



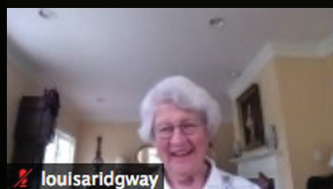
Kevin Nichols



Donald Roberts



Nolan



louisaridgway

Clergy Assurance Fund

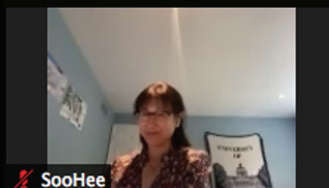


Bishop Daniel Gutiérrez



Rick Alton

ANNUAL REPORT 2019-2020



SooHee



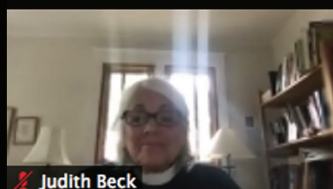
Rodger Broadley



Cliff Kozemchak



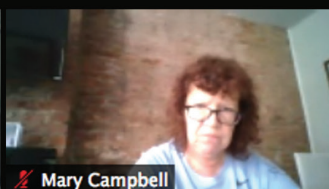
Tamika G. Rodriguez



Judith Beck



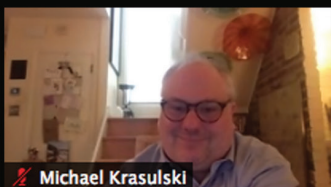
Scott Quinn



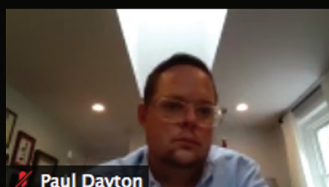
Mary Campbell



Dana Hall



Michael Krasulski



Paul Dayton

Serving the Episcopal Clergy of Pennsylvania since 1769

Participant Manual and Annual Report 2020

The mission of the Clergy Assurance Fund is to provide support to the families and survivors of clergy serving the Episcopal Church in the five dioceses of the Commonwealth of Pennsylvania.



President (ex officio)

The Bishop of Pennsylvania

The Right Reverend Daniel G. P. Gutierrez (2016)

Vice-President

James L. Pope (1992)

Other Members of the Corporation

In order of seniority

The Right Reverend Allen L. Bartlett, Jr. (1986)

Paul Spencer Adkins (1993)

Donald H. Roberts, Jr. (1993)

Helen R. Bosley, CFA (1998)

The Reverend Judith L.T. Beck (2002)

The Reverend Rodger C. Broadley (2002)

David P. Hegg, FSA (2002)

Nolan N. Atkinson, Jr., Esquire (2004)

Shirley Gracie (2004)

The Right Reverend Sean Walter Rowe, *The Bishop of Northwestern Pennsylvania* (2007)

Gordon B. Fowler, Jr. (2007)

Louisa C. Ridgway (2007)

Kathleen A. Stephenson, Esquire (2007)

Mary T. Campbell, CPA (2012)

The Right Reverend Edward L. Lee, Jr. (2012)

The Reverend Thomas L. McClellan (2012)

Theresa Rollins, Ph.D., CPA (2012)

The Right Reverend Dorsey McConnell, *The Bishop of Pittsburgh* (2012)

The Reverend Richard C. Alton (2014)

Dana B. Hall, CFA, MDiv, MFT (2014)

SooHee Lee Lim, CFA (2015)

The Very Reverend Scott T. Quinn (2015)

The Right Reverend Audrey Cady Scanlan, *The Bishop of Central Pennsylvania* (2015)

Albert S. Dandridge, III, Esquire (2016)

Stephen B. Heimann, Esquire (2016)

Clifford W. Kozemchak (2017)

The Reverend Isaac Miller (2017)

Neville E. Strumpf, Ph.D., RN (2017)

The Right Reverend Kevin D. Nichols, *The Bishop of Bethlehem* (2018)

The Rev'd Noah Evans (2019)

Tamika Rodriguez (2019)

Paul Dayton-Welch, CPA (2020)

Michael J. Krasulski (2020)

Dear Friends,

God is good! I say that in thanksgiving that our 250th Anniversary was LAST year and not in 2020! As I write this in September 2020 it is hard to imagine that one year ago we were in the last stages of planning two days of events that would bring more than 250 of you together here in Philadelphia to celebrate. It's hard enough to meet and worship by ZOOM (as you know but also can see throughout this Report) without having to celebrate major anniversaries that way as well! As the song (almost) says, "What a difference a [year] makes!"

