

The Episcopal Church Building Fund

The General Convention of 1880 created the American Church Building Fund Commission, now known as the Episcopal Church Building Fund and specified that this agency would administer a fund to:

“Aid in the erection of churches in places where such assistance shall be necessary or expedient.”

In 1881 the American Church Building Fund Commission was incorporated in New York State. By 1883 the Episcopal Church had contributed slightly more than \$84,000 to provide for the beginning of the Revolving Permanent Loan Fund although \$1,000,000 had been anticipated. However churches were already being built with the fund at hand.

This has been characteristic of the Building Fund Agency's work ever since: getting the most construction and repairing of buildings done for the Church with the dollars at hand. The Building Fund has used the money advantageously, managing it at minimum cost, and lending the money to congregations at the lowest possible interest rates. Though the loan fund has increased slowly at no time has it been sufficient to meet the needs of the Church. The General Convention in 1961 provided the only increase to the Revolving Permanent Loan Fund to come from a General Convention budget. Over the years, however, the Loan Fund increased largely as a result of a surplus of earnings over the cost of operation. Increases derive primarily from interest charges paid by borrowing churches. Gifts from individuals and parishes are relatively few. Let it be emphasized that interest rates have always been lower than the average rates charged by commercial banking institutions throughout the country.

In the years 1973, 1974 and 1975, the Building Fund has watched the spiraling costs of construction and commercial interest rates continue to thwart the effectiveness of the Loan Fund. Today churches are asking for loans four times larger than twenty years ago — 1955 for \$14,000 and in 1975 for \$56,000. Also the term of these loans has increased from an average of 8½ years to 14 years which means that the money is not moving as fast and is therefore serving fewer congregations. Without the commensurate increase of the Loan Fund fewer loans can now be written; church building projects must be postponed or interim local financing must be obtained at higher cost, until Building Fund money is available. The Revolving Permanent Loan Fund is currently able to provide only \$1.00 for every \$10.00 churches need and ask for in loan applications. At the end of 1975 final arrangements were made by our Trustees to increase the Building Fund by borrowing \$300,000 from the Church Insurance Corporation. This brought the total amount to \$2,500,000 which permits several requests to be funded that were unable to obtain local commercial loans.

A three years consolidated statements of the Building Fund's finances is appended to this report. Such exhibit is provided for the accountants and other persons accustomed to reading such reports and balance sheets. The figures alone reveal little of the true values of the Church's assets invested in the Revolving Permanent Loan Fund of the Episcopal Church Building Fund. These values are measurable only in the worship of people, the teaching and learning of Christian education and the results of many other ministries and services of the Church taking place in buildings made possible by the Agency's Funds. For a knowledge of the Building Fund's services of Planning and Financing to congregations over the last three years, write to the Agency's new office in the Episcopal Church Center in

BUILDING FUND

New York for a graphic statement and pamphlets.

This change of office location was necessitated by the death on March 12, 1975 of Howard G. Clark who served as Trustee and as Executive Vice President and Secretary. In this report the Trustees record their gratitude for Dr. Clark's diligence and faithfulness in the management of the affairs of the Building Fund.

The present intention of the Trustees is to continue to provide the Planning and Financial services that have characterized the Building Fund for the past 95 years. It is the desire of the Building Fund through its Financial Development Program to take those steps necessary that will contribute to the increase of the Permanent Loan Fund in order to assist more congregations. Our goal is to increase the funds available by one million dollars by the end of 1980 which will mark the 100th year that the Episcopal Church Building Fund has been of service to the Church. To these opportunities the Trustees are addressing themselves.

Respectfully submitted by the Trustees:

The Rt. Rev. Jonathan G. Sherman, *President*
The Rev. Sherrill Scales, Jr., *Executive Vice President & Secretary*
Jay H. McDowell, Esq., *Vice President & Counsel*
Allen B. McDown, *Treasurer*
The Rev. William N. Lanigan, *Ass't Treasurer*
The Rev. Harry R. Johnson, Jr., *Ass't Secretary*
The Rev. Robert Bizzaro
Chester E. Borck
John C. Chapin
The Rev. Thomas H. Carson, Jr.
The Rev. Peter Chase
Paul W. Eggers, Esq.
Lindley M. Franklin, Jr.
Edwin L. Gasperini, Esq.
The Rev. Halsey DeWolf Howe
Dermond Ives, Esq.
Robert A. Robinson

For the Trustees:

The Rev. Sherrill Scales, Jr., *Secretary*

CONSOLIDATED STATEMENT FOR THE YEARS 1973, 1974 and 1975 FUNDS AVAILABLE TO LEND – LOANS CLOSED – LOANS OUTSTANDING

FUNDS AVAILABLE TO LEND

Permanent Loan Fund December 31, 1972	\$2,078,580.28	
Added by Gifts Offerings, Legacies & Transfers	173,765.82	
Transfer to Seed Money Loan Fund	<u>25,000.00</u>	
TOTAL OF PERMANENT LOAN FUND & SEED MONEY LOAN FUND		\$2,277,346.10
Loan to Churches Outstanding, December 31, 1972	\$1,913,989.10	
Money Paid to Churches	<u>972,241.21</u>	
	\$2,886,230.31	
Deduct: Principal Payment Received	<u>685,255.13</u>	
Loans to Churches Outstanding, December 31, 1975		<u>2,200,975.18</u>
Balance available for new Loans December 31, 1975		<u>\$ 76,370.92</u>

APPENDICES

OPERATING BUDGET PROJECTED

1976	\$58,672.00	
1977	61,606.00	
1978	<u>164,686.00</u>	\$184,964.00

No funds were received during the preceding triennium toward operating expenses nor are funds requested at this time of the General Convention for the next triennium.

INCOME, EXPENDITURES & TRANSFERS

INCOME

Interest and Dividends		\$385,409.38
Other Receipts		500.00
General Fund Balance Dec. 31, 1972		<u>23,166.10</u>
Unrestricted funds available for general purposes		<u><u>\$409,075.48</u></u>

EXPENDITURES

Administrative and Operating Expense	\$137,336.43	
Publicity & Advertising including provision for General Convention Exhibit	35,011.27	
Other Disbursements	<u>11,429.03</u>	
Total Expenditures		\$183,776.73

TRANSFERS

Transfers to Permanent Loan Fund	\$205,293.19	<u>205,293.19</u>
TOTAL EXPENDITURES & TRANSFERS		\$389,069.92
General Fund Balance, December 31, 1975		<u>20,005.56</u>
		<u><u>\$409,075.48</u></u>

STATEMENT OF ASSETS, LIABILITIES AND FUNDS

December 31, 1972

ASSETS

Cash	\$ 101,115.34	
Loan to Churches	2,200,975.18	
Securities at Cost	10,267.50	

LIABILITIES & FUNDS

Permanent Loan Fund		\$2,262,613.60
Reserve for General Convention & Publicity		4,738.86
Seed Money Loan Fund		25,000.00
General Fund		<u>20,005.56</u>
	<u>\$2,312,358.02</u>	<u>\$2,312,358.02</u>