

St. Paul's Episcopal Church



2021 Endowment Annual Report



Generation to Generation

2021 ENDOWMENT COMMITTEE MEMBERS

William Monk, Chair	David Womack	The Rev'd Andrew Cannan, ex-officio
Tommy Stoughton, Secretary	Brian Jowers, ex-officio	Cordell Avery, Emeritus
Leigh Cellucci	Leonna Love, ex-officio	

UNDERSTANDING ST. PAUL'S ENDOWMENT

St. Paul's Endowment was originally established in 1947 from a bequest of \$500 from Addie Smith Cox. The Vestry elected to designate this as a quasi-endowment fund to grow and benefit St. Paul's over the long term. The fund has grown through investment earnings and additional contributions over the years and was known as the Endowment Fund, later renamed the Samaritan Fund and most recently renamed the Legacy Fund in 2006. Until 2015, this was the only fund in St. Paul's Endowment.

The Legacy Fund still exists today as a Vestry designated quasi-endowment fund. Distributions from the Legacy Fund are to be used for capital improvements, outreach ministries and grants, seed money for new ministries and special one-time projects. This Fund may also distribute more than the spending policy in certain emergency circumstances. It is not the purpose of the Legacy Fund to support the annual operation budget of St. Paul's which is funded through contributions to the Annual Commitment Campaign.

In 2015, St. Paul's received a generous bequest from the estate of Cathee Jean Huber to establish a permanently endowed fund within St. Paul's Endowment, known as the Huber Fund. In accordance with the wishes of Cathee Huber, this fund supports the adult choir of St. Paul's and is a true or permanent endowment.

Since 2015, St. Paul's Endowment has consisted of these two funds.

In 2020, the Legacy Board and Vestry adopted new endowment governance documents and policies to update St. Paul's endowment management practices based on guidance from the Episcopal Church Foundation. As part of this update, the Legacy Board was renamed the St. Paul's Endowment & Investment Committee, which now oversees all endowment funds of St. Paul's (currently the Legacy and Huber Funds).

St. Paul's Endowment is invested through the Episcopal Foundation of the Diocese of East Carolina and are ultimately managed by Oak Harbor Wealth Partners in Raleigh NC. The funds are invested in diversified portfolios to achieve long-term real growth after expenses and distributions while avoiding excessive risk.

Do you know?

What types of Endowed Funds are there?

True or Permanent Endowment Fund. Gifts received from donors that have stated the gift is to be held permanently as an endowment, either for general or specific purposes as identified in writing. This may also include gifts to existing True/Permanent Endowment Funds. The corpus of such funds is protected by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Huber Fund is a true endowment.

Quasi-Endowment Fund. This may also be referred to as Funds Functioning as Endowment. These are funds restricted by the decision of the governing body, not the donor (in our case, the Vestry) to treat the fund as if it were an endowment. This includes gifts from donors to an existing quasi-endowment fund (Legacy Fund). It functions like a true endowment but is not protected by UPMIFA like a true or permanent endowment. The Legacy Fund is a quasi-endowment.

What is UPMIFA? UPMIFA is the Uniform Prudent Management of Institutional Funds Act and provides guidance on investment decisions and endowment expenditures for non-profits and charitable organizations and is the law in 49 states, including NC.

