

# Alexander Molis College Trust



January 13, 2021

Mr. Christopher Molis  
Mr. James Molis  
Trustees, Alexander Molis College Trust

Subject: *Alexander Molis College Trust – 2020 Year End Status Report*

Dear Chris and Jim:

As you know, the Trust was funded with \$600,000 on March 13, 2003. Up until 2008, the trust achieved remarkable performance as the stock market motored ahead. This performance allowed us to make significant awards to family members. However, as we remember, the economy and stock market were difficult over the next few years, taking a significant toll on the value of the Trust, and causing us to reduce awards to students. In 2010, the markets turned around, and the Trust made solid gains in 2010 through 2017. However, after the market peaked in the middle of 2018, it suffered significant losses, ending the year with a significant loss. As a result, we decided to reduce the maximum award limit. While 2019 was a much better year for the market, the Covid-19 epidemic started in early 2020, making for an interesting year for investing. After a precipitous drop in the Trust's assets (\$641,000 at the end of March!!!), the market recovered nicely, so by the end of 2020, the account was valued at about \$845,000, up about \$50,000 for the year.

Through the end of 2020 we had awarded about \$35,000, less than in 2019, and well under the target of \$50,000 that we set for the year. I expect some late requests for the fall 2020 semester, so the total might reach about \$38,000, which I have used to estimate year end performance. As such, we should be able to give out some special awards as we have done in previous years.

As such, after all expenses and estimated awards, the effective trust value at end of 2020 is about \$840,000. Thus, effectively, the trust gained about 58,000 in 2020. Given the Covid-19 pandemic, we should be pleased.

We have now awarded a total of about \$703,000 for college costs since 2003. The table at the end of this report shows the amounts awarded to each family member. Table 1 below shows actual performance since 2003, along with an estimate of future performance for the next 2 years. Note that the awards are estimated at about \$54,000 per year over the next two years. This is significantly more than what we awarded last year. However, based on long term average performance estimates, the fund would still be predicted to increase in value under these assumptions.

Year	Principal	Gross Gain	Awards	15% Taxes	0.28% Vanguard	Total Awards	Total Awards + Taxes + fees
2003 to 2014	\$814,820	\$648,179	\$408,232	\$10,489	\$14,638	\$408,232	\$433,359
2015	\$776,266	-\$1,095	\$17,920	\$13,098	\$6,441	\$426,152	\$470,818
2016	\$802,928	\$79,732	\$39,853	\$6,543	\$6,674	\$466,005	\$523,888
2017	\$864,173	\$153,569	\$71,004	\$17,484	\$3,836	\$537,009	\$616,212
2018	\$696,537	-\$68,912	\$78,962	\$17,000	\$2,762	\$615,971	\$714,936
2019	\$782,237	\$150,196	\$48,696	\$13,000	\$2,800	\$664,667	\$779,432
2020	\$845,405	\$113,173	\$38,047	\$8,767	\$3,191	\$702,714	\$829,437
2021	\$848,491	\$67,632	\$54,106	\$8,116	\$2,325	\$756,819	\$893,983
2022	\$851,588	\$67,879	\$54,303	\$8,146	\$2,333	\$811,123	\$958,765

Table 1 – Actual & Projected Performance

## 2021 Award Limits

While we cannot predict what 2021 will bring, early indications suggest the markets will continue to perform well. As such, I suggest that we stay with our target to \$50,000 for 2020 (~5.9 % of trust value).

Based on the planning analysis that Chris completed, we may have a few new family members entering college in the fall of 2021. We had only 8 individuals request assistance in 2020, less than the 11 that we had estimated last year. At this point, two of these individuals have completed their education, and I only know of one new student thus far. However, as some of these students are attending junior colleges and others would be starting in the fall, along with the fact that we awarded less than expected last year, I suggest that we increase the yearly award limit per individual to \$12,000. If you do not agree with these suggestions, then please let me know and we'll discuss it further.

As such, for 2020, the following policies are recommended.

