

FIRST UNITARIAN CHURCH OF ORLANDO ENDOWMENT FUND, INC.

AGENDA FOR MAY 19, 2019 ANNUAL MEETING

- Call meeting to order
- Annual report
- Election of trustees
- Caroline Gore Legacy Society update

ANNUAL REPORT

Mission

The mission of the Endowment is to provide support to the First Unitarian Church of Orlando by receiving and maintaining funds in perpetuity that can be used by the Church to provide a liberal religious hub, lifelong spiritual growth, and compassionate services to the Central Florida community.

Operation

Founded in 1968, the First Unitarian Church of Orlando Endowment Fund, Inc. is a non-profit, tax-exempt, 501(c)(3) corporation that is managed by six trustees with staggered three-year terms. The trustees must be church members. They are nominated by the minister, the chair of the finance committee, and the president of the church board of trustees and are voted into office at the Endowment's annual meeting. The trustees currently serving are:

Position	Term Expires	Trustee	Vote Required at This Annual Meeting
President	2019	Mike Haddad	Yes - Nominee is Mike Haddad
Vice President	2021	Michael Cohen	
Secretary	2021	Diane P. Kerkhoff	
Treasurer	2020	Ken Lofgren	
Trustee	2019	Jean Siegfried	Yes - Nominee is Louise Christie
Trustee	2020	Julia Chinnock	

On April 10, 2019 the Endowment was valued at \$820,744, which includes \$300,000 borrowed by the church for financing the campus renovation. For details see the accompanying Endowment Treasurer's Report. These assets are the result of donations made by generous members both living and dead. While the Endowment welcomes gifts at any time, most of its assets have come from people's estates. Some of our larger contributions include: \$221,000 from Elizabeth Carey Greer (2001), \$156,904 from Edith Duerr (2003) and \$30,000 from Frank Bondurant (2011). The Caroline Gore Legacy Society member roll, which is included below and posted on the church's website, recognizes and honors those who have made a bequest, commitment, or contribution.

The Endowment strives to earn a return that preserves the purchasing power of its core funds while enabling it to make an annual distribution ("pledge") of 4 - 5% of its value to the church. The church decides how to use it. In the next fiscal year this distribution will be \$34,500. In addition, for short-term assistance to the church, a second grant of \$8,000 (1%) is planned, bringing the total to \$42,500. Over the past 10 years, the Endowment has distributed \$336,800 to the church.

Renovation Loan Relief

As shown in the Treasurer's Report, the Endowment portfolio holds various Vanguard index funds and a \$300,000 loan made to the church in 2017. The loan is currently interest-only and was written to be amortized on 9/30/2019 at 4.5% to be repaid in over 23 years. Since it constitutes nearly 40% of the portfolio, it is a major

source of the Endowment's annual distribution ("pledge") to 1U. Last Fall, the church advised that its projected operating revenues would not, in the near term, support the payment increase required to amortize the loan. The Endowment Board evaluated several alternatives, and it was agreed that relief would be granted to the church by reducing the interest rate from 4.5% to 3.5% for the next 3 years (fiscal years 2019-2020 thru 2021-2022), and by allowing the church to pay interest-only for the same period. The loan would amortize thereafter, with repayment over 23 years. As mentioned earlier, the Endowment will also provide relief by making special grant of \$8,000 to the church for the year 2019-2020.

Development

The Endowment Board engaged in several marketing and development activities to grow both the Endowment and 1U legacies. It successfully served as the advocate and publicity agent for the UUA's Wake Now Our Vision Legacy Challenge program. (The UU Congregation at Shelter Rock provided an "immediate" 10% match for new legacy commitments.) Twenty people made commitments, generating new bequests of about \$570,000 for the church and the Endowment. An incentive payment of \$57,300 for the church is expected in Fall 2019. In addition, the Endowment Board surveyed the congregation and, in response, created seminars on wills and estates, and on investment basics. A personal budgeting seminar is planned for the Fall.

Respectfully,
Mike Haddad, President

Treasurer's Report -- April 10, 2019

ASSET SUMMARY

Investment	Value	Percent	
Vanguard Group	\$520,379	63.4%	\$520,379
First Unitarian Church of Orlando Loan (4.5%)	\$300,000	36.6%	\$300,000
Fairwinds Credit Union	\$365	0.0%	\$365
Total Assets	\$820,744	100.00%	\$820,744

VANGUARD ASSET DETAILS

Vanguard Group Investments	Value	Equity Allocation (percent)		Fund 1-Year Return
		Current	Target	
Vanguard Total Stock Market Index Fund	\$290,717	57.1%	57.1%	8.8%
Vanguard Total International Stock Index Fund	\$142,257	27.9%	28.6%	-5.2%
Vanguard FTSE Social Index Fund	\$76,398	15.0%	14.3%	10.7%
Vanguard Money Market Fund	\$11,007			
Total Vanguard Assets	\$520,379			

VANGUARD PERFORMANCE

Beginning Value	\$510,211	4/10/2018
Distributions to 1U for Operating Budget	(\$34,400)	
Distributions to 1U for Loan	\$0	
1U Loan Interest Payments	\$13,688	
Investment Returns	\$30,881	
Ending Value	\$520,379	4/10/2019
1-year return on Vanguard investments	4.8%	4/1/2018 to 3/31/2019

Respectfully submitted,

Ken Lofgren, Treasurer

CAROLINE GORE LEGACY SOCIETY UPDATE

The Caroline Gore Legacy Society seeks to honor people who have contributed to the Endowment and to encourage others to follow their example. Anyone who donates \$2,500 or who has arranged for or made a bequest to the Endowment is eligible for recognition. This year, we add Richard Champalbert and Julia Chinnock who participated in the Wake Now Our Vision campaign.

The Caroline Gore Legacy Society

CHARTER MEMBERS	Bequest	Commitment	Contribution
Rapp Estate	1972		
John Masek	1973		
Prouty Estate	1973		
Starke Estate	1974		
Linda Feigus Estate	1980		
Elizabeth Cary Greer Estate	2001		
Edith Duerr Estate	2003		
Frank Bondurant Estate	2011		
Joan Erwin		2015	
Marty & Mike Haddad		2015*	
Sandy Pollock		2015	
Irma Scudder		2015	
Steph Garber & David Collins			2014
Libby Jackson		2016	
Diane P. Kerkhoff & Beverly G. McCormick		2016	
Phyllis & Karen Ramberg		2016	
MEMBERS			
Ross Payne & Donna Kosloski		2017	
Cynthia & Michael Cohen		2018*	
Carolina & Ken Lofgren		2018*	
Richard Champalbert and Julia Chinnock		2019*	

* Wake Now Our Vision Program Donor