishoff, Jim Neral, Ginny Tuscano, and Heather McDonald finished their term of office at the end of 2023. Their service was greatly appreciated. New members of the Board, David Payne, Sean Murphy, Thomas Moore, and Jane Delano began their term in January 2024.

Much of the Board's business is conducted by its internal committees which are effectively chaired by Jane Burger (Finance / Investment), Eric Linn (Property), and Simon Wu (Audit). Although no longer on the Board, Dana Phillips continues to coordinate ACNA Parish Relations. David Payne was elected Secretary of the Board in January 2024. Jane Delano serves as the Board's representative to the Growth Fund Committee, which Dana Phillips and Beth Hardie co-chair. Again this year, the trustees elected Michael Donadee as Assistant Secretary because of his willingness to contribute his legal expertise in real estate transactions.

In addition to those mentioned above, Anelisa Tarrant, Sheila Stagnitta, and Gerry Dalton are members of the Board. The contributions of all those mentioned above to accomplish the Board's business are greatly appreciated.

Treasurer Elaine Zevkovich and Marlene Rihn contributed immeasurably by their effective execution of their financial and property management roles. The Board also relies heavily on the legal counsel of Chancellor Andy Roman and Assistant Chancellor, Steve Bloomberg on many complex issues. Undoubtedly, the Board could not function without them and wishes to express its gratitude.

Diocesan Endowment

The Diocesan endowment pool is managed by Morgan Stanley with oversight by the Finance / Investment Committee, chaired by Jane Burger. In addition to the Diocesan endowment funds the pool includes assets held by the Diocese for others, such as member parishes. The balance of the endowment Pool 1 was \$30,376,000 as of June 30th, which is up 7.15% over the past year. The portfolio is generating over \$800,000 in cash annually, exclusive of capital appreciation. Pool 2 stands at \$3,389,000 as of June 30th.

Asset allocation at the end of the 2nd quarter 2024 stands at approximately 72% equities, 21% fixed income, 5% alternatives, and 2% cash. The significant cash position means the Board can avoid the need to sell off assets when the market is down.

The Trustees continue to use the long-standing policy of calculating the maximum yearly distribution from the endowment funds as 4.5% of the prior 48-month moving average of the pooled endowment value. Distributions from individual funds in the pool are used to fund the operating budget, distributed to third-party beneficiaries, transferred to other designated accounts, or reinvested in the funds.

Details on the Endowment Funds can be found elsewhere in the Financial section of the Pre-Convention Journal.

Diocesan Property

The Property Committee, chaired by Eric Linn, oversaw the sale of St. Paul's, Monongahela, as well as beginning the process of creating leases for the four remaining ACNA parishes, starting with Christ Church, New Brighton. Currently, the Committee is reviewing a potential contract with 5G LLC to install Wi-Fi antennae in various churches in the Diocese and recommend whether it should be signed. If a contract is signed, participating parishes would benefit from revenue streams estimated to be about \$3,000 per month. Currently, the Committee is compiling questions and an FAQ document for parishes that may wish to participate after the contract is signed.

Support for Parishes

In 2024, the trustees have approved Growth Fund grants as recommended by the Growth Fund Committee for these parishes: Church of the Advent, Jeannette, St. Stephen's, McKeesport, St. Stephen's Church, Wilkinsburg, Trinity Cathedral, Christ Church, North Hills, St. Francis-in-the-Fields, Somerset, and St. Barnabas, Brackenridge.

Support for Diocesan Mission

Since a significant portion of the diocesan budget is funded from endowment funds managed by the trustees, the board worked with Treasurer Elaine Zevkovich and Bryan Webb, chair of the Budget and Assessments Working Group (BAWG) of Diocesan Council, in early summer to review the preliminary version of the 2025 Diocesan budget that will be presented for approval at this Convention.

Respectfully submitted,
Jim Cassaro
President, Board of Trustees