- 1. For requests below \$12,000 for the year, award the full amount. Of course, if there are many students in this category, we would have to reduce the amount to stay within our yearly limit.*
- 2. For requests above \$12,000 for the year, we will only be able award a maximum of \$12,000 per student per year. Of course, if there are many students in this category, we would have to reduce the amount to stay within our yearly limit.*
- 3. Exceed the \$12,000 limit on an as-case basis, considering both the trust assets and yearly limit. The Trustees will review and vote on requests individually.*
- 4. For students who choose to commute to college rather than stay on campus, we will reimburse for mileage to and from college. We will use the 2021 IRS mileage reimbursement rate, which is 57.5 cents per mile.*
- 5. Letters to individuals requesting funds before any semester should stress that the awards are given with the expectation that the student will get passing grades (at least a 2.0). Should the student not achieve passing grades, then future awards for that student will not be made before the semester, but rather will be made only after receiving notice that the student passed. If passing grades are not achieved, the Trust will make no award for that semester.*
- 6. For any student who requests funds for a non-college degree program, the Trustees shall decide on what amount to award, based on the current Trust financial condition, and the total number and amount of other funds being requested. However, because the original intent of the Trust was for college degree programs, the Trustees reserve the right to award less than the amounts listed above for any non-college degree program, or perhaps, make no award at all.*
- 7. Letters to applicants should note that the Trust may not be able to cover an applicant's costs, and that the Trustees will consider past awards made when deciding on whether to make future awards. This will cover situations where a student decides to change programs midstream, and cannot transfer credits to the new program.*

## Age and Other Award Limits

Over the years, we have had several unusual requests that have caused the Trustees to review our procedures. One is requests by older individuals, and the other is when individuals who have already received awards for a degree, decide to seek a degree in different field.

As the family expands, more and more students are expected to share the assets of the Trust. We believe Uncle Al's intention was to assist young family members in pursuing a college degree to get them on a career path that they might not be able to otherwise afford. Although initially designed for college education, we think he would be happy with us that we now allow individuals to pursue education in non-degreed fields, rather than just college degrees. We do not think, however, that his intention was neither to assist individuals for multiple degrees in different fields, nor to do we think he would approve of funding degrees later in life.

We think the Trust should provide a means for young people to better themselves and initially kick start their life. If, after obtaining a degree and selecting a career, they are not happy, they might want to pursue a degree in a different field. If so, we believe that it is up to them to pay those costs themselves. We, as trustees, must look across the broad spectrum of a growing family, and set appropriate guidelines to share the funds to meet the goals set.

As such, we will adopt the following to our award rules:

1. Limit assistance to those individuals pursuing degrees up to the age of 35.
2. No assistance will be provided for an additional degree in an unrelated field.
3. Provide assistance for advanced degrees so long as the degree is in their undergraduate field of study, or is relevant to their undergraduate field. One example of this would be obtaining an MBA degree.
4. Below the age of 35, limit assistance to a maximum of \$500 per year for those individuals who chose to pursue Continuing Education Credits (CEU) to supplement their education in their present field.

### Consideration of Special Awards for Selected Individuals

Prior to 2008, there was no limit on the amount that we reimbursed students. Of course, in those days the fund assets were growing at a substantial rate, and we had fewer individuals requesting funds. As a result, we reimbursed all individuals fully from 2003 to 2007.

We instituted individual award limits in February 2008 (\$7,500 per year max) after the stock market began to collapse, and because more students were requesting funds. We can now confidently say that our strategy allowed us to weather the market storm during those years, so I believe our decisions to limit awards was a sound strategy during this time.

While this strategy was obviously needed, the result was that students whose bills were substantially above \$7,500 per year had to pay the excess out of their own pocket. We had two individuals who fell into that category after the change in policy in 2008. Currently, we have 7 students whose bills have exceeded what we were able to pay during the last few years, as shown in the table below.

From 2011 to 2019, we have provided additional awards to help offset their out-of-pocket costs incurred during those years. Their total bills and the amount that we awarded, including special awards, are shown in the table attached. As you can see, even with these special awards, their out-of-pocket costs are not trivial.

As Trustees, we have no specific obligation to pay everyone's costs fully. We discussed this early on knowing that someday we would have a student enrolled in an expensive private college, law school or medical school, and that the Trust could not pay these fees fully. Nevertheless, we do not want to discourage students from attending expensive colleges and should try to contribute a reasonable amount so long as the fund has the resources, and as long as we keep in mind the long-term health of the Trust.

With that in mind, and as the fund's performance last year was quite good, I suggest that we provide the following special awards for 2020.

