



DREAM Alumni Fund
Status Update
February 2005



Agenda

- Where are we today?
- Defining Goals
- How do we get there?



Where are we today?

- Current Funding Status
 - Before the 2004 Campaign, \$11,290
 - 2004 Campaign netted \$9,122, current amount = \$20,411
- Current fund structure
 - The Alumni Fund sits at DREAM Inc.
 - DREAM Inc. deposits proceeds from each Alumni Appeal in the fund
 - DREAM Inc. funds expenses / nets these out of proceeds from the following year
 - Implications:
 - The Alumni Fund can invest in long term instruments and
 - The Alumni Organization cannot spend more than it expects to earn the following year
- Current Policy
 - In prior Alumni Fund discussions, policy agreement reached
 - Implications for 2005: Spend 20%, save remainder
 - ~ \$,4000 to spend in 2005
 - The remainder is in a Parnassus funds, a full service socially responsible investment firm
 - 70% in Parnassus Equity, which since inception returned 11.24%
 - 30% in Parnassus Fixed Income, which since inception returned 6.48%



Where are we today?

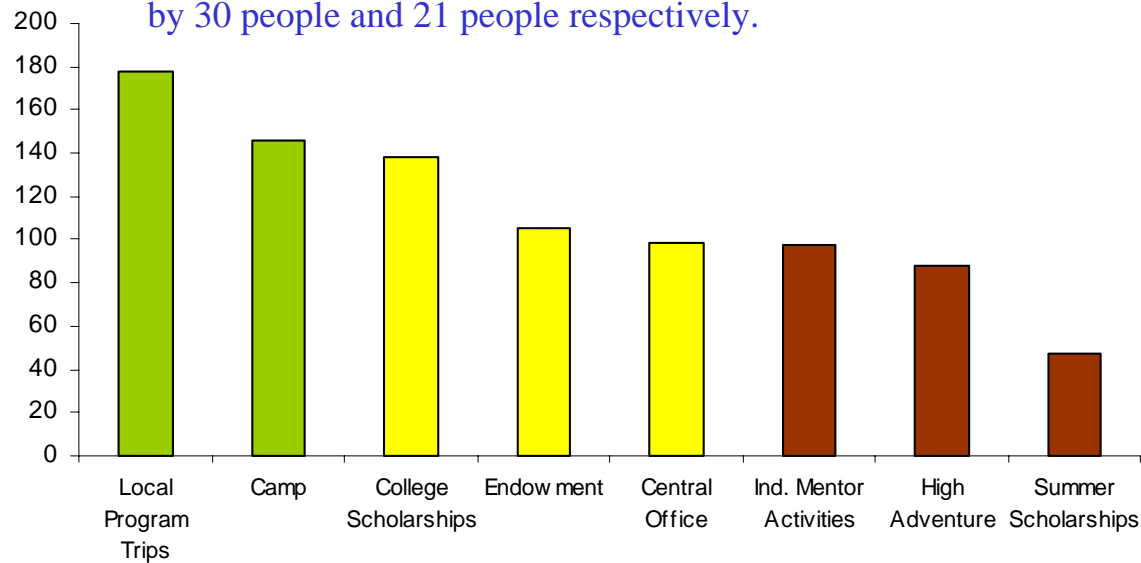
- Tried to conceptualize future liquidity
 - Difficult given short history of program / fund
 - Comfortable with short term / Highly conservative for the long term
- Growth Model
 - Assumes average class size of 80, average initial donors ~ 25%, initial donation \$25
 - Each year the number of donors in each class grows 10% until penetration reaches 40%
 - Assumes donors grow giving by 10% each year
 - Implications: Steady capital appreciation / steady initial spend per year

	FYE 12/31											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<i>Growth Model</i>												
Beginning Balance	\$ 11,290	\$ 17,309	\$ 25,894	\$ 36,972	\$ 50,359	\$ 66,830	\$ 86,449	\$ 109,951	\$ 136,648	\$ 166,854	\$ 200,918	
Prior Year Donations ¹	9,122	11,431	13,741	15,815	18,171	20,864	23,900	27,190	30,809	34,790	39,194	
Interest Earned	<u>1,225</u>	<u>1,724</u>	<u>2,378</u>	<u>3,167</u>	<u>4,112</u>	<u>5,262</u>	<u>6,621</u>	<u>8,228</u>	<u>10,047</u>	<u>12,099</u>	<u>14,407</u>	
Total Before Uses	21,636	30,464	42,013	55,954	72,642	92,956	116,970	145,370	177,504	213,742	254,518	
Uses	<u>4,327</u>	<u>4,570</u>	<u>5,042</u>	<u>5,595</u>	<u>5,811</u>	<u>6,507</u>	<u>7,018</u>	<u>8,722</u>	<u>10,650</u>	<u>12,825</u>	<u>15,271</u>	
Total net of Sources/Uses	\$ 17,309	\$ 25,894	\$ 36,972	\$ 50,359	\$ 66,830	\$ 86,449	\$ 109,951	\$ 136,648	\$ 166,854	\$ 200,918	\$ 239,247	
Total \$ Spent	\$ 4,327	\$ 4,570	\$ 5,042	\$ 5,595	\$ 5,811	\$ 6,507	\$ 7,018	\$ 8,722	\$ 10,650	\$ 12,825	\$ 15,271	
Growth in \$ Spent		6%	10%	11%	4%	12%	8%	24%	22%	20%	19%	
YoY Donations Growth ²	na	25%	20%	15%	15%	15%	15%	14%	13%	13%	13%	
Uses % of Total ³	20%	15%	12%	10%	8%	7%	6%	6%	6%	6%	6%	
Interest Rate ⁴	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	
<i>Notes</i>												
(1) Model assumes majority of donations come in at December of prior year. Amount remaining from prior year + donations = Funds at beginning of FY.												
(2) As per assumptions detailed above												
(3) As per decisions made during the last Alumni Fund meeting.												
(4) Conservative given the long term returns of the funds invested in.												



