

Annual Report—Board of Trustees

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

Eric Linn, Sheila Stagnita, and Simon Wu completed their terms of office in December 2025 and their service and contributions are greatly appreciated. New members of the Board are Kathy Baird (St. Peter's, Blairsville); Al Bashaar (St. Paul's, Mt. Lebanon); Arthur Noonan (St. Andrew's, Highland Park); and Wesley Rohrer (St. Andrew's, Highland Park).

The officers of the Board in 2026 were David Payne, President; Mary Amanda Dew, Secretary; and Michael Donadee, Assistant Secretary. Much of the Board's work revolves around its internal committees. The Property Committee is chaired by Jane Delano and is responsible for managing the real estate owned by the Diocese; the Audit Committee is chaired by R.J. King and works with our auditors in ensuring the accuracy of our financial statements; and the Finance/Investments Committee chaired by David Payne which is responsible for the management of the Diocesan Endowment Funds. Jane Delano and Mary Amanda Dew are the Board's representatives on the Growth Fund and Dave Payne and R.J. King represent the Board on the Diocesan Finance Committee.

Nic Byrd (Calvary), Bob Lucas (St. Paul's, Mt. Lebanon) and Tom Moore (Trinity) are also members of the Board and all of those mentioned above are much appreciated. The work of the Board is very much aided by the counsel of the Chancellor, Andy Roman, and Vice Chancellor, Steve Bloomburg. Finally, the Board relies on and receives excellent information and advice from the Diocesan Office including Bishop Ketlen, Canon Joann Saylor, Marlene Rihn, Andy Muhl, and others.

I would also like to mention that, in an effort for Board members to know one another better, we are holding some meetings in person rather than via video. The first was held in June and the second will be in November.

Diocesan Audit

Our December 31, 2025 audit was completed by Sisterson & Company and reviewed by the Audit Committee in a face-to-face meeting with the auditors and the Diocesan staff. The auditors were complimentary with regard to the work done by the staff and the cooperation they received. All agreed that the new sub-accounting system had been most helpful. We asked numerous questions which were very adequately answered. The statements received an "unmodified opinion" which is the highest available. The

Statement of Activities was similar to last year while the Statement of Financial Position was also similar except that Trusts and Investments grew \$4.6 million during 2025.

Diocesan Endowment

The Endowment is in its second year under the management of State Street Investment Management in partnership with the Episcopal Church Foundation. Our decision to use the sub-accounting system offered through the Foundation continues to be beneficial as we have been receiving excellent service and it has freed up substantial time among the Diocesan staff. The fund has performed well growing from \$38.4 million at December 31, 2025 to \$40.8 million at September 30th. This is after \$1.4 million in withdrawals by the Diocese and our parishes. Asset allocation stands at approximately 61% equities, 31% fixed income, and 8% alternatives. We continue to use the policy of calculating the maximum yearly distribution as 4.5% of the prior 48-month moving average of the endowment value. Distributions are used to fund the operating budget, distributed to third-party beneficiaries, transferred to other designated accounts, or reinvested in the funds.

Diocesan Property

The Board continues to attempt to negotiate leases with the two remaining ACNA parishes not paying us rent.

Late in calendar 2025 a sub-committee of the Property Committee determined that the best use of the Donegal house property, which had been returned to us, was for it to be sold. Consequently, the property was sold in early 2026 and the funds reinvested.

A new lease with Calvary Camp continues to be negotiated.

A rent credit with St. Thomas, Gibsonia, an ACNA parish, was approved allowing them to improve their parking lot.

Several other properties have required significant time and effort in order to handle normal maintenance and/or small capital expenditures including requests from our parishes for advice.

Support for Parishes

During 2026 the Trustees approved Growth Fund grants as recommended by the Growth Fund Committee for these parishes:

St. David's, Peters Township

St. Barnabas, Brackenridge

St. Matthew's, Homestead

There is an additional application in process. Assuming that is approved, the total amount committed would be \$33,200.

Support for New Episcopal Communities

Last year the Board approved an investment of up to \$500,000 to fund the Church of Incarnation over a five-year period. The resolution included details as to how the church plant would be supported and evaluated. In September the Rev. Deanna Briody met with the Board and provided an interim update which was encouraging. She will be providing a full update to the Board in December.

Support for Diocesan Mission

A significant portion of the Diocesan budget is funded from the endowment funds overseen by the Trustees. Consequently, we work closely with the Bishop, Diocesan Treasurer, and others to see that funds are available and directed to areas where the mission is best enhanced. This has been and will continue to be an over-arching objective.

Respectfully submitted,

David M. Payne

President, Board of Trustees