

## Foundation Report 2018

The Christ Church Foundation's principle purpose is to provide a source of long term operating income to Christ Church Parish. It holds and manages funds donated to it in an investment portfolio to generate income which is then donated to the church and reinvested to increase the value of the endowment. The Foundation draws between 4 to 5% of the total value of the endowment each year to make regular monthly payments to the church. The hope is that the performance of the portfolio exceeds what is drawn so that the total value continues to grow thus increasing the annual donation to the church. When markets are rising such as last year, this is very successful. When there is market volatility, the overall value of the endowment may decrease. The Foundation board reviews and adjusts the donation amount each year in order to continue the income to the church while still providing for the health of the endowment.

In January of 2018 the total value of the Foundation was \$344,447. Over the course of the year \$16,500 was donated to Christ Church. Changes in the market reduced the value of the portfolio by \$16,818. The total value as of December was \$311,129.

Mid year it became apparent that the church may be running a deficit for the year. Having exhausted it's saving it was unclear how the church would cover this shortfall. The Foundation board volunteered to cover a potential shortfall and began to increase its cash reserves in anticipation. Now that last year's accounting is complete the Vestry has officially requested a donation of \$3400 from the Foundation to eliminate the deficit from last year and the Foundation is working on fulfilling this request.

Unfortunately, the reduction in value of the Foundation also means a reduction in the donation it can provide. The Foundation will be donating \$14,000 to the Parish in 2019.

The funds set aside to cover the deficit and other reserves that were built up in anticipation of a market downturn will provide the Foundation with a cushion in 2019 to continue to make monthly payments to the church without substantial long term impact to the portfolio.

We are grateful to the many people who have donated to the Foundation over the years and those who had the foresight to create it. The Foundation remains a great way to put your donation to work both for the immediate needs of the church and for generations to come.

While the recent tax changes may have decreased the tax incentive of charitable donations there is still huge tax saving in gifting stocks to the Foundation or the church. If you have a stock you bought for \$100 that is now worth \$1000 you can gift it to the Foundation and avoid paying all of the capital gains taxes on the change in value. The church would get the full \$1000, and the donor would get the full \$1000 credit for the donation. But when the Foundation sells the stock it would not have to pay any taxes on it. We are now setup up to easily receive and convert such donations to both the Foundation and the church and are excited that some donors are already working on utilizing this option this year.

Please continue to remember the Foundation in your financial planning. It allows your gifts to keep on giving.

The Foundation Board

President – John Bertram

Vice President - Kris Carlson

Secretary – Julia Pierrottet

Members - Peggy Stout, Don Amundson, Marilyn Eberly, Senior Warden (Colby Wood)