

2016 ENDOWMENT COMMITTEE REPORT

As of 12-31-2016

In 2008, the Endowment Committee was established as a stand-alone committee, spinning off from the Property and Finance Committee. The main purpose of the Endowment Committee is to enhance the mission and outreach of Federated Church beyond the general obligation of the congregation. Another purpose of the committee is to encourage and promote gifts to the Endowment, and to invest, reinvest and administer the funds. Original committee members were Clark Grant, Terry Norris, Dave Lange, John Lohr and Lynn Higgins, who all served from 2008 through the end of 2013.

2016 committee members were; John Novotny-Chairman and member-at-large, Gail Wurdeman-member-at-large, John Hahn-member-at-large, Rick Porter-Governing Council representative, and Pat Anderson-Property and Finance Committee representative.

There are four main categories of fund distributions from the Endowment, those being Christian Education, Community Service and Outreach, Wider Mission of Federated Church, and Capital Improvements. Additionally, the Governing Council may also approve fund distributions for other purposes. The Endowment Committee receives reviews and recommends requests for funding, but the Governing Council approves all funds in and out of the Endowment.

During 2016, the Committee was active by meeting on 7-12-2016. The meeting was a comprehensive meeting reviewing the various policies and investments of the Endowment, and was also used as an orientation session for new members John Hahn and Gail Wurdeman. At that meeting, it was decided that the "at-large" members' terms needed to be adjusted to accommodate the intended staggering of the "at-large" members' terms. Below are the agreed upon terms:

John Novotny – Member at large (17) – 2nd and final term ends 12-31-2017.

John Hahn – Member at large (18) – 1st term ends 12-31-2018 and he can serve one more 3-year term ending 12-31-2021.

Gail Wurdeman – Member at large (19) – 1st term ends 12-31-2019 and she can serve one more 3-year term ending 12-31-2022.

The Governing Council, and Property and Finance Committee will both make their appointments to the Endowment for 2017 as appropriate, which were currently held by Rick Porter and Pat Anderson respectively.

The committee also met with Terry Millard (who is the investment broker for the Endowment) on 8-30-2016, as we transitioned from Smith Hayes to D.A. Davidson brokerage firm (an internal buyout). Gail Wurdeman, John Hahn and John Novotny met with Terry to ensure that the investments were in compliance with the Endowment's Investment policy, and some changes in investments were made as a result. Gail, John and John all have investment decision authority and check signing authority granted by the Governing Council after this meeting, with the appropriate paperwork on file with D.A. Davidson's office.

As of 12-31-2016, the Endowment Fund balance was \$219,368.39. Below is a brief summary of the fund history:

\$ 36,779.17 – Starting balance 1-1-2008 (inception), rollovers from unused memorials at the time
\$ 139,575.00 – Contributions to the Endowment since inception
\$ (40,211.61) – Expenditures of Endowment since inception (see below)
\$ 83,225.83 – Accumulated earnings since inception
\$ 219,368.39 – Ending balance (as of 12-31-2016)

The \$40,211.61 expended from the Endowment (noted above) is broken out as follows:

\$ 1,520.00 – Columbus Medical Mission Team trip to Nicaragua in 2011
\$ 3,000.00 – Federated Youth Triennium to Purdue University in 2013
\$ 3,000.00 – Columbus Medical Mission Team trip to Kenya in 2013
\$ 3,500.00 – Ghana Ministries/Seth Agidi/Shepherd Centre in 2014
\$ 3,500.00 – Youth mission trip to New Orleans in 2014
\$ 3,500.00 – Columbus Medical Mission Team trip to Haiti in 2014
\$ 200.00 – Youth Ministries Committee from Flossie Watson Fund in 2014
\$10,981.61 – Repair of Ed. Center roof in 2014
\$10,000.00 -- \$5,000.00 to Chifundo Clinic (Marjie Heier), \$5,000.00 Columbus Medical Mission Team

\$ 1,010.00 -- Federated Youth Triennium to Purdue University in 2016
\$40,211.61

As of this writing, there was also \$6,000.00 that was approved by the Governing Council at its 11-22-2016 meeting, towards Rev. Annika's sabbatical/study leave in 2017. Although the funds were approved in 2016, the expenditures will not take place until 2017, and will be reflected in next year's report.

Additionally, two other requests came before the Endowment in late November/early December. \$5,000.00 for the Federated Youth Alumni Trip to Cuba in May/June 2017 and \$5,000.00 for the Columbus Medical Mission Team's return trip to Haiti in April 2017. These were recommended to the Governing Council for approval/funding. The Governing Council will consider these recommendations at their January 2017 regular meeting. Funding for both requests would take place in 2017 and would be reflected in next year's reports as well.

A more detailed history of the portfolio growth is below: (Year End's)

*Of note, "Growth includes investment earnings, investment growth and outside contributions"

<u>Year</u>	<u>Ending Balance</u>	<u>% Growth</u>	<u>(Earnings/appreciation less outlays)</u>
2007 -	\$ 36,779.17	(N/A%)	(Original rollovers from Memorials)
2008 -	\$ 47,065.17	28.0%	
2009 -	\$131,415.97	179.2%	
2010 -	\$133,817.97	1.8%	
2011 -	\$140,530.42	5.0%	
2012 -	\$152,938.05	8.8%	
2013 -	\$162,761.89	6.4%	
2014 -	\$162,634.58	(N/A%)	
2015 -	\$174,374.78	7.2%	
2016 -	\$219,368.39	20.5%	

The Endowment has one "designated" fund, the "Flossie Watson Fund", which is intended to help those students who cannot otherwise afford to attend one of our two denominational camps (Calvin Crest or Kaleo). It can also be used for youth mission trips or other such events. The fund as of 12-31-2016 had a balance of \$3,563.26. Gene Watson had donated starting funds at the time of Flossie's death as a tribute to her help with the church youth programs.

We look forward to another great year in 2017.

Respectfully submitted
John A. Novotny, Committee Chair