SPENDING POLICY

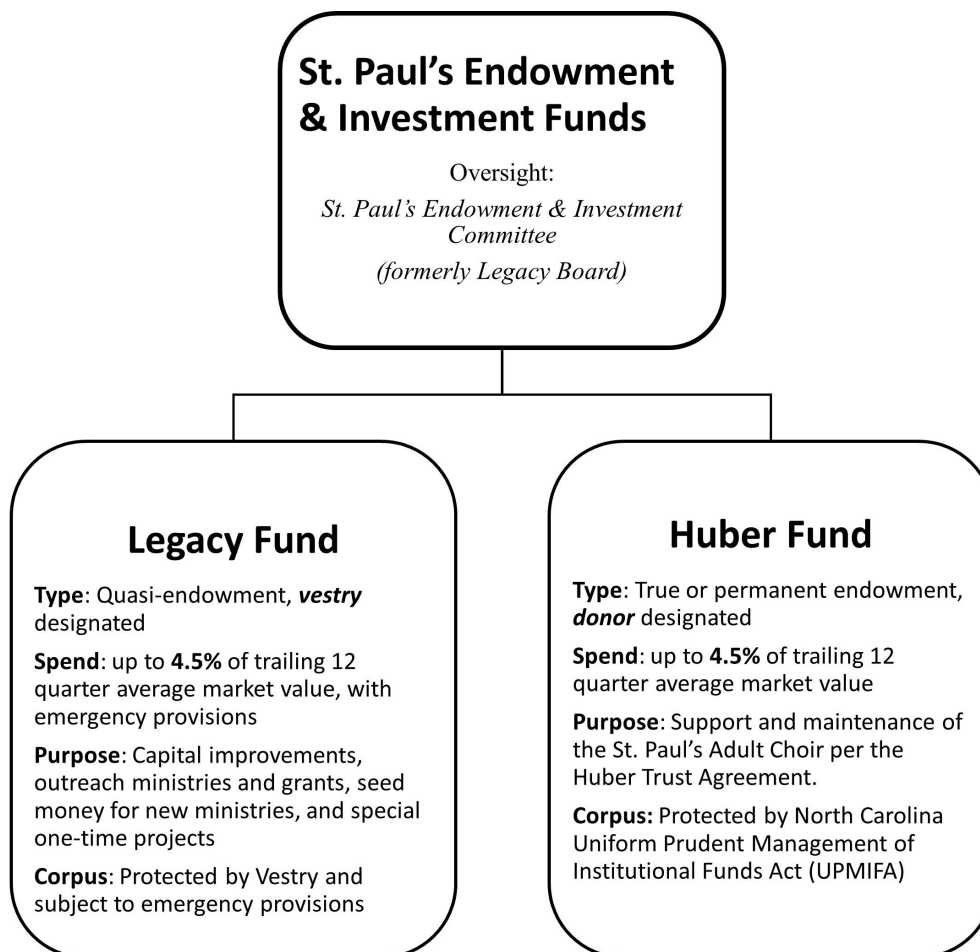
The available distributions or “spend” from St. Paul’s Endowment each year is up to 4.5% of the average of the trailing 12 quarter market value of each fund. This spending policy was established to allow for a smoothing effect on distributions for consistency, while also allowing the funds to achieve real growth over the long term. This policy applies to each fund within the Endowment, unless otherwise outlined in the fund agreement.

See *Endowment FAQs* for more information on endowments.

QUESTIONS?

If you have questions about St. Paul’s Endowment Funds, are interested in contributing to the Legacy or Huber Funds, would like to create a planned gift, or have an interest in creating a new, named endowment fund, please contact a member of St. Paul’s Endowment Committee. Please see the Endowment FAQs at the end of this report for answers to frequent questions.

