



FY 2022-23 Endowment Report

ENDOWMENT OVERVIEW

Endowment funds and the annual support they provide make an extraordinary difference in capitalizing on the strengths, opportunities and success of FarmHouse. An endowment is a fund intended to benefit FarmHouse members every year in perpetuity and is a permanent partnership with you, the donor.

The central function of the FarmHouse Foundation is to serve as manager and administrator of charitable assets and to distribute funds derived from the generation of income from these assets. The Investment Committee of the Foundation’s Board of Trustees advises and recommends the investment management of the Endowment portfolio, which operates within the Foundation’s Investment Policy.

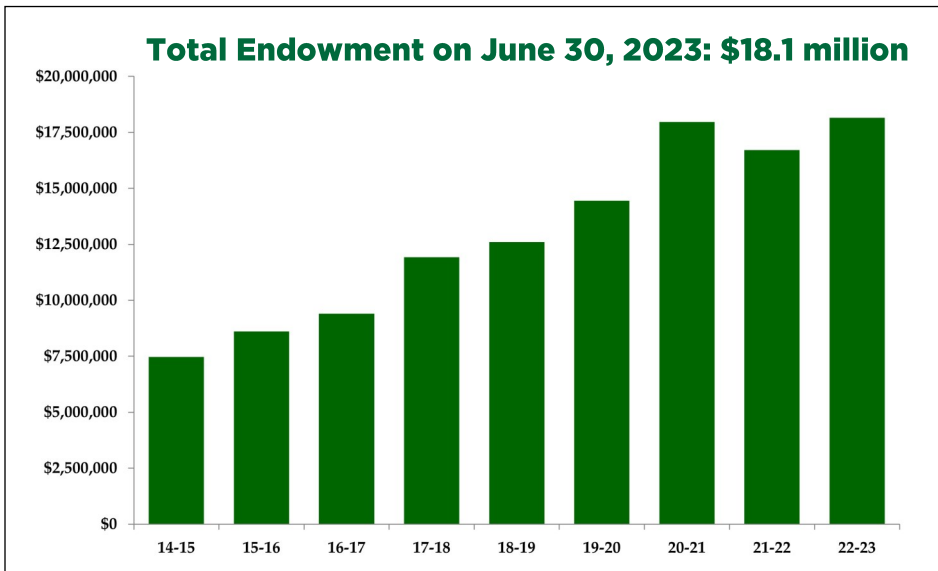
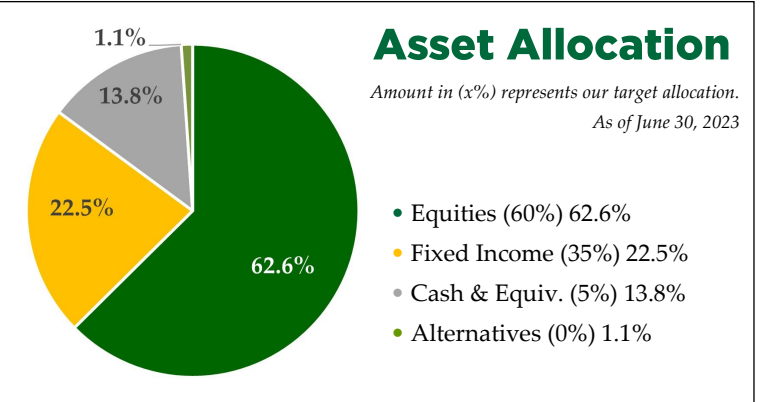
The Foundation seeks returns through investments in a diversified portfolio consistent with its Investment Policy Statement. To achieve this objective, the Trustees work with an independent investment advisor, Financial Counselors, Inc. Together, they make investment decisions, provide ongoing evaluation of economic conditions, review performance and provide advice on asset allocation.

The primary objective of the endowment funds is to generate an increasing stream of income to honor the donor(s)’ designation of their fund while maintaining the permanency of the endowment funds over time. This includes funding for scholarships, leadership training, educational programs, chapter specific initiatives, computer technology, chapter housing and unrestricted support of FarmHouse.

INVESTMENT PERFORMANCE

The Endowment portfolio is calculated on a total return basis. Total return, for purposes of this report, is the combination of income, dividends, gains and losses for the fiscal year, net of investment management fees. Investment performance is determined as a whole rather than separately for each individual endowment. Depending upon the timing of the creation or additions to an endowment, returns may vary.

The spending allowance is approved by the Board of Trustees annually. It is applied to the 3-year rolling average of the market value of each endowment fund. Growth above the spending allowance and administrative expense is added to the fund’s market value to help offset years when investment returns are less than the pay-out ratio. When the market value of the fund grows, so will future distributions.



FY 2022-23 BY THE NUMBERS:

- Endowment Assets: \$18,157,114
- During FY 2022-23, \$551,241 in new endowment gifts were received.
- The Endowment had a rate of return (net of fees) of 9.42%.
- Current Spending Allowance: 3.5%
- Administrative Expense: 1.75% for funds under \$99,999; 1% for funds of \$100,000-\$999,999; 0.5% for funds over \$1 million
- Endowment Funds administered: 194
- New endowment funds established: 5
- Endowment Designations:
 - Unrestricted Support: 25
 - Leadership Training Programs: 37
 - International Scholarships: 11
 - Chapter Programs & Scholarships: 86
 - Will be endowed by estate pledges: 35