

St. Paul's Endowment

2025 Year-End Report to the Vestry and Annual Report to the Parish

Approved by the Endowment Board on February 8th, 2026

Submitted to the Vestry on February 9th, 2025

In 2009, St. Paul's Episcopal Church, Cary, N.C., formerly established an endowment fund -money that will be set aside and invested to provide a reliable source of income to the parish for generations to come. Income from the Endowment is helping St. Paul's more completely fulfill its mission by developing its ministries beyond what is possible through annual operating funds.

The Endowment received its first bequest in 2010. Through generous gifts of our parishioners over subsequent years, the Endowment was valued at \$394,298 at the end of 2025. The Endowment began the year with a starting value of \$372,759. Donations totaling \$24,500 were received and disbursements totaling \$14,329 were made. Investment growth was \$11,368 for the year, which represented an approximate yield of 2.9%. Since the Endowment began making disbursements in 2018, Endowment distributions have provided grants totaling \$76,274. At year-end 2025, all Endowment funds had positive variances, indicating that their values exceed donated amounts.

At the end of 2025, the Endowment Board consisted of Kay Burgess (Chair), Dan Loughlin (Secretary/Treasurer), Emery Anderson, Katie Bricio, Brad Hirschy, and David Moon. The Board manages the Endowment holdings with assistance from Emily Finch Johnson of Robert W. Baird & Co. Incorporated.

The General Endowment and designated use funds have been pooled to maximize growth potential. Values of the General Endowment fund and designated use funds are tracked separately, and quarterly growth over all holdings is apportioned based on the funds' relative values at the start of the quarter. Most of the Endowment assets currently are held within a portfolio managed by Tandem Investments. The Endowment also holds short-term bond funds, money market holdings, and cash.

At year end, 9% of assets were held in cash and cash equivalents, 53% in growth investments and 38% in income investments. These percentages fall within the Endowment Board's investment guidelines. \$257,857 were held in the Tandem Advisors Fund. Tandem's annual return of 1.19% lagged the market significantly, a result of their relatively conservative investment strategy. We are working with our investment advisor to diversify our investment strategy.

For 2026, the Endowment Board recommends a distribution of \$15,772, including \$11,504 from General, \$2,798 from Outreach, \$1,045 from Grounds, and \$424 from Kids' Club. The quantities represent 4% of year-end holdings in each fund. If the Vestry approves this distribution, we will begin the process of soliciting applications.

Financial statements are available upon request. The tables below provide a summary of Endowment values and holdings. Kay Burgess can be reached for questions at endowment@stpaulscary.org.

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

Fund	Value	Promised	Total
General	\$287,612	\$290,000	\$577,612
Outreach	\$69,951	\$14,450	\$84,401
Grounds Beautification	\$26,133		\$26,133
Kids' Club	\$10,603		\$10,603
Total	\$394,298	\$304,450	\$698,748

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

Fund	Year-end values					
	2020	2021	2022	2023	2024	2025
General	\$278,350	\$312,511	\$276,058	\$282,150	\$288,298	\$287,612
Outreach	\$20,114	\$22,317	\$35,369	\$36,485	\$47,443	\$69,951
Grounds Beautification	\$25,917	\$28,720	\$25,375	\$25,839	\$26,335	\$26,133
Kids' Club	\$10,052	\$11,527	\$10,185	\$10,379	\$10,682	\$10,603
Total	\$334,432	\$375,075	\$346,987	\$354,852	\$372,759	\$394,298

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

Fund	Start	End	Change (\$)	Change (%)
General	\$288,298	\$287,612	-\$687	-0.2%
Outreach	\$47,443	\$69,951	\$22,508	47.4%
Grounds Beautification	\$26,335	\$26,133	-\$202	-0.8%
Kids' Club	\$10,682	\$10,603	-\$80	-0.7%
Total	\$372,759	\$394,298	\$21,539	5.8%

Comment:

The percent change of the Outreach fund differed from the other funds as a result of a donation of \$23,000.

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

Endowment	Quarter1	Quarter2	Quarter3	Quarter 4	For Year (2025)
Donations	\$0	\$23,000	\$500	\$1,000	\$10,700
Disbursements	\$0	\$14,329	\$0	\$0	\$14,259
Investment gain/loss (amount)	\$12,923	\$5,303	-\$4,988	-\$1,870	\$11,368
Investment gain/loss (%)	3.5%	1.4%	-1.2%	-0.5%	2.9%

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

Fund	Donated	Value	Difference	Disbursed to date
General	\$242,326	\$287,612	\$45,285	\$58,759
Outreach	\$63,002	\$69,951	\$6,949	\$7,742
Grounds Beautification	\$20,002	\$26,133	\$6,131	\$8,146
Kids' Club	\$10,052	\$10,603	\$551	\$1,627
Total	\$335,382	\$394,298	\$58,916	\$76,274

Comment:

All funds have positive variances.