Sherry and I spent the first months of the new fiscal year working almost entirely from our homes where Sherry continues to work to avoid the long commute by train into our Center City office. Fortunately I live just a mile or so from the office, so as restrictions loosened and we became more comfortable with maintaining social distance and wearing masks, I have begun to work again from the office.

And that is a good thing as we had already leased new office space in our same building that we needed to move into in July and August. Many days saw me in jeans (not a pretty sight!) cleaning out old files, packing up office equipment, overseeing renovations to the new space, and finally actually moving in during the second week of August. Thanks to the Acting Committee's commitment to encouraging our work the new office is bright, comfortable, and ready to support our mission and ministry for at least the next ten years.

The year began with our investment funds at a low point at the end of March, so the financial statements at the end of this Annual Report are based on rather depressing



John A. Miller
Treasurer & Executive Director

figures. Fortunately, the investment markets rebounded quickly and by the end of August our Fund was at its highest value ever, as shown on Page 2.

As we have seen, however, this year it is especially foolish to make predictions, so we continue to be prudent in spending ... meeting the needs that are presented to us but avoiding undue risk ... being careful stewards of the bounty entrusted to us for your well-being.

We hope that you and those you love are safe and well, and we encourage you to reach out to us with any concerns you may have or even just to talk to someone different once in a while! And, as another song says, "We'll meet again ..."

Faithfully yours,

A stylized, handwritten signature of John A. Miller in black ink. The signature is fluid and cursive, with the first letter 'J' being particularly large and prominent.

John A. Miller
XVth Treasurer & Executive Director

Insurance / Financial Summary

Fiscal Year Ending 31st March 2020

Insurance:

	Insurance	
	<u>Lives</u>	<u>In Force</u>
End of FY 2019:	1,313	\$64,971,650
End of FY 2020:	1,321	\$64,689,590

Income/Expense through 3/31/2020:

Income:	<u>FYE 2020</u>	<u>FYE 2019</u>
Investment Income		
& Realized Capital Gains	\$1,389,652	\$3,797,551
Premium Income	97,152	85,462
Investment Management Fees	- 345,608	- 321,592
Net Cash Income	\$1,141,196	\$3,561,421
Unrealized Gains/Losses	-8,738,667	-3,738,971
Net Income:	-\$7,597,471	-\$ 263,012
Expense:		
Death Claims		
Including Spousal Deaths	\$1,246,060	\$1,160,800
Operations	415,493	319,099
Required Expenses	\$1,661,553	\$1,479,899
Family Grants	238,843	206,022
Wellness Grants	248,432	248,058
Premium Refunds	162,813	181,728
Anniversary Celebration	125,688	9,500
Outreach Grants	43,924	60,000
Discretionary Expenses	\$ 819,784	\$ 705,308
Total Expense	\$2,481,337	\$2,185,207

Total Assets:	3/31/2019:	\$71,084,141
	3/31/2020:	\$61,762,586
	8/31/2020:	\$73,867,559

Dear Friends,

As John wrote, I have been spending a good deal more time than usual working from my home and my church office an hour away from the office he and I share in Philadelphia, and I can't say that I miss the commute!

Throughout these troubling months I continue to encourage clergy who are reaching a point at which their personal limit of insurance is going drop to consider making one final investment in the financial security of their survivors. Please remember that whatever amount of insurance you have never goes away ... at least as long as you continue to make premium payments for the first fifteen years ... but when you enter your next decade (40's, 50's, 60's) the amount of new insurance that you can purchase decreases by \$50,000 until at age 72 you can no longer add to the amount you have. I encourage you to take stock of your options now, regardless of your age but especially if you are under 40 when the rates are extremely low and the personal limit is at its highest, and contact me if you would like to discuss making an additional investment. As you know, our insurance is offered at highly subsidized rates in pursuit of our foundational mission of caring for clergy families.