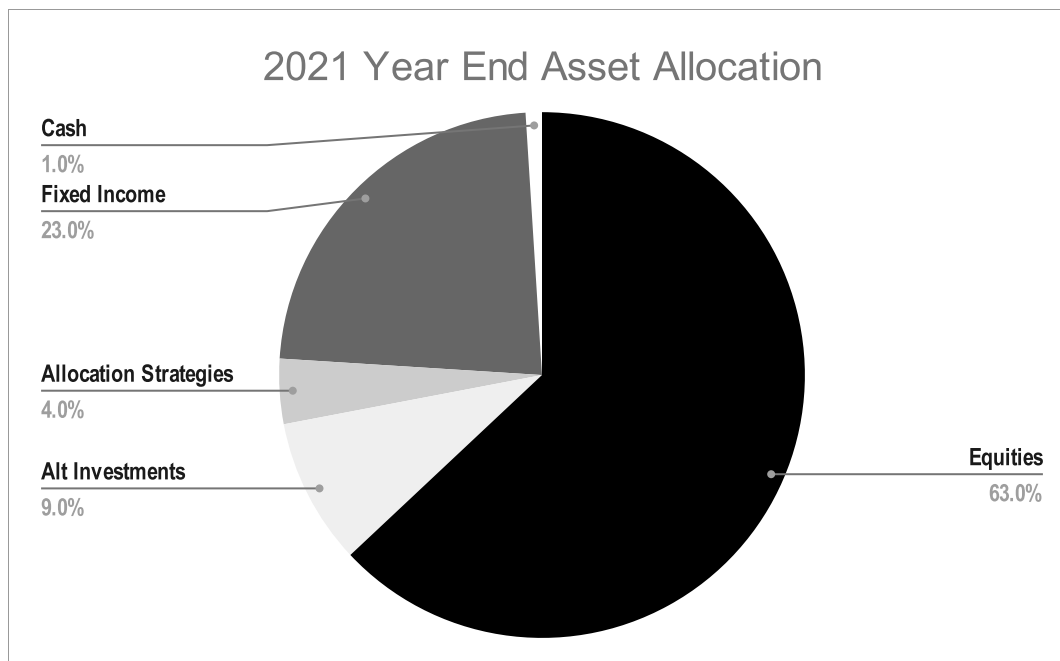
CHART OF ST. PAUL'S ENDOWMENT FUNDS



2021 FINANCIAL REPORT

The equity markets had another good year in 2021. St. Paul's Endowment portfolio returned **12%** for the year, outperforming the benchmark of **10.4%**. In addition to this investment performance, the endowment received two significant bequests from the estates of Mike Bell and Jane Joyner in 2021, along with other contributions and memorial gifts for a total of \$696,231. During the year, the Legacy Fund distributed \$25,000 for the office renovation project and the Huber Fund distributed \$12,500 for the stated fund purposes. The Endowment Committee and Vestry also made the decision to distribute the funds held in the Legacy Fund for the columbarium (\$15,000) during the year. These columbarium funds will now be managed outside of the Legacy Fund. Overall, St. Paul's Endowment assets grew from \$1.2 million to just over \$2.0 million in 2021. The portfolio remains invested in a diverse and balanced portfolio.

2021 Endowment Activity & Performance			
	<i>Legacy</i>	<i>Huber</i>	<i>Total Endowment</i>
Beg Value	\$940,889	\$268,724	\$1,209,613
Deposits/Additions	\$695,704	\$527	\$696,231
Income	\$95,088	\$16,272	\$111,360
Withdrawals	-\$41,505	-\$12,930	-\$54,435
Expenses	-\$5,593	-\$1,101	-\$6,694
Change in Value	\$57,890	\$20,248	\$78,138
Ending Value	\$1,742,473	\$291,740	\$2,034,213
<i>Performance</i>	<i>11.80%</i>	<i>13.21%</i>	<i>12.05%</i>
<i>Benchmark Performance</i>	<i>10.36%</i>	<i>10.36%</i>	<i>10.36%</i>
<i>Over/(Under) Performance</i>	<i>1.44%</i>	<i>2.85%</i>	<i>1.69%</i>



St. Paul's Endowment - Donor Recognition

We would like to thank everyone for their generous support of St. Paul's Endowment Funds. The challenges faced during this Covid year highlight the importance of growing our endowment to ensure the long-term growth and sustainability of St. Paul's and its ministries. Please let us know if your name is missing from any of the following lists and we will be glad to add your name. We apologize for any omissions or errors.

Thank You

ADDIE SMITH COX SOCIETY

The *Addie Smith Cox Society* honors those parishioners who acknowledged they have included St. Paul's in their estate plans. If you have done so and are not listed, please let us know and we will be pleased to add your name. We do not need copies of your estate plan, only a written indication from you that you have included St. Paul's in your estate plan. We also recognize those deceased parishioners that included St. Paul's in their estate plan.



