

REPORTS TO THE CONVENTION

TRUSTEES OF THE ESTATE BELONGING TO THE DIOCESE OF LONG ISLAND, INC.

Submitted by The Very Rev. Hope Koski, Secretary

The Trustees of the Estate Belonging to the Diocese of Long Island, Inc. met at four (4) regularly scheduled meetings during the months of December, March, June and September. The Secretary hereby submits a report of the actions taken:

December 3, 2002

- Approved an additional \$7,500 for construction of the 3rd floor staircase in **Diocesan House**, bringing the total approved to \$44,677.
- Approved **Mercer Scholarship awards** totaling \$357,500 for the 2002-2003 year to eligible students at Episcopal seminaries.
- Approved \$458,634 for the 2003 academic budget of the **Mercer School**.
- Approved **2003 housing resolutions** for the Rev. Eric Stephens and the Rev. Emmanuel S. Nduka.

March 25, 2003

- Approved the sale of the **Maycroft** property as a single unit and the proceeds be distributed in accordance with the court order.
- Resolved that the Trustees provide full support to the Bishop in any decision he must make regarding **Trinity Church, East New York**, to bring the congregation in communion with the diocese or to have them vacate the property.
- Approved \$11,000 from the income of the **Redundant Property Fund** to cover the cost of installing a control mechanism for reducing the utility expenses of the **Mercer School building**.
- Approved \$8,000 from the **Mercer Scholarship Fund** in support of the Rev. John Koama (\$5,000) and the Rev. Paul Gitimu (\$3,000), students at the Episcopal Divinity School, Cambridge, MA.
- Approved grant applications for historic preservation of **St. John's Church, Oakdale**, with the understanding that the Department of Mission and the Rector of St. Mark's Church, Islip, would provide oversight.

June 24, 2003

- Approved \$18,000 from the **Mercer Maintenance Fund** to the **Cathedral** for central maintenance services rendered from January through June; and that the Finance Committee review the request for cost increases and make an appropriate recommendation at the September meeting.
- Authorized payment to the **Cathedral** for 1/3 of the proposed \$33,500 purchase price of a new pickup truck and snowplow from the **Mercer**

Maintenance Fund, and 1/3 from the A Fund, with the understanding that Mr. Stuart Newby investigate the possibility of 0% financing.

- Authorized up to \$60,000 for roof work and related repairs to both the **Kilburn and Kensington Road** properties from the **Redundant Property Fund**.
- Approved the \$6,970 proposal of Griffin Bros. for roof repair to the Mercer Library from the **Mercer Maintenance Fund**.
- Approved sale of the former **Church of the Annunciation, Glendale**.
- Approved an agreement between the Diocese of Long Island and **ParishPay, LLC** to facilitate charitable contributions via credit card and/or electronic payment.
- Approved a \$4,000 **Mercer Scholarship Award** for Ekiria Muriithi, a student at Seabury Western Seminary.

September 15, 2003

- Resolved that Strough Realty be secured as broker for the **Maycroft** property sale and attorneys Robert Fardella and Christopher Gette be authorized to negotiate on behalf of the diocese.
- Resolved that Jack Thomas, in his capacity as Chair of the Property Committee, be authorized to negotiate the sale of the former **Trinity Church, East New York**.
- Resolved that, as **socially responsible investment** certificates of deposit mature, they be redeemed and returned to the Investment Fund.
- Approved up to \$30,000 from the **Redundant Property Fund** for repairs to **3 Fairway Court East** in accordance with a proposal submitted by Bartel Construction.
- Approved \$13,380 in additional expenditures for the completion of renovation to Benson House at **Camp DeWolfe** and \$20,000 for refurbishment of the infirmary from the **Redundant Property Fund**.

DEPARTMENT OF MISSION

submitted by The Very Rev. Theodore W. Bean, *Chair*

The Department of Mission met four times since the last session of Diocesan Convention (November 15-16, 2002): December 3, 2002, which was devoted to budget allocations; April 3, June 5, and September 23, 2003, during which reports and routine business was discussed.

The Department's bylaws were revised to reflect current practice and operating standards.

The Department's policies and procedures were revised and reformatted in a "user-friendly" style. This document should be available for distribution to Aided Parishes, Yoked Parishes, Clusters, and Missions around December 1, 2003. It will be available on the diocesan website for ready reference.

In an attempt to provide a realistic assessment of the financial condition of many small and struggling units, the following guidelines have been developed as "Criteria for the Self-Sufficient Congregation."

1. The congregation has the ability to maintain the services of a full-time clergy person compensated, at least, at the basic diocesan

minimum stipend with the full clergy package including pension, health/life/dental insurance, auto/travel allowance, 50% Social Security payments, continuing professional education allowance, discretionary fund, and either a rectory with full utilities, appliances and repairs or a housing allowance. When a rectory is supplied, the appropriate housing equity fund will be established and maintained.