We continue to focus much of our attention on the particular needs of clergy family members. On the next page of this report you will read a summary of a document that will shortly be posted on our website that talks about some of the sources of clergy family stress and begins to offer some suggestions to avoid or to deal with them. These are largely drawn from the work of FOCUS in the last decade, and we are very grateful for having the opportunity to bring their hard work into clearer focus (yes, that was intentional!) for all of our clergy and clergy family members.



The Reverend Sherry Deets
Chaplain

This is meant to open a conversation, not to provide all the answers. We encourage you to share this with your own family, to begin to engage in conversations with your clergy colleagues and their families within your local community and diocese, and to share your thoughts, ideas, and reflections with us so that we can continue to bring them to a wider audience.

And please be gentle with yourself and others as we acknowledge that this is a time of heightened anxiety for all. Take care of yourself!

Shalom,

The Reverend Sherry Deets
Chaplain

Family Resources



The Acting Committee meets on ZOOM

“Stress and the Clergy Family” is the title of a paper that will shortly be published on our website (see ClergyAssuranceFund.org/family/resources) that seeks to open a conversation about the many and varied factors that clergy families face, stressors that are different than those faced by those in other professions.

For example:

- How many teachers are called on to have a “come to Jesus meeting” with their school principal for not supporting a child born out of wedlock? Yet, a priest of our acquaintance had to do that to their senior warden.
- How often do physicians have to worry about their hospital board chair seeing their teenage child engaged in marijuana use? Yet another priest we spoke to was panic-stricken lest their bishop be tuned in when their son was seen on television “obviously stoned” as they said.
- What happens when the spouse of a cleric gets an important job offer in another state? Or when the cleric is called to a parish in another state? Does the spouse, who may well be the principal source of income for the family, simply drop everything in order to keep the family intact? What is the impact on children who must drop their school and circle of friends?

Of course there are solutions to these and most of the other challenges, but they are stressful nonetheless. Bringing these concerns out into the open, acknowledging them, and trying to develop ways to address them is a path to healthier clergy families. And healthy clergy families are the key to healthy clergy leading healthy parishes.

Be on the watch for the publication of “Stress and the Clergy Family” soon on ClergyAssuranceFund.org, read it carefully and prayerfully, and start talking to your own family members, your clergy colleagues, your vestry and lay leaders. Work together to manage expectations, set boundaries, give mutual support, and share your dreams (and fears) with a wider circle ... a heavy load is always easier to carry when shared.

Insurance Programs

Basic Security for the Future



Bishop Daniel Gutiérrez, President of the Corporation

The basic vehicle for enrollment with the Clergy Assurance Fund is the “Free \$1,000” policy of life insurance. This is available to every bishop, priest or deacon (transitional or vocational) of the Episcopal Church canonically resident in any of the five dioceses in Pennsylvania or to any such cleric living within Pennsylvania regardless of canonical residence.

Participation is now also open to Lutheran and Moravian clergy serving in Episcopal parishes. This insurance policy opens the door to every other benefit of participation in our programs of assistance; it is completely free of charge and requires only the most basic contact information. Once enrolled, the coverage and eligibility for assistance can never be lost, even by moving out of state or by ceasing to be actively engaged in ministry.

Beyond the basic enrollment policy, premium-based policies of life insurance can be purchased. These policies of up to \$150,000 based on the age at the time of purchase are issued on the basis of a fifteen-year premium payment period at rates that are highly subsidized by the earnings on the Corporation’s investments.

Once the fifteen years of payments have been received, the policy is marked “Paid Up” and no further premiums are charged. It is our very long-standing practice to begin refunding the premiums in annual installments over the next fifteen years, though this program must be approved each year at the Annual Meeting.

Regardless of the Premium Refunds, however, the insurance never ends until the death benefit is paid out to the designated beneficiaries. In this way the policies are closer to the “whole life” model of commercial insurers even though the payment plans are more similar to the “term insurance” model.