Addie Smith Cox

Charlotte-Anne Alexander	Bob Hudak
Debby Avery	Rosebud G. McCallister
Cordell Avery	Kaki McLeod
Jill Beimdiek	Murrell McLeod
Laura Bivins	Anne Miller
Bill Bivins	Suzanne Pecheles
Bets Crean	Brian Pecheles
Charles Faulkner	Katherine Pollard
Jean Gaskins	Monty Pollard
Charles Gaskins	Jon Shaw
Nena Duncan Harris	Bob Shaw
Ann Harrison	Judy Warren
Elizabeth Wells Honeycutt	Burney Warren
Loyd Horton	Judy Whichard
Louise Hudak	Sydney Womack
	David Womack

Deceased

<i>Mike Bell</i>	<i>Cathee J. Huber</i>
<i>David Crean</i>	<i>Jane Joyner</i>
<i>Nada Nobles Cheek</i>	<i>Rebecca J. Sweet</i>
<i>Nina Morley Guice</i>	<i>Dave Whichard</i>

David J. Whichard II Society

The *David J. Whichard II Society* honors all donors that have made a contribution of \$1,000 or more in a year to the Legacy Fund. This society was named after David J. Whichard II in honor of his service and tireless efforts to revitalize the Legacy Fund.

2021

William & Aurelia Monk

Judy Whichard

Prior to 2021

Charlie Adams

Jack & Sarah Jayne Edwards

Brian & Suzanne Pecheles

Cordell & Debby Avery

John & Laura Farley

Troy Rouse

Larry Barbour

James D. Gilliam, Jr.

Robert & Jon Shaw

Charles & Mary Beatty

Grady White Boats

Karen Tanenberg

Michael Bell

George & Lou Hamilton

Mary Kathryn Thornton

David & Sylvia Bjorkman

Carolyn & Loyd Horton

Michael & Susan Waldrum

Howard & Beth Burtnette

Bob & Louise Hudak

Judy Whichard

Andrew & Ashley Cannan

Rom & Elizabeth Jenkins

Ann & Jordy Whichard

Robert L. Capps

Jean Kenney

David & Sydney Womack

Jim & Louise Clement

William & Aurelia Monk

John & Paula Wright

Carrie Craig

Jim & Barbara Moyer

TESTAMENTARY GIFTS

St. Paul's received testamentary gifts from the following in 2021.

Mike Bell

Jane Joyner

MEMORIALS & HONORARIUMS

Donors have honored the following individuals or the memory of the following individuals through their gifts to St. Paul's Endowment in 2021.

Don Branch

Elma Pecheles

Dave Whichard

J.R. Getz

Carolyn Powell

Don Wilkerson

Jane Joyner

Catherine Smith

Kay Wilkerson

Luis Lagasca

Lisa Pegg Stockard

Margaret Williams

Elizabeth Matthew

McKay Sundwall

Harriet Wooten

Jane Munson

Pattie Tolmie

2021 DONORS TO ST. PAUL'S ENDOWMENT

The following donors have generously supported St. Paul's Endowment in 2021.

