

Alexander Molis College Trust



January 16, 2022

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

Subject: *Alexander Molis College Trust – 2021 Year End Status Report*

Dear Chris and Jim:

As you know, the Trust was funded with \$600,000 on March 13, 2003. Since that time, the Trust has undergone many changes precipitated by changing market conditions. A brief summary of these events is provided at the end of this report. While the overall market was mixed during 2021, it was another good year for the Trust, with the account value ending at about \$916,000, up about \$71,000 for the year. Given the continuing Covid-19 pandemic, we are obviously pleased with this performance.

Through the end of 2021 we awarded about \$49,000 to students, slightly below the \$50,000 target that we set for the year. As usual, I expect some late requests for the fall 2020 semester, so the total is expected to be about \$51,000, 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.

We have now awarded a total of about \$768,000 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 \$59,000 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
	\$600,000						
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	\$151,446	\$49,946	\$13,000	\$2,800	\$665,917	\$780,682
2020	\$845,405	\$125,841	\$50,715	\$8,767	\$3,191	\$716,632	\$843,355
2021	\$916,107	\$132,469	\$51,072	\$6,840	\$3,855	\$767,704	\$905,122
2022	\$919,451	\$73,289	\$58,631	\$8,795	\$2,519	\$826,334	\$975,066
2023	\$922,807	\$73,556	\$58,845	\$8,827	\$2,528	\$885,179	\$1,045,266

Table 1 – Actual & Projected Performance

2021 Award Limits

While we cannot predict what 2022 will bring, early indications suggest the markets may not perform as well as it has over the last few years. Nevertheless, given the appreciation of the trust value over the last few years, I suggest that we make a modest increase in our target to \$55,000 for 2021 (~6 % of trust value).

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Based on the planning analysis that Chris completed, we may have a few new family members entering college in the fall of 2022. We had only 7 individuals request assistance in 2021, 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 \$13,000. If you do not agree with these suggestions, then please let me know and we'll discuss it further.

As such, for 2022, the following policies are recommended.

1. *For requests below \$13,000 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 \$13,000 for the year, we will only be able award a maximum of \$13,000 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 \$13,000 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 2022 IRS mileage reimbursement rate, which is 58.5 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 stay with the award rules that we adopted last year:

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. In subsequent years, market conditions and increased student requests, resulted in us having to impose yearly individual award limits. These limits have continued since that time, thus some students who have attended college after 2008 have incurred significant out-of-pocket costs. The events and history are provided at the end of this report.

Since that time, 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 we keep in mind the long-term health of the Trust.

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. With that in mind, and given that the fund's performance last year was quite good, I suggest that we provide the following special awards for 2021.

Jared Molis	\$2,000
Daniel Molis	\$2,000
Ryan Streeter	\$2,000
Shane Fargo	\$2,000
Joey Molis	\$2,000
Owen Molis	\$2,000
Mercedes Creighton	\$617
Special Awards - 2021	\$12,617

If we approve these special awards, it will bring our total awards up to about \$64,000 for 2021. Please let me know if you agree with making these special awards.

Thanks for your help throughout the year.

Sincerely,



Stephen J. Molis, Trustee, Alexander Molis College Trust

Trust Historical Performance

The Trust was funded with \$600,000 on March 13, 2003. Over the years, the Trust has achieved remarkable gains while making significant awards to family members as they pursue their educations. At the end of 2021, the Trust is valued at \$916,000, while distributing about \$763,000 in awards, paying about \$93,000 in taxes, and about \$44,000 for Vanguard's Trust management.

The Trustee's oversee the Trust fund and make decisions on awards. Obviously, we are pleased with the overall results and the current financial condition of the Trust. Nevertheless, we have had to make some difficult decisions over the years based on the ups and downs of the financial markets to insure that the Trust assets are there for future generations. (This type of Trust will exist for about 100 years!). Some of the key events and decisions are discussed below.

From 2003 to 2008, the trust achieved remarkable performance as the stock market motored ahead. This performance allowed us to make significant awards to those family members in college at the time, covering virtually all of their costs.

However, the banking crisis in 2008 caused the stock market to suffer steep losses, taking a significant toll on the value of the Trust. By the end of 2008, Trust assets had dipped to about \$542,000, down from a high of \$813,000! In reaction to this, the Trustees met and decided to limit awards to students to \$7,500 per year. Time has proven that our strategy allowed us to weather the market storm during those years.