The "Disbursed to date" column represents disbursement since inception and includes funds marked for disbursement but currently held in the Endowment restricted fund.

Q6. What are our Endowment assets? What percentage does each comprise? What yields are these assets producing?

Holding	Value	Percentage	Annual Yield			
			1-Year (2025)	3-Year	5-Year	since 1/11/ 2019
Tandem Fund	\$ 257,857	65%	3.0%	5.6%	5.2%	7.1%
Baird (Cash/CDs/Bonds/Bond Funds)	\$ 136,441	35%	4.0%	4.4%	2.0%	3.0%
Restricted fund (incoming)	\$ -	0%				
Total	\$ 394,298		3.3%	5.3%	4.3%	5.9%

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.

Values were provided by our investment advisor, Baird, and only go back to the date that their management of Endowment assets began, January 11th, 2019. Annual return is slightly different than Endowment Board estimates based on calculation method.

Q7. What have been the Endowment's annual returns in recent years?

Year	Return
2019 (partial year)	7.7%
2020	12.0%
2021	14.5%
2022	-7.5%
2023	6.2%
2024	6.0%
2025	2.9%

Comment:

Endowment Board yield estimates shown here are based upon change in fund value over the course of the year, net of donations and distributions.

Q8. How is the Endowment's asset mix are we within the ranges outlined in the Endowment policies?

Investment type	Total	Percentage
Cash and cash equivalents	\$33,668	9%
Growth	\$209,596	53%
Income	\$151,034	38%
Total	\$394,298	

Comments:

Endowment investments listed above are held within our investment accounts with Baird.

Endowment investment guidelines call for a target of between 30 and 60% in both income and growth.

We are currently within those targets.

Major activities carried out in 2025:

Quarter 1:

The Endowment Board recommended the following disbursements to the Vestry totaling \$14,329 in 2025 from the 2024 earnings. This recommendation was accepted by the Vestry in its Feb. meeting.

- o \$11,287 from the General Fund
- o \$1,591 from the Outreach Fund
- o \$1,034 from the Grounds Fund
- o \$417 from the Kid's Club Fund

The Endowment Board recommended allotting an additional \$1,500 from the "above-water" earnings of the Endowment Fund for marketing and fundraising expenses for the Endowment Fund. This amount was matched by Endowment Board member, Peter Thornton. The recommendation was accepted by the Vestry and Peter developed draft publicity materials.

Quarter 2:

The Vestry reviewed the Endowment Board recommendations for disbursements in 2025 and accepted a counter-proposal from Dan Loughlin, Sr. Warden. The purposes and source funds are listed below:

- o \$28.94 for a doorbell for the Kid's Club (from Kid's Club fund)
- o \$791.00 for the Episcopal Campus Ministry (from Outreach fund)
- o \$800 for a Racial Justice event (from Outreach fund)
- o \$280 for church courtyard tree (from Grounds Beautification fund)
- o \$1,200 for designer assistance with church publicity (from General fund)
- o \$754 for the ADA/Memorial Garden project (from Grounds fund)
- o \$10,087 for the parking lot repair (from General fund)
- o Additionally, the Vestry indicated a preference for making a contribution to the altar guild project in the 2026 cycle.

Endowment Board member, Peter Thornton, worked with a designer to develop several items that can be used to promote the Endowment Fund and indicate which items at church had been funded by Endowment distributions.

Quarter 3:

Endowment Board member, Peter Thornton, resigned from the Board.

The Endowment Board did not meet in Q3 as there was no business to discuss other than approve the quarterly report to the Vestry which was done via email.

Quarter 4:

The Endowment Board did not meet in Q4 as there was no business to discuss other than approve the quarterly report to the Vestry which was done via email.

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.

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. [Add'l info from donor: The intent of this sub-fund is exclusive to grounds beautification versus "business as usual" grounds maintenance and repairs, such as corrective actions to the retention pond, corrective drainage actions, re-paving the parking lot, repairing existing sidewalks, removing existing landscape elements, etc. This sub-fund does not duplicate the broader scope of the last example given under the "General Fund" above.]

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.

Kids' Club (Nursery) Fund

The purpose of this Fund is to support the St. Paul's Nursery (currently referred to as the Kids' Club). Distributions shall be used for non-operational purposes that (1) enhance the nursery's ability to serve the St. Paul's community, and (2) upgrade the nursery environment to attract new members to the church. Examples of envisioned uses of disbursements include: updating nursery signage to make the space feel more accessible and welcoming, implementing a child care software solution for parental child monitoring and notifications during services, and purchases of durable equipment such as cribs, playpens, rockers, and substantial age-appropriate toys.