

Endowment Fund Annual Report

2022



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A WORD FROM OUR RECTOR

Dear friends in Christ,

On behalf of your Vestry and Endowment Board, I am pleased to present the 2022 Endowment Fund Annual Report. Our Endowment Fund is a legacy left to us by our members—both current and former, living and deceased—that provides for the ongoing support of our mission. We are blessed and continually grateful for their generosity and faithful commitment to the ongoing financial support of the Church's mission to carry out the Gospel.

We are grateful for the many contributions that were made this year. We are particularly grateful for the establishment of the Umberger Endowment established by Christine (Chris) Umberger to the Glory of God and in memory of Memory Paul J. Umberger, and Carl W. and Bernice W. Carlson.

We invest our funds through the Trustees of the Funds which incurred a cybersecurity breach in December. This resulted in a nefarious party absconding with funds from two churches including our Endowment Fund withdrawal. However, the Trustees of the Funds provided us with our funds in whole shortly thereafter. While nothing occurred within the systems and operations of St. Andrew's, the vestry has since purchased an additional rider with our insurance to increase the coverage in the instance of a cybersecurity breach and we are making adjustments to further mitigate risk. Your Endowment Fund Board continues to monitor our investment partners and faithfully act as good stewards of the Endowment Funds.

Thank you to our 2022 Endowment Fund Board members: David Nies, JR Robinson (Chair), Pam Rozelsky (co-treasurer), Pete Kirkham (co-treasurer), Patricia Conrad, and Joe Steele.

We continue extend our gratitude towards your faithful stewardship in the Endowment. Thank you.

Faithfully yours,

The Rev. William L. Packard
Rector

THE ST. ANDREW'S ENDOWMENT FUND

The Vestry of St. Andrew's has established an Endowment Fund to encompass the individual endowments which have been made in the past, and such endowments as may be created in the future. The Endowment Fund Board was established in 2001 to manage the Endowment Fund. Under the oversight of the Board, the assets of the Fund are to be invested with the same care and diligence that a prudent person would exercise. Each year, the Board recommends a prudent amount of the earnings from the baseline investments to the Vestry for their use in St. Andrew's mission in the following year.

In January, 2006, the Board decided to transfer the Endowment Funds to the Trustees of the Funds (TOTF), the investment vehicle provided and administered by the Episcopal Diocese of Virginia. The funds in the St. Andrew's Endowment Fund remain in the TOTF at this time.

Types of Giving

Gifts to the Endowment Fund may be of two varieties—a gift ***In Memoriam***—given to honor the memory of a loved one, or a ***Living Endowment***—a gift in perpetuity; or of affection, appreciation, recognition or thanksgiving; or to mark important occasions—such as births, baptisms, confirmations, or anniversaries. It should be noted that major endowments (\$25,000 or more) can be designated by the donor to a specific ministry purpose. Other gifts will be applied as the Board directs. Additionally, once established (a minimum initial donation of \$100 is requested), endowments, especially living endowments, may be added to at any time.

Methods of Giving

- Outright donation of cash, securities, real estate or other property.
- Outright bequest or bequest of a residence, farm or other real estate, reserving the right to use and enjoy.
- Bequest wherein the Fund is named as contingent beneficiary.
- Creation of a lifetime trust, reserving an annuity or unitrust interest.
- Bequest naming the Fund as terminal beneficiary after the expiration of an annuity.
- Proceeds of Life Insurance Policies wherein the Fund is named beneficiary.

Performance from December 31, 2021 through December 31, 2022

During the period from December 31, 2021 to December 31, 2022, the value of the Endowment decreased from \$1,882,584 to \$1,600,726 (15%). Contributions to the existing funds during 2022 totaled \$29,375 and a new fund, The Umberger Fund was established with a gift of \$30,000 in 2022. The market value of invested funds decreased by \$301,463 and \$39,770 was withdrawn and provided to the Vestry for use by the church in accordance with the directives in place for use of each fund. In 2023, the Board will make a recommendation on an amount to make available to the vestry in 2023 that is consistent with the total returns principle that guides the use of endowment funds and with the objectives of the individual donors.

Security Breach at Trustees of the Funds

In November and December of 2022, there were two cyber security breaches at Trustees of the Funds. The second was discovered by St. Andrew's Episcopal Church when the ACH transfer of our annual withdrawal to our checking account was not completed. We alerted TOTF to the larger fraud issue, pushed for changes and are reviewing our procedures. The TOTF provided us with the funds prior to filing their own insurance claim for the full amount stolen. Since this event, the TOTF provided a secure portal to request fund transfers. As mentioned in the cover letter, we have also acquired additional cybersecurity coverage for ourselves and continue to review our procedures to mitigate risk. We will also monitor practices of TOTF to ensure we are satisfied with their policies and procedures.

