

Report of the Board of Trustees for the Year 2017

The Board of Trustees met officially five times in 2017. A number of Trustee committee meetings and other meetings of the co-chairs took place more frequently during the year. Presentations by members were also made at the Annual Congregational Meeting, Council, Council Executive and Congregational meetings.

Trustees include: John Eberhard (Co-Chair), David Manness (Co-Chair and Investment Committee Chair), Catherine Charlton, Russ Gonder, June McKay (Memorials Committee Co-Chair), Russ Monteith, Bill Peel (Chair, Insurance Committee), Bob Schram, Bob Slater (Memorials Committee Co-Chair), Katherine Wonfor (Secretary). Rev. Michelle Down is also a member of the Board of Trustees.

Also attending Trustee meetings during 2017, by invitation, have been: Bob Swartman (Chair of Council), Heather Vouvalidis (Church Administrator), Dale Pettit (Chair of Finance) and George Jolink (Chair of Property & Chair of Council).

The Board of Trustees holds and administers all property owned by the Church for the benefit and use of the First-St. Andrew's United Church Congregation as part of The United Church of Canada under the provisions of the *Trusts of Model Deed* of the United Church Manual. The Board holds the freehold title to the lands upon which the church sits. The Board of Trustees has four sub-committees accountable to it. At least one member of the Board serves on each committee. The committees are Investment, Insurance, Long-term Giving and Memorials.

The Board ended 2017 with assets under management evaluated at \$4,352,331. These net assets consisted of the Proudfoot Legacy Funds \$3,540,215 (Proudfoot Legacy Restricted Fund \$2,500,000: Proudfoot Legacy Unrestricted Fund \$1,040,215) and the other Restricted Funds (\$792,570). The other Restricted Funds managed by the Board are made up of the Wilson Music Fund; the Clark Fund; the Eberhard Memorial Music Scholarship Fund; the Bass Fund; and the Wm. & J. Brown Fund.

In 2017, at the direction of the Congregation and Council, your Board of Trustees transferred \$100,000 from the Proudfoot Legacy Fund to Council for operations. In addition, Trust Funds (\$45,017) were used for these capital projects: fixing the balcony railing, repainting the exterior of Farquhar House, fixing the roof on Farquhar house, and re-plastering the narthex

entrances. The sum of \$30,800 was paid from the Jean Brown Fund (including \$25,000 to support the Youth and Young Family Coordinator position and the balance for Jean Brown committee expenses for youth). Continuing Education costs of \$4,277 were approved and paid from the Clark Fund, as was \$326 for Music vocal scholarship cost paid from the Eberhard Fund. The total support from the Trust Funds for the church in 2017 for operational and capital purposes was \$180,420.

Trustees, continue to work closely with the Finance Committee in following the 2015 Eleven Point Plan to tackle the significant challenge of managing to balanced budgets. As a result, better than balanced budgets have been achieved for 2017, and for the prior two years. Well done.

In 2015, Council approved the replacement of the prior 'CAP' system with the new Proudfoot Legacy Fund made up of two components:

1. The Proudfoot Legacy Restricted Trust Fund containing a principal amount, currently set at \$2,500,000, expecting to provide a 4.5% return, which is the 'factory' that generates annual revenues designated for church operations without encroaching on its principal, and
2. The Proudfoot Legacy Unrestricted Trust Fund which is available to the church designated for capital projects and other purposes as approved by our Church Council.

The investment performance of Trust funds for the year 2017 was 6.4%. The 9-year Compound Annual Rate of Return for 2009 to 2017 has been 5.1%. It has been a roller coaster year for investments, with returns strengthening in the latter half of the year. The Canadian market has not been as strong as the U.S. market. The Board continues to believe in the value of conservative investing and protecting the principal of the Funds, especially given the growing dependence on Trust Fund returns to support the operations of the church. The Investment Policy has allowed for a portfolio made up of equity investments at 40% and fixed income & cash at 60%.

On the Insurance side, great efforts were undertaken to record the inventory of church assets. Under the direction of Bill Peel and Catherine Charlton, help from Donna Fraleigh, Willis Buckingham and Heather Vouvalidis was greatly appreciated in these efforts.

In May 2017, the Memorial committee, under the direction of June McKay and Bob Slater, honored bequests received in the past year and placed leaves on the Proudfoot Legacy Tree in the atrium in the names of Jean and Maurice Comfort, Laura Swartman and Donna and Arnold Spencer. We were pleased to host members of the family in attendance. Families received a plaque and a package of information about First-St. Andrew's as a keepsake.

On the Long Term Giving side, the Board of Trustees approved in June the establishment of the Proudfoot Legacy Gift Policy, which is the code of ethics on the handling of bequests and potential bequests from donors. This area will continue to be a focus as we look to recruit skills to address this area further. An estate planning seminar is being planned for the new year.

Choosing to Leave a Legacy from the heart to our church can ensure special meaning, worth and purpose to a life well lived. Your generosity through your will can ensure that your values and commitment to FSA continue

Your Board of Trustees greatly appreciates the efforts of the members of the Board of Trustees. We will be busy in 2018 again looking after our fiduciary responsibilities. We are pleased to include the Financial Statements with this report.

Respectfully submitted by,

John Eberhard and David Manness (Co-Chairs)

Board of Trustees, First-St. Andrew's United Church