Finally, any natural person or persons may be designated as the beneficiary of these policies of insurance, as well as religious and charitable organizations. In the event that no beneficiary has been named and no legal heirs can be identified at the time of death, proceeds of the insurance are paid to the diocese in which the cleric was resident at the time of initial enrollment.

Wellness Funds *Help for the Whole Family*

During the lifetime of the enrolled clergy person, the Fund for Clergy and Clergy Family Wellness can be accessed for a variety of needs. While the most common uses of these funds are reimbursements of medical, dental and prescription drug expenses that have not been covered by medical insurance programs, they can also be requested for expenses of retreats, counseling, and other similar needs.

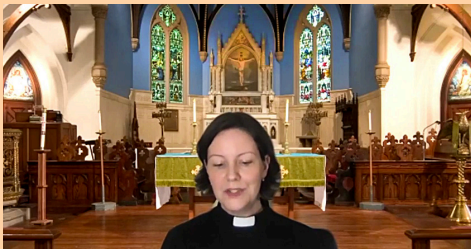
In order to request Wellness Fund assistance, a simple application is completed by the cleric and submitted to the diocesan bishop or designated pastoral care officer. This involvement of the bishop is primarily to enable the bishop to fulfill the obligation to see to the well-being of the local clergy.

When a Wellness Fund request is made, the bishop can see if other diocesan funds may be used to address the need and also can exercise such pastoral care as may be indicated by the situation at hand.

When the bishop has signed the application, it is submitted to the Corporation's office for payment. Payments can be made to the cleric as reimbursement for funds already disbursed or directly to service or care providers for fees yet to be billed.

And in one more effort to support the families of clergy, insured clerics are eligible for a Spousal Death Benefit of \$5,000 upon submission of a copy of the death certificate of the spouse or acknowledged life partner.

Worship in the time of COVID



Saint Mary's at UPenn



Saint Clement's, Philadelphia



Saint Asaph's, Bala Cynwyd



Holy Trinity, Rittenhouse Square

Family Grants

“... the orphans and widows in their distress...”

When the insured clergyperson dies, an early step for the surviving family to take is to contact the office of the Corporation to report the death. A copy of the death certificate is required in order to release the death benefit to the designated beneficiaries which is normally accomplished within a week of receiving the certificate.

After that, however, the surviving spouse is eligible to apply for need-based assistance for life or until re-marriage. This assistance is administered in three ways. The primary program is grants of Supplemental Income. These grants are intended to help provide a margin of income in excess of what is needed to cover fixed expenses such as housing and medical care. While the amount of this margin differs depending on the living circumstances (for example a young widow with minor children versus an older widow in a retirement community) the process begins with a simple application submitted in February for grants that are determined in March and distributed quarterly beginning in May.

Educational Assistance grants of up to \$5,000 per year can be made to the children of deceased insured clergy through the completion of their professional level education. These are also generally approved in March although requests can be submitted at other times as needed.

Finally, Emergency Aid can be provided to widowed spouses for any purpose at all. These are based on need and are highly individualized depending on the unique circumstances. It is important for all surviving spouses to remember that they may always inquire about the availability of assistance for any type of financial need that arises. These grants are made throughout the year as needed.

Summary of Programs

Enrollment

All Episcopal clergy living or canonically resident in Pennsylvania; Lutheran or Moravian clergy in Pennsylvania engaged in Episcopal ministries. \$1,000 free death benefit policy required to enroll:

ClergyAssuranceFund.org/clergy/enrollment

Additional Coverage

At below-market rates:

24→40:	to 150,000
41→50:	100,000
51→60:	75,000
61→72:	50,000

ClergyAssuranceFund.org/clergy/additional-coverage

Wellness Fund

For all insured clergy and their families; applications to be approved by local bishop; \$5,000 maximum annual grant for medical expenses not covered by other insurance

ClergyAssuranceFund.org/wellness-fund-assistance

Spousal Death Benefit

Spousal Death Benefit of \$5,000 to all insured clergy whose spouse or life partner dies

ClergyAssuranceFund.org/spousal-death-benefits

Surviving Spouse benefits

Supplemental Income to bridge gap between income and expenses
Emergency Aid for one-time expenses
Education Assistance for children through completion of professional education