IN MEMORIAM

In years past, gifts to the Fund have been made in memory of the following persons¹.

Mary Adams	Nicole Cumberland	Jim Krehmeyer	Ann Reeder Riggs
Sandra Adams	Mary McGarraugh Davis	Winkie Krehmeyer	Victoria Samander
Bud Aldrich	Jack Denslow	Clarence "Doc" Kuntz	Jane Sanders
Muriel Ellis Anderson	Norma Dietz	Robert Leavitt	Clarisse Schroeder
Eugenia Bunetzkaya	Sam DiMisa	Duane Lee	Ted Scott
Edmund Berkeley	Gerry Dobson	John Lewis	Kazim Shams-Davari
Mary Louise Berkeley	Mary Alice Duncan	Nancy Lewis	Mualla Shams-Davari
Norman Blaylock	Barry Fink	The Reverend Don Little	Fran Shurnitski
Alverta Boeshore	Erik Fink	John Lawrence Mansfield	Randolph Smith
Tom Brown	Helene Frazier	Mary V. Massey	Derry Sparlin
Helen Budd	William Frazier	John McKenzie	Anita Stead
Osborne Budd	Grace	Ruth Mensch	Bill Stead
Richard Budd	George Hart	Charles Merchant	Janet Stemple
Martha M. Ricketts	James Hawkins, Sr.	William N. Millward, Jr.	Verda Stoy
Burdette	Michael M. Harman	Nancy Millward	Eleanor Taggart
Dorothy Burroughs	Jeanne Haskins	Peter Morgan	Carol Clausen Thomas
John Burroughs	Elise Heald	Carol Murphy	Mary Ellen Tolsdorf
Tina Busseau	Norman Heaton	Charles Robert Murphy, Jr.	Anne Turner
Drew Breen	Sally Hershey	Nolan O'Leary	Noel Turner
Bernice W. Carlson	Dick Hibbert	Kenneth Otis	Frank Van Aken
Carl W. Carlson	Libby Hillenbrand	Alma Palmer	Mildred Van Aken
Marta Ann Carlson	John Franklin Hume	Ruth Peterka	Jack Van Niman
Arnold Carpenter	Ruth Hume	Connie Pettit	Phyllis Van Niman
Lee Carpenter	Harriet James	Constance Plaag	Paul Umberger
Dave Carruth	Karl James	Judy Polant	Mollie Vogel
Stephan Cleaver	Grant Jerding	Eva Mildred Porter	Jeanne Wagar
Susie Cluff	Frank & Virginia Jewett	Arthur T. Prentiss, III	Thomas & Virginia
Homer Conrad	John E. Johnson, Jr.	Roger Prior	Winkler
Jean Conrad	Paul Kelley	Myra A. Purdom	Jack Woodard
Joseph C. Conrad	Janet Kelly	Richard Nelson Rhodes	Linda Woods
Manny Cutroneo	Tene Klar	Glinda Richardson	Sue-Ellen Woolfolk
Rose Cutroneo	Richard Klix	Robert Ridpath	

In Memoriam 2022

In 2022, gifts were made in memory of those listed below with the donors of those gifts²:

Phil Purdom by Doris James, Christine Umberger

Paul J. Umberger by Christine Umberger

Carl W. Carlson by Christine Umberger

Bernice W. Carlson by Christine Umberger

Judy Barton by Christine Umberger

Janet Myers by Dominic & Jane Gironde, III

Arthur T. Prentiss, III by David and Karen Braun

TOTAL CONTRIBUTIONS IN 2022:

\$575

LIVING ENDOWMENTS

Gifts in thanksgiving were given in years past by the following persons.