Ed & Sally Ann Atkinson	Barry & Eugenia Frank	Carl & Brenda Pierce
Cordell & Debby Avery	Joseph & Jackie Frey	Joseph & Patsy Pye
Betty Bailey	Margaret & Steve Frye	Dr. & Mrs. C.H. Rand
Prentiss & Joan Baker	Jean & Charles Gaskins	Jessica Rigouard
Barry & Kathy Barbour	James Gilliam	Jane Rountree
Larry Barbour	Barbara & Phillip Glick	Ray & Carolyn Rouse
Russell & Martha Barnes	Elaine & Christopher Goodwin	Lindsay Ryland
Robert & Carol Bilbro	Gray & King, CPA	Wes & Mary Safrit
Park & Suzanne Bodie	Kimmi Hallow	Joan Shappley
Emily & John Bowyer	Nena Duncan Harris	Dale Shreeves
Alfred & Lynette Bremer	Erwin Hester	Jim & Sylvia Smith
Bill & Anne Brewer	Betty Lou Howard	Christine Snodgrass
Stacy & HJ Brody	Parma Howard	Elizabeth Sparrow
Cecil & Kim Burton	Billy & Hannah Jones	Ray & Marcia Spears
Betty Byrum	Keila McGlohon Keadle	St. Lydia's Guild
Mr. & Mrs. Tim Canning	Jim & Jennie Keown	Craig & Elizabeth Stanley
Cherry Construction Company	Debra & Morgan Kinne	Lee & Hale Stephenson
Galil & Dick Clarke	Craig & Elaine Kirkpatrick	James & Eleanor Sullivan
The Rev'd David Stout and Bobby Clement	Susan Lanier	Gregory & Laura Sweet
Cecilia Moore-Cobb	Mr. & Mrs. R.R. Manz	Karen Tanenberg
Coffman Charities	Murrell McLeod	Vance Bunting Taylor
The Rev'd & Mrs. James Cooke, Jr.	Dave & Patricia McRae	Mary Kathryn Thornton
June Cozart	John & Sarah Minges	G. Earl Travathan, Jr.
Kay & Emerson Crawford	William & Aurelia Monk	Mildred Chapin Union
Richard Daves	Jim & Barbara Moye	Stephen L. Velker / Arnold Wilbert Corporation
Jacquelyn Davis	Robert & Mildred Nelligar	Laurel Walsh
Ken & Linda Davis	Joy Nethercutt	Judy Whichard
Margaret Dietrich	Harriette Nichols	Ann & Jordy Whichard
Russell & Patricia Duke	Wiley & Daphne Nifong	Bill & Nancy Whisenhunt
Russell & Deborah Eaves	Opendoor International	David & Sydney Womack
Clifton & Chris Edwards	Brian & Suzanne Pecheles	Elton & Wanda Woodruff
Mary Everett	Bill & Dianne Pechilis	Ann & John Woody
Sam Uzzell & Mary Holt Faircloth	Diane Pechilis	Harriet Wooten
John & Laura Farley	Bonnie Perkins Family	John & Paula Wright
Linda Fleming	Chuck & Ann Phillips	Gregory & Caren York



ENDOWMENT FAQs

What is an Endowment?

An Endowment is a broad term used to describe the total of one or more endowed funds, including true or permanent endowment funds and quasi-endowed funds.

What is an Endowed Fund?

An endowed fund is a charitable gift established in perpetuity in which the principal is invested for total return and a small portion of the fund's balance (usually 4-5%) is paid out, usually annually, for the purposes defined by the donor or in the endowment agreement. The intent is for the total return of the fund to exceed the payout over the long term and therefore the fund will remain in perpetuity. An organization may have several endowed funds in its endowment, established by one or more donors and for one or more purposes. In NC, endowments are governed by the Uniform Prudent Management of Institutional Funds Act.

Why are Endowments important?

Non-profit organizations establish endowments to provide permanent sources of funds that can be used for decades and provide revenue that is stable and reliable amid the uncertainty of other revenue streams and may support unexpected needs/expenses that arise. For example, when organizations like St. Paul's have physical facilities that need attention, maintenance or renovation that can be significant, the endowment distribution can be an important resource to assist in meeting those needs.

Can I create a new endowed fund for a specific purpose that I define?

Yes, as long as it meets the Gift Acceptance Policy of the organization, which will include the size and type (real estate, cash, securities etc.) of the proposed gift. For St. Paul's, the gift or gifts must total \$100,000 to establish a separate endowment for a specific purpose. Gifts smaller than \$100,000 should be directed to existing endowment funds that most closely align with your desired purpose. Please contact someone on the Endowment Committee for more information on establishing a separate endowment fund.

Can I make a gift of real estate?

Yes, as long as it meets the requirements of the Gift Acceptance Policy. St. Paul's Endowment & Investment Committee serves as the Gifts Review Committee and will review any proposed gift. Please contact a member of St. Paul's Endowment & Investment Committee if you have questions about a gift of real estate.

How are gifts to the Endowment stewarded?

All donations to St. Paul's Endowment are thoughtfully and professionally invested and overseen by the Vestry and the Endowment Committee with the guidance of financial and legal experts. The Vestry has recently adopted best practice policies, including Spending Policy, Disposition of Bequest Policy, Donor-Restricted Funds Policy and Gift Acceptance Policy based on guidance of the Episcopal Church Foundation.

