



F (frequently) A (asked) Q'S (questions)

108 Washington St
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When did the Heritage Club begin?

The Heritage Club was started in 1982 by some visionary Y volunteers and staff who knew that with the Y's mission work being the highest priority in annual operating budgets, it would be important to set aside endowment for facility and capital maintenance.

Why does the Community Y need the Heritage Club when the Horne-Henry Trust was so large?

Confusion sometimes arises concerning income generated from the Horne-Henry Trust versus the Heritage Club Endowment Fund. The \$28 million trust was used to build the new Horne- Henry wellness center. Two-thirds of the annual 5% return on this trust pays the debt service on our new facility – THE HORNE-HENRY FITNESS CENTER - over the next 30 years. The other one-third of the annual 5% return supports the Y operating budget.

The Endowment Fund is needed to sustain the physical property and programming of the entire Community Y campus as it presently exists and as it will exist in generations to come. Currently the Community Y's operating budget is not able to fully fund depreciation. The distribution from the Heritage Club endowment fund helps to finance capital maintenance and replacement, but it doesn't fully meet the increasing needs in that area. So you can see that the Heritage Club does now and will continue to play a tremendous role going forward for upkeep of the entire Community Y campus. The Heritage Club endowment needs to grow to close the gap between the current income and increasing capital needs.

How much does the Y get now from Heritage Club and how much does it need?

Currently the Y receives approximately \$35,000-\$40,000 annually from the Heritage Club. The amount varies according to the performance of the endowment and is disbursed according to a formula set by the Heritage Club Board of Directors. The endowment is just a little under \$1 million currently.

The Y has completed a depreciation calculation for the next 20 years which shows a need for approximately \$125,000 per year for capital maintenance for the Y's campus. That leaves a gap of approximately \$90,000 per year. At an average distribution of 5%, the endowment needs to be at approximately \$3 million to fully fund calculated annual capital maintenance needs over the next few years.

At what point do funds from the Heritage Club Endowment become available for use to the Community Y?

The Heritage Club policies and procedures stipulate that the performance of the endowment fund be monitored regularly. In 2004 the Community Y Investment Committee and the Heritage Club Board of Directors standardized the assessment of the endowment's growth and the method by which disbursements from earnings on the endowment can be calculated. The principal of the endowment is never invaded. Annually, a portion of the profits realized over and above the corpus of the endowment are distributed to the Community Y for programming and facilities support. How the distribution from the endowment is actually used is under the direction of the Community Y Board of Directors who reports their decisions concerning use of these funds to the Heritage Club Board each year.

How is the Heritage Club fund managed?

The fund is under professional management at a local financial institution. The portfolio is also reviewed on a regular basis during the year per Heritage Club investment policy by the Community Y Investment Committee comprised of staff and volunteers with expertise in investment strategies as well as Community Y vision, mission, goals, and finances.

How can I get involved in Heritage Club?

Anyone who makes a sincere commitment to support the Y through membership and join the Heritage Club may do so in a variety of ways.

- *Make a gift to the Heritage Club of cash, appreciated securities, or real properties and consider giving an annual contribution to the Club each year thereafter. Every gift or contribution goes directly into the corpus of the Endowment and the corpus is never distributed; only accumulated interest income/growth is distributed from the corpus according to the distribution formula.*
- *Let the Y know you have made a legacy gift designation to the Heritage Club through any number of instruments designed for leaving a gift after death. The Y Executive staff would be happy to visit with you initially about these opportunities and to help assist in finding a professional who could help you with the details, if you aren't already working with someone.*

Consider a Charitable Gift Annuity, an excellent way to transfer cash or an asset to the Y now, receive a fixed annual annuity for life, and save taxes on both the original transfer and the received income from the annuity.

Upon letting the Y Executive Director know of your intention to be a part of the Heritage Club, we will have you fill out proper paperwork and you will join more than over a hundred other YMCA-YWCA Heritage Club members.