ClergyAssuranceFund.org/family

INDEPENDENT AUDITOR'S REPORT

***The Members of The Corporation for the
Relief of the Widows and Children of
Clergymen in the Communion of the
Protestant Episcopal Church in the
Commonwealth of Pennsylvania
Philadelphia, Pennsylvania***

We have audited the accompanying financial statements of The Corporation for the Relief of the Widows and Children of Clergymen in the Communion of the Protestant Episcopal Church in the Commonwealth of Pennsylvania, d/b/a Clergy Assurance Fund (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clergy Assurance Fund as of March 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BBD, LLP.

Philadelphia, Pennsylvania
June 8, 2020



Cathedral of the Nativity, Harrisburg



Saint Stephen's Cathedral, Bethlehem

The Financial Statements that follow are abstracts from the full Audited Financial Statements. The full Audited Financial Statements are available upon request from the Treasurer.

STATEMENT OF FINANCIAL POSITION

March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 84,403	\$ 53,573
Investments	61,633,502	70,898,969
Investment income receivable	101,592	109,597
Premiums due and deferred	<u>15,735</u>	<u>22,002</u>
Total assets	<u>\$ 61,835,232</u>	<u>\$ 71,084,141</u>
LIABILITIES		
Policy reserves for payment of future benefits	\$ 43,395,000	\$ 43,289,000
Accrued expenses	46,607	151,269
Grants payable	485,500	483,000
Premium refunds	<u>162,187</u>	<u>170,000</u>
Total liabilities	<u>44,089,294</u>	<u>44,093,269</u>
NET ASSETS		
Without donor restrictions		
Operating	15,125,763	24,151,267
Board designated		
Endowment for spousal death benefits	2,500,000	2,500,000
Spousal death benefits funds	75,000	75,000
Grants	29,500	132,000
Anniversary reserve	-	117,430
Yeates trust	<u>5,675</u>	<u>5,175</u>
	17,735,938	26,980,872
With donor restrictions	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>17,745,938</u>	<u>26,990,872</u>
Total liabilities and net assets	<u>\$ 61,835,232</u>	<u>\$ 71,084,141</u>

See accompanying notes

STATEMENT OF ACTIVITIES

Years ended March 31, 2020 and 2019

	2020	2019
	<u>Total</u>	<u>Total</u>
REVENUE		
Premiums	\$ 97,152	\$ 85,462
Investment income (loss)	(6,694,623)	(263,012)
Total revenue	<u>(6,597,471)</u>	<u>(177,550)</u>
BENEFITS AND OTHER EXPENSES		
Death claims	1,211,060	1,160,800
Actuarially required increase in policy reserves	106,000	104,000
Operating expenses	541,181	359,114
Premium refunds	155,000	170,000
Grants	<u>634,222</u>	<u>664,248</u>
Total benefits and other expenses	<u>2,647,463</u>	<u>2,458,162</u>
CHANGE IN NET ASSETS	(9,244,934)	(2,635,712)
NET ASSETS		
Beginning of year	<u>26,990,872</u>	<u>29,626,584</u>
End of year	<u>\$ 17,745,938</u>	<u>\$ 26,990,872</u>



Trinity Cathedral, Pittsburgh

STATEMENT OF CASH FLOWS

Years ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (9,244,934)	\$ (2,635,712)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net unrealized gains on investments	8,738,667	3,738,971
Net realized gains on investments	(1,114,519)	(2,386,625)
(Increase) decrease in		
Investment income receivable	8,005	(40,279)
Premiums due and deferred	6,267	(7,158)
Increase (decrease) in		
Policy reserves for payment of future benefits	106,000	104,000
Accrued expenses	(104,662)	(126,388)
Grants payable	2,500	58,000
Premium refunds	<u>(7,813)</u>	<u>(10,000)</u>
Net cash used for operating activities	<u>(1,610,489)</u>	<u>(1,305,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	35,853,384	40,661,298
Purchases of investments	<u>(34,212,065)</u>	<u>(39,363,341)</u>
Net cash provided by investing activities	<u>1,641,319</u>	<u>1,297,957</u>
Net change in cash	30,830	(7,234)
CASH		
Beginning of period	<u>53,573</u>	<u>60,807</u>
End of period	<u>\$ 84,403</u>	<u>\$ 53,573</u>

