

St. Paul's Endowment
2019 Year-End Report to the Vestry and Annual Report to the Parish

Approved by the Endowment Board on January 24th, 2020

Submitted to the Vestry on January 25th, 2020

Presented to the Parish on January 26th, 2020

The St. Paul's Endowment was created in 2008. Through generous gifts of our parishioners, the total fund has now reached \$278,852, and another \$327,450 has been promised through planned gifts.

In 2019, the Endowment Board finalized the transfer of the financial management of St. Paul's endowment funds to Robert W. Baird & Co. Incorporated. The funds have been pooled to maximize growth potential.

Several new members were added to the Board. Specifically, Maria Litzinger, Kay Burgess, and Brad Hirschy have kindly agreed to serve on the Board. Katie Bricio assumed the Chairmanship of the Board from Bill Gautier, and Dan Loughlin agreed to serve as Board Secretary-Treasurer.

Financial reports were submitted to the Vestry including a 2018 Annual Report as well as Quarterly Reports. Distribution calculations allowed the Board to make distributions from both the Outreach Fund and the Grounds Beautification Fund.

In consultation with the Rector, the Finance Committee, and the Treasurer, the Board undertook the creation of procedures for determining uses of endowment fund distributions. Such procedures were used to finalize the uses for both the 2018 and 2019 distributions. The Board recommended and the Vestry approved the following grants:

- \$727 to the Episcopal Farmworker Ministry;
- \$742 to Johnson Service Corp;
- \$3,494 to the St. Paul's Youth Program; and
- \$1,884 to the St. Paul's Fall Planting Day.

Next year will bring the 10th anniversary of the creation of the St. Paul's Endowment. The Board looks forward to celebrating this milestone and recognizing the past endowment donors as well as encouraging new commitments. The Board intends to use its 2020 operating budget allocation

to start recognition projects including a plaque, a mailing, and a Coffee Hour event.

If you would like to become a member of the St. Paul's Legacy Society by donating or making a planned gift to the St. Paul's Endowment, please contact Katie Bricio (katiebricio13@gmail.com). If you have already specified St. Paul's Endowment as a beneficiary of a planned gift, we ask that you consider submitting a donor agreement to memorialize this commitment if you have not done so already. Donor agreements are available on the St. Paul's website.

The balances, holdings, and distributions of the St. Paul's Endowment through the end of the calendar year are summarized in a question and answer format in the tables below. Financial states are available upon request. Please email Katie Bricio (katiebricio13@gmail.com) with any comments or questions.

Q1. What are the current balances, promised assets, and totals for the Endowment funds?

Fund	Value	Promised	Total
General	\$236,176	\$265,000	\$501,176
Outreach	\$18,655	\$62,450	\$81,105
Grounds Beautification	\$24,021		\$24,021
Total	\$278,852	\$327,450	\$606,302

Q2. How have the Endowment fund values changed in value in recent years?

Fund	2015	2016	2017	2018	2019
General	\$37,525	\$39,503	\$233,342	\$215,216	\$236,176
Outreach	\$17,230	\$18,057	\$19,849	\$17,761	\$18,655
Grounds Beautification	\$22,059	\$23,149	\$25,475	\$22,868	\$24,021
Total	\$76,814	\$80,709	\$278,666	\$255,845	\$278,852

Q3. How did the balances of the Endowment funds change over the last year?

Fund	Start	End	Change (\$)	Change (%)
General	\$215,216	\$236,176	\$20,960	9.7%
Outreach	\$17,761	\$18,655	\$894	5.0%
Grounds Beautification	\$22,868	\$24,021	\$1,153	5.0%
Total	\$255,845	\$278,852	\$23,007	9.0%

Q4. What are the donations, distributions, and investment growth for the past year?

Endowment	2019
Donations	\$1,140
Disbursements	\$1,695
Investment gain/loss	\$23,562
Change in investment value (%)	9.2%

Q5. How do the balances in the Endowment funds compare to donated amounts?

Fund	Donated	Value	Difference
General	\$224,638	\$236,176	\$11,538
Outreach	\$15,000	\$18,655	\$3,655
Grounds Beautification	\$20,002	\$24,021	\$4,019
Total	\$259,640	\$278,852	\$19,212

Comment:

All Endowment funds have a favorable variance as of the end of the year.

Q6. How much was disbursed from each fund this year and to date?

Fund	2019 Distribution	To date
General	\$0	\$3,494
Outreach	\$742	\$1,469
Grounds Beautification	\$953	\$1,884
Total	\$1,695	\$6,847

Q7. What are our Endowment assets and what was the annual yield of each investment?

Holding	Value	Estimated yield
Cash / Money Market Fund	\$ 1,199	1.5%
T. Rowe Price Global Technology	\$ 12,201	34.1%
Tandem Fund	\$ 206,453	8.8%
Short-term CDs	\$ 59,000	1.9%
Total	\$ 278,854	9.2%

Comment:

The assets of the three Endowment funds are pooled. Gains/losses are allocated to the individual funds proportionally, based on their relative balances at the beginning of the quarter.

Q8. How are Endowment assets invested and are we within the ranges outlined in the Endowment policies?

Investment	Cash / MM	Fixed Income	Equities
Cash/Money Market	\$1,199		
T.Rowe Price Global Technology			\$12,201
Tandem	\$21,647	\$30,976	\$153,831
Short-term CDs		\$59,000	
Total	\$22,846	\$89,976	\$166,033
Percentage	8%	32%	60%

Comments:
 Endowment investments listed above are held within our investment accounts with Baird. Stock holdings are assumed to be in the Growth category. CDs are in Income. Endowment investment guidelines call for a target of between 30 and 60% in both income and growth.

Reference:

Purpose Statements

General Fund: Distributions from this fund shall not be used to meet yearly operating expenses of the parish, but instead shall be used to fulfill purposes such as: outreach ministries and grants, seed money for new ministries, and special one-time projects, and maintenance and enhancement of the physical plant and grounds of the parish.

Grounds Beautification Fund

The purpose of this sub-fund is to support the ongoing beautification of St. Paul's campus through capital improvements to the grounds. Distributions shall be used for the design and installation of long-lived trees and plants, and permanent elements such as retaining walls, walkways, garden structures and lighting.

Outreach Fund

The purpose of this sub-fund is to support outreach. Distributions shall be used to supplement the parish's outreach budget, providing support to St. Paul's outreach ministries and to charitable organizations outside of the parish. These funds are not to take the place of operating funds designated to outreach.