Sustentation Fund - President

The Trustees of the Sustentation Fund of the Reformed Episcopal Church report as follows:

In Fall 2014, the Committee made a careful examination of the budget. This examination revealed that the church's investment and endowment accounts were being drawn upon at a rate that was unsustainable over the long term. Combined total expenditures were well in excess of both operating and investment income, leading to a real possibility of the church's funds being dissipated over a very short period. In response to that examination, the trustees, with the support of the bishops and general council, revised the budget to provide that operating expenses would be covered by operating income. Over the course of the past twelve years (2014-2026), this program has achieved some success. With God's grace, the Sustentation Fund's investments are now at their highest point ever.

During the preceding triennium, the Trustees of the Sustentation have continued to monitor the church's financial condition and its investments. This has been a somewhat challenging task due to the volatility in the various markets due to financial and political events. While the investment accounts suffered some losses during the period, as of the last accounting, our investments have recovered. This is largely due to the efforts of Mr. Bud Longueville and Bishop Jason Grote, who continue to manage the day-to-day business of the national church with diligence.

As a result, the trustees are pleased to advise the General Council of the following:

1. Statement of Financial Position and Statement of Activities. The statement of financial position for the triennium and the statement of activities are presented in detail in the treasurer's report.

2. Income and Expenses. As noted above, the committee confirms that the operating expenses of the General Committee continue to be met through ordinary income, without reliance on draws from the investment portfolio.

3. REC 100. The sustentation fund continues to hold and manage the funds of REC 100. These funds are kept separate from those of the General Council and are accounted for in the separate statements which follow in the treasurer's report.

4. Episcopal Recorder. The trustees reviewed the position of the Episcopal Recorder, Inc. They note that in 2006, management of Episcopal Recorder, Inc., was transferred from the Board of Pensions and Relief to the Sustentation Fund. Due to an oversight, however, in recent years, Episcopal Recorder has been reporting its accounts through the BPR. It is more appropriate for these reports to be made to the Sustentation Fund.

5. Proposed Budget. The trustees considered the proposed budget for the coming year and recommended approval of the budget by the General Committee. The General Committee have given its consent with the result that the budget for the 2026 is set forth in the treasurer's report for approval by this General Council. The budgets for each succeeding year of the triennium are initially set as the current year's budget and then amended each year by the General Committee.

Respectfully submitted,

(The Reverend) M.P. Harrington Chairman