THE CLERGY ASSURANCE FUND

Acting Committee

James L. Pope, Chair (*ex officio*)
Helen R. Bosley, CFA (term expires 2022)
The Reverend Rodger C. Broadley (term expires 2022)
Albert S. Dandridge, III, Esquire (term expires 2024)
Dana B. Hall, CFA, MDiv, MFT (term expires 2023)
David P. Hegg, FSA (term expires 2023)
Clifford W. Kozemchak (term expires 2021)
The Right Reverend Edward L. Lee, Jr. (term expires 2021)
SooHee Lee Lim, CFA (term expires 2024)

Investment Committee

SooHee Lee Lim, CFA, Chair
Albert S. Dandridge III, Esquire
Gordon B. Fowler, Jr.
Dana B. Hall, CFA, MDiv
Stephen B. Heimann, Esquire
James L. Pope
Louisa C. Ridgway
Donald H. Roberts, Jr.



Audit Committee

Theresa Rollins, Ph.D., CPA, Chair
Paul Spencer Adkins
Mary T. Campbell, CPA
Stephen B. Heimann, Esquire
Donald H. Roberts, Jr.
Kathleen A. Stephenson, Esquire

Secretary

Nolan N. Atkinson, Jr., Esquire
1819 John F. Kennedy Boulevard, Suite 424
Philadelphia PA 19103
Secretary@ClergyAssuranceFund.org

Assistant Secretary

Kathleen A. Stephenson, Esquire
1819 John F. Kennedy Boulevard, Suite 424
Philadelphia, PA 19103

Actuary

CPS Actuaries

Certified Public Accountants

BBD, LLP

Nominating Committee

The Reverend Rodger C. Broadley
Gordon B. Fowler, Jr.
Shirley R. Gracie
The Reverend Thomas L. McClellan
The Very Rev'd Scott T. Quinn
Tamika Rodriguez
Neville Strumpf, Ph.D., R.N.

Chaplain

The Reverend Sherry A. Deets
610-213-7843 or 215-557-6960
Chaplain@ClergyAssuranceFund.org

Treasurer & Executive Director

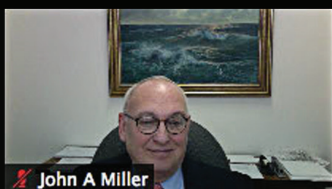
John A. Miller
Suite 424
1819 John F. Kennedy Boulevard
Philadelphia PA 19103
215 557-6960
Treasurer@ClergyAssuranceFund.org

Solicitor

Laura N. Solomon, Esquire



James Pope



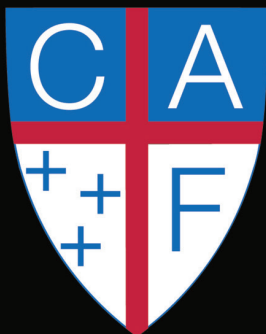
John A Miller



Shirley Gracie



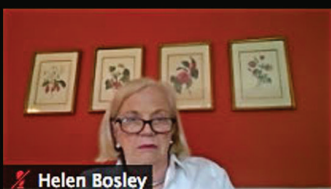
Sherry Deets



Theresa Rollins



PADKINS1969@GMAIL.C...



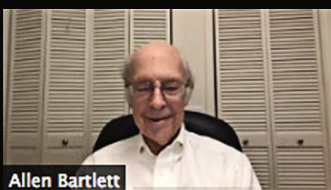
Helen Bosley



Steve Helmann



Gordon Fowler



Allen Bartlett



The Rev. Noah Evans, St....



Dorsey McConnell



Kathleen Stephenson



Albert Dandridge



Neville Strumpf



David Hegg

CLERGY ASSURANCE FUND

1819 John F. Kennedy Boulevard, Suite 424 • Philadelphia, PA 19103

☎ 215 557.6960 Fax: 215 557.8614

www.clergyassurancefund.org