

FREQUENTLY ASKED QUESTIONS FLOYD C. ASHLEY ENDOWMENT FUND

What is the Floyd C. Ashley Endowment?

Floyd C. Ashley was a longtime member and former Sunday school superintendent at Lyndale United Church of Christ, Minneapolis. He created a Trust to provide for his spouse, Elsie, after his death. Upon Elsie's death, the Trust was to be distributed to the Conference. The specific language is: "It is my desire that any property received by the Minnesota Conference of the United Church of Christ pursuant to any of the terms of this Will, shall be designated as the "FLOYD C. ASHLEY ENDOWMENT FUND" and that the income only from said fund shall be used in religious education work for the children and young people under nineteen (19) years of age, in such manner as the Board of Directors of said Conference shall from time to time designate."

When did the Minnesota Conference receive this fund?

Elsie Ashley died on August 5, 2004 and just under \$6.3 million was transferred to the MN Conference UCC on September 30, 2004.

What decisions have been made about its use?

In the fall of 2005 an Ashley Task Force appointed by the Board of Directors began meeting under the leadership of Helen McEvoy-Freese, Conference Vice-Moderator. Participants included representatives from Conference Christian Education, Church Development, Finance, Outdoor Ministries, Spiritual Development and Youth Ministries. There was also an at-large member.

That group reported to the Board of Directors in March 2006 and recommended dividing the income into three areas:

- 1) support for existing Conference programs for children and youth (\$100,000)
- 2) development/creation of new Conference-wide ministries and programs for children and youth (\$90,000)
- 3) support for existing and aid the development of new programs for children and youth in local churches (\$116,000).

The Board approved the recommendations, noting that the amounts in the recommendation "are approximate and may vary from year to year based on the earnings of the endowment. Allocation will be determined annually by the Board of Directors."

How have the monies been spent?

In 2006 \$96,834 was awarded to 16 local churches and in 2007, \$80,466 was awarded to 12 local churches, who received competitive and juried Ashley Grants. In each of those years, \$30,000 was provided as support for Pilgrim Point Camp. Additionally, in June 2006 the Board approved the search for an Ashley Minister, and in May 2007, Wade Zick was hired as Ashley Minister of Faith Formation for Children and Youth.

In November 2006 the Board revised the allocation formula to: "authorize the expenditure of up to \$100,000 of income annually from the Ashley Endowment for the creation and support of a full-time position to be called Pilgrim Point Camp Managing Director," using the \$30,000 previously designated for Pilgrim Point Camp by the Board plus another \$70,000 from Ashley. In November 2007, Dee Dressler began as Managing Director of Pilgrim Point Camp.

Ashley Funds have also been used to support the following:

- a three-year grant to the Resource Center for Churches to upgrade children and youth resources;
- a thirteen-week anti-racism training program for youth leaders;
- an Our Whole Lives (OWL) training course for children and youth leaders;
- participation of local church Christian Educators in Association of United Church Educators event (Chicago) ;
- participation in Taizé spiritual retreat for children and youth leaders;
- a programming intern at Pilgrim Point Camp;

- additional funding for Conference Jr. and Sr. High Youth Events;
- Minnesota youth participation in General Synod (s) and the National Youth Event;
- funding for National Youth Event Support;
- research by the national offices of the United Church of Christ on future staffing and programming for youth and young adult ministries .

How does the Minnesota Conference determine “income” and decide the maximum that may be spent each year?

The Conference Endowment Policy defines income as 5% of the three year trailing average of the market value of the Fund on December 31. For fiscal year 2009, that maximum amount was \$380,000. For fiscal year 2010, the maximum is \$353,000. Even if the economy recovers quickly, the total available will continue to fall for several years, as the post-crash market values are absorbed into the average.

The law and our policy both require endowment managers to be fiscally prudent. This means moderating our spending because of the extraordinary conditions – in particular, the market crash, which extended from September through February.

While our 5% spending rule lets us draw \$380,000 from Ashley in the current fiscal year, and \$353,000 in the year ending September 30, 2010, the requirement of prudence means that we need to minimize our spending to the extent possible.

What is our estimate of the Ashley Endowment value and income over the next few years?

The table below shows the market value of the Ashley investment over the last four years, and the projected market value for the next three years. The shaded portion indicates which three years are used in the trailing average. The resulting income at various spending rates is shown at the bottom. For comparison, we show spending rates of 4% and 3% as well as the current 5%. The projected market values are just estimates; we show a growing value after this year, although we used conservative estimates of growth.

In thousands of dollars (\$000's) *Projected values are in italics*

At December 31:		FY 2009	FY 2010	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
2011	\$6,500					
2010	\$6,000					
2009	\$5,500					
2008	\$5,428					
2007	\$8,026					
2006	\$7,751					
2005	\$7,025					
Average Balance:		\$7,601	\$7,068	\$6,318	\$5,643	\$6,000
Projected Income at:	5%	\$380	\$353	\$316	\$282	\$300
	4%	\$304	\$283	\$253	\$226	\$240
	3%	\$228	\$212	\$190	\$169	\$180

Current (July 20, 2009) value of Ashley: \$5,865