2. The congregation is willing to commit itself to and has the ability to pay at least the tithe towards the Diocesan Stewardship Asking.
3. The congregation is to be fully self-supporting, that is, it is not to receive subsidy from the Department of Mission, the Trustees of the Estate, or any other diocesan source.
4. There shall be no arrearages in insurance premiums, insurance payments for the clergy or Church Pension Fund payments or other related items.
5. All loans, whether from the Trustees of the Estate, the Department of Mission, or any other outside source shall be current in terms of repayment.

Using these criteria, the Department expects to develop a strategy for the best utilization of clergy, financial resources, property, and community needs on an archdeaconry by archdeaconry basis. Recommendations will be made to the Bishop for review and implementation.

The Department continued its representation on the Astor Fund Grant Committee, which provides a source of funding for various ministries and programs that fall outside the normal scope of the Department of Mission. Special thanks are due to Archdeacons Golden and Young, Mr. Don Derrick, Treasurer of the Diocese, and to Bishop Michel for his counsel related to the Astor Fund. We are grateful to Louise Baietto and her staff for administering the grant funds.

After an eighteen year hiatus, Bishop Walker asked me to return as chairman of the Department. As I became familiar with many changes, I appreciated the ready assistance of the Rev. Kevin VonGonten, who preceded me, of Bishop Walker and Bishop Michel, and of our four archdeacons, Peter P.Q. Golden, Bernard O.D. Young, John A. Greco, and Jerome J. Nedelka, who welcomed and encouraged me. The kindness of returning and new members of the Department is especially appreciated. I am indebted to Archdeacon Greco and Louise Baietto (and their staff members) who were always available to provide knowledgeable assistance in so many ways. Mr. Don Derrick has given me excellent counsel with a strong "institutional memory" related to past and ongoing financial arrangements, loans, and the interrelationships between various diocesan boards and departments.

The Department of Mission joins me in extending its thanks to the Venerable Canon John A. Greco, the longest-serving member of the Department, faithful Archdeacon of Nassau and longtime Rector of the Church of St. Jude, Wantagh, and, in recent years, Deputy for Episcopal Administration, as he prepares for retirement from the active ministry on December 31, 2003. His experience, observations, eloquence, and urbanity will be sorely missed.

However, we wish him many years of continued good health and happiness as a new chapter opens in his life and ministry.

Respectfully submitted,

The Very Rev. Theodore W. Bean, Jr., Chair

EPISCOPAL CHARITIES APPEAL OF THE DIOCESE OF LONG ISLAND

Submitted by The Reverend Mark Clevenger, Director

The Board of Episcopal Charities is pleased to provide this annual report to the delegates of the 2003 Convention. Our Board believes firmly in the importance of an "open book" policy as accountability is an essential element of stewardship. We are committed to being good stewards of the funds entrusted to us by our faithful supporters.

Board of Directors

The Board of Directors of Episcopal Charities, Inc. is vested with the sole and exclusive power of managing the estate, property and temporal affairs of the Corporation including all assets, trusts, and funds. As constituted by our By-Laws, no member, committee, agent or officer of the Corporation shall initiate, foster, carry on any kind of manner of activity which may commit the Corporation to a policy, measure, attitude or expense, until such plan, project, or work shall have been studied and approved by the Board. The Board meets at least four times each year, with ECA Executive Committee facilitating the work of the various ECA committees during the interim periods. Final decision regarding grant applications are made at each of the quarterly Board meeting.

The Board is comprised of the following membership for 2002-2003:

The Rt. Rev. Orris G. Walker, Jr., *President*
Mrs. Joyce Hogg, *Vice President*
The Rev. Douglas W. Hutchings, *Treasurer*
The Rev. Dr. Steven F. Crowson, *Secretary*
Mr. William A. Boller

The Ven. Cn. Peter P.Q. Golden
The Rev. Canon Johncy Itty
The Rev. Edward Kienzle
Mr. J.S. Kip Molnar
Mrs. Bettyrose Richardson

Mrs. Priscilla Stevens

Grants

The Board of Episcopal Charities in 2003 awarded \$552,100 to its agencies and church based ministries.

The following are the 2003 grants approved by the Board*:

Archdeaconry and Church Based	\$100,000
Camp DeWolfe (Operating Expenses)	50,500
Episcopal Health Services	51,300
Episcopal Community Services	31,100
Family Consultation Service	124,300
Interfaith Medical Center	38,800
Retired Clergy Health Insurance	23,300
Bishop Henry Hucles Nursing Home (Chaplaincy)	3,500
St. John's Episcopal Hospital (Pastoral Care)	8,900
The Bishop's Call	120,400

TOTAL 2003 GRANTS **\$552,100**

Additionally, ECA granted Camp DeWolfe \$38,556 in the form of scholarships enabling children of the Diocese of Long Island to attend Camp DeWolfe during the 2003 camp season.