*Alice Barney
Lisa Barney
Jesse & Debra Bendahan
Scott & Laura Bresnahan
Robert L. & Sheri L. Bullard
Barry & Peggy Fink
Margaret J. & William A. Flynn
Todd & Heidi French
Glenn & Roberta Fugate
Roberta Fugate
Erinn & Bennett Gray
Robert S. Gregorits
Amy Griggs
Doris James
Brenda & David Jessel
Carol Keil
Bob and Jane Knight
Travis Knight*

*Bruce McWilliams
Karen Molnar
James & Mary Mulvenon
Matthew & Sharon Oliveri
Kathryn Payne
Carolyn Powers
Andre and Elizabeth Pugin
Kristen Blaylock Reed
Robert & Marguerita Stead
Robert & Emma-Jo Staton
Donald & Marlene Taggart
Anne Turner
Paul & Christine Umberger
Jack and Vivian Walton
Sara W. Warren
John & Betsy-Ann Wyatt
Darren & Debra Williams
Sharon K. Winstead*

Living Endowments 2022

The following additions were made to existing endowments in 2022:

For the marriage of Brian Umberger and Kat Guillen by Christine Umberger

For the baptism of Charlie Christine Umberger by Christine Umberger

By Doris James

By Catherine Harman

For Outreach by Elizabeth Pugin

TOTAL GIFTS IN 2022:

\$28,800

MAJOR ENDOWMENTS

Major Endowment gifts included within the Fund are the following:

In Memoriam

Established

Ralph A. McIninch Endowment Fund	October 16, 1988
David L. and Mary M. Purdom Memorial Endowment Fund	November 1992
The Emma Stevens Endowment Fund	October 1989
The Charles R. Murphy, Jr. and Carol Anne Deitz Murphy Endowment Fund	April 2006
The Conrad-Winkler Endowment Fund	October 2018
The Umberger Endowment Fund	December 2022

In Thanksgiving

Established

Michael and Virginia Halus Endowment Fund	March 2, 1993
The Derek and Sue Wimmer Thanksgiving Endowment Fund	June 1996
Undesignated Endowment Fund ³	August 2015
The Heyer Endowment Fund	December 2020

Ministry

Established

St. Andrew's Memorial Endowment Fund for Worship	June 10, 1996
St. Andrew's Endowment Fund for Outreach	March 1998

THE ST. ANDREW'S ENDOWMENT FUND BOARD

This Board consists of five members in good standing in the church who are not members of the Vestry. The Rector and the Senior Warden are ex officio, non-voting members of the Board. The Endowment Fund Board meets at least quarterly and reports to the Vestry quarterly. An account of the status of the Endowment Fund is made to the Congregation annually in this report.

The Endowment Fund will be managed to preserve and enhance the value of its assets to make available funds to support the purposes of the gifts to the Fund and to serve the mission of St. Andrew's. The Board has engaged the services of investment advisors and professional money managers through the Trustees of the Funds of the Episcopal Diocese of Virginia to manage fund investment.

Funds will be made available from the Endowment Fund to support the mission of St. Andrew's Episcopal Church and the objectives of the individual donors when specified. It should be noted that the Board will honor the specific direction of the donor with regard to the use of the donation (in excess of \$15,000) in perpetuity. Expendable funds will be determined on the basis of a total return principle and will not be dependent upon income generated through interest or dividends. The funds made available for distribution during any one year will be limited to a percentage of a five-year rolling average of the market value of the fund. The exact percentage of the corpus to be made available will be determined each year by the Endowment Fund Board and the average since 2001 has been between 3 and 4%. It will be the goal of the Board to grow, or at least maintain, the purchasing power of the Fund.

Tax Considerations

The St. Andrew's Endowment Fund is structured so that it affords the maximum tax advantage to donors as provided by law. In cases of major tax considerations concerning bequests, prospective donors are urged to consult their own counsel. St. Andrew's will cooperate with these professionals, but, of course, cannot offer any legal advice.

By contributing securities, which have significantly appreciated in value, it may be to a donor's advantage to establish a major endowment that can be added to periodically thereafter. Securities are valued at their average market value on the day of the transfer and are routinely converted to cash (sold) within ten days of the transfer.

The 2022 Endowment Fund Board

JR Robinson, Chair	2020 - 2023
David Nies	2020 - 2023
Patricia Conrad	2022 - 2025
Joe Steele	2022 - 2025

Ex officio

Elizabeth Cotten, Senior Warden

Pamela Rozelsky, Parish Treasurer/Treasurer for the Endowment Funds

Pete Kirkham, Co-Treasurer/Treasurer for the Endowment Funds

¹ Some records are simply missing; others are not clear. Therefore, we apologize in advance for any errors, duplications, or omissions, which may have occurred. Donors inadvertently not mentioned or incorrectly listed are invited to call attention to the error to either the Rector or a member of the Endowment Board.

² These records are accurate according to the data we have accumulated. Donors inadvertently not mentioned or incorrectly listed are invited to call attention to the error to either the Rector or a member of the Endowment Board.

³ This donor wishes to remain anonymous.