<b>Jared Molis</b>	<b>\$2,500</b>
<b>Daniel Molis</b>	<b>\$2,500</b>
<b>Ryan Streeter</b>	<b>\$2,500</b>
<b>Shane Fargo</b>	<b>\$2,500</b>
<b>Joey Molis</b>	<b>\$2,500</b>
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<b>Special Awards - 2020</b>	<b>\$12,500</b>

Note that I left out two individuals, Aubrie Savickas and Mark Bilodeau. This decision is based on the new rules that we instituted last year. As you may remember, Aubrie elected to pursue a 2<sup>nd</sup> degree in a different field. While we did give her some awards for this 2<sup>nd</sup> degree, given our new policy, we will make no additional awards to her.

Mark has also changed fields and has been pursuing a new career as a Physician's Assistant. In addition, Mark is now 57 years old. While we did give him awards for this 2<sup>nd</sup> degree over the last few years, given our new policies, we will make no additional awards to him.

If we approve these special awards, it will bring our total awards up to about \$50,000 for 2020. Please let me know if you agree with making these special awards.

Thanks for your help throughout the year.

Sincerely,

A handwritten signature in cursive script that reads "Stephen J. Molis".

Stephen. J. Molis, Trustee, Alexander Molis College Trust

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### Award History

Name	Total Awards 2003-2014	Total Awards 2015	Total Awards 2016	Total Awards 2017	Total Awards 2018	Total Awards 2019	Total Awards 2020	Inactive
Sean Jackson	\$39,146.72							\$39,146.72
Jodi Jackson	\$15,895.99							\$15,895.99
Michael Bilodeau	\$25,898.72	\$1,097.00	\$1,395.00	\$1,731.00	\$1,745.00			\$31,866.72
Michael Bilodeau Jr.	\$9,300.00	\$2,486.00	\$1,717.00	\$1,226.00	\$1,415.00	\$1,554.00		\$17,698.00
Stephen A. Molis	\$20,905.00							\$20,905.00
Gina Griffin	\$2,989.75							\$2,989.75
Audrey Fargo	\$4,193.30		\$2,430.00					\$6,623.30
Amy B. Molis	\$11,950.00							\$11,950.00
Joseph Fillion	\$5,317							\$5,317
Kayla Ramos	\$16,982							\$16,982
Bandon Savickas	\$24,671							\$24,671
Mark Bilodeau	\$9,411		\$308	\$3,500	\$14,000	\$5,000		\$32,219
Christopher Molis	\$47,484							\$47,484
Nicole Bilodeau	\$6,874							\$6,874
Aubrie Savickas	\$70,249	\$2,000	\$2,000	\$2,000				\$76,249
David Hird	\$24,862				\$757			\$25,619
Jennifer Molis	\$9,700							\$9,700
Jared Molis	\$42,440	\$2,000	\$2,000	\$2,000		\$2,000		\$50,440
Kiara Fillion	\$7,651							\$7,651
Michelle Streeter	\$280					\$1,590		\$1,870
Ryan Streeter			\$6,765	\$16,000	\$14,000	\$7,000	\$8,000	\$51,765
Thomas Streeter	\$2,736	\$1,628	\$1,073	\$2,357	\$5,444	\$0		\$13,238
Brett Fargo	\$2,757							\$2,757
Tyler Woodcock								\$0
Brenna Bilodeau	\$6,539			\$1,732	\$0	\$0		\$8,271
Zenobia Griffin		\$2,209	\$3,443	\$3,900	\$993	\$714	\$1,690	\$12,949
Daniel Molis			\$10,500	\$16,700	\$14,000	\$7,000	\$4,000	\$52,200
Robert Molis				\$5,571				\$5,571
Shane Fargo		\$6,500	\$8,222	\$13,201	\$11,201	\$7,000	\$4,000	\$50,124
Austin Yetz				\$4,702	\$4,625			\$9,327
Morgan Bilodeau				\$1,955	\$2,193	\$2,998	\$769	\$7,915
April Streeter					\$3,018	\$5,000	\$2,911	\$10,929
Joey Molis						\$7,590	\$8,000	\$15,590
Cameron Yetz						\$1,250		\$1,250
Cecilia Molis							\$5,677	\$5,677
								<b>Grand Total</b>
<b>Totals</b>	<b>\$408,232</b>	<b>\$17,920</b>	<b>\$39,853</b>	<b>\$71,004</b>	<b>\$78,962</b>	<b>\$48,696</b>	<b>\$35,047</b>	<b>\$699,714</b>