* The 2003 grants are based upon donations to the 2002 Appeal, interest income generated by December 31, 2002 and endowment income after expenses.

The Board approved all of the grants at its regularly scheduled March meeting. A copy of the Board's minutes approving the grants was subsequently provided to the Office of Finance and Administration for their records.

As part of the annual grant application process, each ministry is required to describe how the grant will be used to foster and/or develop the religious, educational and charitable work in the Episcopal Church. Grants to the health ministries are restricted to pastoral care. Additionally, the agencies must provide itemized details of how ECA grant monies were expended for the previous two years.

Archdeaconry and Church Based Grants

Episcopal Charities also supports local outreach ministry through our Archdeaconry and Church Based Grants program. As of October 31st, we have distributed 10 grants to a diverse group of outreach programs and services. The following are the 2003 Archdeaconry and Church Based Grant recipients.

Peconic Campus Ministry - St. John's Church, Southampton	\$500
Steve Biko Family Life, St. Elizabeth's Friary, Brooklyn	4,000
Rainbow Connection - Christ Church, Bellport	8,600
Steel Drum Band - St. Thomas' Church, Brooklyn	4,000
Cathedral Nursery School - Incarnation, Garden City	4,000
Summer Day Camp - St. George's, Brooklyn	4,000
After School Program - St. George's, Brooklyn	4,000

Computer Literacy Program - All Saints', Sunnyside	4,000
Interfaith Adult Day Care - St.Thomas', Farmingdale	4,000
Haven for the Homeless - St. Mary's, Hampton Bays	8,500

TOTAL 2003 ARCHDEACONRY & CHURCH BASED GRANTS \$45,600

Episcopal Charities has \$54,400 still available, as of October 31, 2003 for grant distribution to local outreach ministries. All outreach ministries affiliated with an Archdeaconry or Church within the Diocese of Long Island are eligible. Episcopal Charities will award annual grants of up to \$10,000. To encourage new church based ministry Episcopal Charities will consider grant applications for a duration of 3 years but at a reduced level in the second and third year. The Board of Episcopal Charities is scheduled to review grant applications at its December 10th Board meeting. An application form may be obtained by contacting the ECA office.

Standards and Guidelines for Assets

The Board of Episcopal Charities has enacted and/or adheres to several polices in reference to its assets. At the beginning of each month, all income received by Episcopal Charities during the previous month is transferred to the Investment Fund of the Diocese of Long Island in order to maximize our returns. Complying with Diocesan policy for investments, Episcopal Charities receives five percent of the interest income and the remainder is re-invested.

The entire Board approves the annual budget for Episcopal Charities. Upon approval, a copy of the budget is provided to the Office of Finance and Administration. The Finance Office makes disbursements for expenses in accordance with the budget upon receipt of appropriate documentation. The Executive Director of Charities and the Bishop's Deputy for Stewardship is a joint appointment with total compensation and expenses posted to the ECA budget.

100% of a donor's gift to the annual appeal is distributed to the agencies at the beginning of the following year. All campaign and administration expenses are covered by income generated by Episcopal Charities' endowment. After expense, the remainder of the endowment income is added to the donations to establish the amount of funds available for grants. A designated gift to an Episcopal Charities agency is released the month following receipt.

Since 1993, the Board of Episcopal Charities has added all bequests of \$1,500 or more to the Endowment Fund. The Board also adheres to a strict policy of using only the interest income generated by the endowment. The corpus of the endowment is never encroached.

Financial Statement

Attached please find Episcopal Charities Statement of Financial Position and Expenses for the year ending December 31, 2002. Episcopal Charities is awaiting the completion of the audit by the accounting firm of Pricewaterhouse Coopers.

Endowment Fund

Almost all of the endowment funds are unrestricted; only the Dillon, Dreger and Pohmer bequests were permanently restricted by the donors. The Dillon fund is for scholarships to Camp DeWolfe and the Dreger fund is for programs. This year, the Board designated interest income from the Grandin fund for ECA Scholarships to Camp DeWolfe for the 2003 camping season. The Grandin fund was established in 1988 by an unrestricted bequest from Helen M. Grandin.

Closing

The Board of Episcopal Charities is proud to be in partnership with the churches of this Diocese as we strive to further the mission of Jesus Christ here on Long Island. As stewards of the funds entrusted to us, we embrace this opportunity to openly share the procedures, finances and expenditures of Episcopal Charities with the delegates of the 2003 Convention.