Defining Goals

- Recently all DREAM Alumni were asked to take part in a survey
 - People were asked to articulate their priorities for the Fund
 - Results weighted by prioritization are:
 - High priority (in green) was given to Local Program Trips and Camp DREAM, both of which can be addressed in the short term
 - Some priority (in yellow) was given to College Scholarships, Endowment and Central Office, which are generally longer term concerns
 - Less priority (in red) was given to one-on-one mentor activities, high adventure programs and summer scholarships for programs outside of DREAM
 - Additionally, summer scholarships and one on one activities were ranked as not a top 5 priority by 30 people and 21 people respectively.



Defining Goals – Short Term

- Short Term Spending Directed toward local programs and Camp DREAM
 - As mentioned above, we have ~ \$4,000 to spend
- Local Programs
 - Past Planning
 - \$100 for Norwich program ski trip
 - \$800 for Armory program trip to NY
 - \$600 for Templeton program trip to Boston
 - Current Proposals
 - \$400 for Norwich trip to NYC
- Camp DREAM
 - Funding for small physical projects (a dock, boardwalk, etc.)
 - Even though the Camp itself is free, subsidizing the parents by providing funds to send a child to camp (transportation, etc.)



Defining Goals – Long Term

- Long Term Spending Priorities: (1) College (2) Endowment (3) Central Office
- COLLEGE!
 - Currently there are 150 children in the program, spaced fairly evenly between the ages of 5 to 14
 - We have some time to prepare for them, ~ 2008 but then a constant stream
 - What will we do with the money we have? Should we get more?

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Defining Goals – Long Term

- Endowment
 - Targeted size
 - Should we invest separately?
- Central Office
 - The Alumni Fund could always serve as a backup
 - For the time being, it is on firm financial ground



How do we get there?

- Need the Alumni for support
- Concept:
 - Tap the Alumni Base as a resource
 - Need funding, but also IDEAS and SKILLS
 - Most important, need DIRECT INTERACTION
 - The Central Office is looking to the Alumni to be self-empowered, and to direct their energies to assist the program
- BRAINSTORMING SESSION



Assigning Goals – Short Term

- There is \$4,000 set aside for this year to affect the local programs
 - We need alumni to “sponsor” trips, educational events, etc.
 - Goal: Direct interaction with undergraduate mentors for planning, idea generation
 - Needs: Energy & Motivation
- Volunteers for sponsoring programs:
 - Castleton State:
 - Champlain:
 - Norwich:
 - St. Mike’s:
 - UVM:
 - Dartmouth H/N:
 - Dartmouth Armory:
- Volunteers to explore Camp DREAM options:
 - Additions to the physical plant:
 - Subsidizing attendance:



Assigning Goals – Long Term

- Long Term, with the advance of college education and the potential need for an endowment – how do we fund this?
- Volunteers to manage College:
 - Explore options for funding College
 - Example of an Opportunity:
 - VT Student Assistant Corporation: 6-year, multi million \$\$ grant
 - Potential for the Alumni Organization to create a scholarship program through them for our DREAMers that grows tax deferred and that they match with their own contributions
 - Alumni Organization could manage the account and publish it in their state-wide book, review and decide upon scholarships
 - This could be an amazing thing for Alumni to own
 - Need someone to manage this
- Volunteer to explore an endowment:
- Volunteer to explore ways for the Fund to assist the Central office:



Appendix
Alumni Sponsor Timetable

Alumni Sponsors

- Grant process to get everything lined up by the April Deadline
 - finding sponsors
 - notifying Local Programs, Camp, and Office of opportunity and deadline
 - hooking up sponsors with grant app authors
 - motivating applications to be written - Local Programs (all sorts of projects), Camp (camp sessions), and DREAM Inc. (summer interns)
 - collecting apps
 - voting on apps
 - distributing money
- We have essentially 11 weeks from now to the deadline, probably 9 weeks after the meeting?
 - Week 1: finalize application
 - Week 2: solidify sponsors, notify potential grant recipients
 - Week 3: work with grant recipients to come up with ideas
 - Week 4: match grant apps to sponsors
 - Week 5-8: make budget, begin trip research and planning
 - Week 9: collect apps
 - Week 10: vote on apps and notify recipients