In 2009, the markets turned around, and the Trust made solid gains in 2010 through 2017. Each year we set an overall award limit and did our best to adhere to that limit, while still making reasonable awards to family members. During this period, more family members were attending college. As such, in order to keep overall awards to a reasonable level, we had to limit individual awards. These limits started at \$9,000 per year in 2010 and increased to \$14,000 per year in 2018.

Imposing these individual limits, of course, meant that those students who attended more expensive colleges during those years had significant out-of-pocket costs. This did not occur during the early years of the Trust, when students were fully reimbursed for their costs. The Trustees, recognizing this inequity, implemented a plan to make special awards to those individuals with out-of-pocket costs. After evaluating year end performance, the Trustees decide whether or not to make some additional awards to those individuals. We were able to do this consistently between 2010 and 2017, providing additional awards between \$1,000 and \$4,000 to those individuals each year.

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 reduced the maximum award limit from \$14,000 to \$5,000, and made no special awards at year end.

2019 was a much better year for the market and by year end the Trust's assets had grown to \$782,000. This allowed the Trustees to increase individual award limits back to \$9,000 and provide year end special awards again.

The Covid-19 epidemic started in early 2020, making for an interesting year for investing causing a precipitous drop in the Trust's assets to \$641,000 at the end of March! However, the market recovered nicely, so by the end of 2020, the account was valued at about \$845,000, up about \$63,000 for the year. As such, we were able to increase individual awards to \$12,000 per year and make additional special awards at year end.

Alexander Molis College Trust



Students with Expenses that Exceed Awards Granted

Jared Molis	2008 to 2013	2014 to 2016	2017	2018	2019	2020	2021	Totals		
Total Bills	\$47,000	\$0	\$0	\$0	\$0	\$0	\$0	\$47,000		
Amount Awarded	\$14,440	\$0	\$0	\$0	\$0	\$0	\$0	\$14,440		
Extra Award	\$13,000	\$10,000	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$31,500		
Out of Pocket Cost	\$19,560	\$9,560	\$7,560	\$7,560	\$5,560	\$3,060	\$1,060	\$7,560		
Jared Molis									Jared Molis	
Total Out of Pocket Cost									Total Awards	
										\$45,940
	\$1,060									
Daniel Molis	2016	2017	2018	2019	2020	2021	2022	Totals		
Total Bills	\$21,536	\$26,893	\$24,896	\$28,748	\$13,938	\$0	\$0	\$116,011		
Amount Awarded	\$6,500	\$14,000	\$14,000	\$5,000	\$4,000	\$0	\$2,000	\$45,500		
Extra Award	\$4,000	\$2,000	\$0	\$2,000	\$2,500	\$2,000		\$12,500		
Out of Pocket Cost	\$11,036	\$21,929	\$32,825	\$54,573	\$62,011	\$60,011	\$58,011	\$54,573		
Daniel Molis									Daniel Molis	
Total Out of Pocket Cost									Total Awards	
										\$58,000
	\$58,011									
Ryan Streeter	2016	2017	2018	2019	2020	2021	2022	Totals		
Total Bills	\$6,765	\$32,330	\$40,452	\$7,835	\$41,951	\$22,413	\$0	\$151,746		
Amount Awarded	\$6,500	\$14,000	\$14,000	\$2,500	\$8,000	\$12,000	\$2,000	\$59,000		
Extra Award	\$265	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$0	\$8,765		
Out of Pocket Cost	\$0	\$16,330	\$42,782	\$46,117	\$77,568	\$109,019	\$117,432	\$46,117		
Ryan Streeter									Ryan Streeter	
Total Out of Pocket Cost									Total Awards	
										\$67,765
	\$83,981									
Shane Fargo	2015-2016	2017	2018	2019	2020	2021	2021	Totals		
Total Bills	\$20,008	\$12,268	\$11,337	\$15,112	\$7,776	\$0	\$0	\$66,501		
Amount Awarded	\$14,722	\$11,201	\$11,201	\$5,000	\$4,000	\$0	\$0	\$46,124		
Extra Award	\$0	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$2,000	\$10,500		
Out of Pocket Cost	\$5,286	\$4,353	\$4,489	\$12,601	\$13,877	\$11,877	\$9,877	\$12,601		
Shane Fargo									Shane Fargo	
Total Out of Pocket Cost									Total Awards	
										\$56,624
	\$9,877									
Joey Molis	2019	2020	2021	2022	2023	2024	2024	Totals		
Total Bills	\$13,034	\$21,051	\$17,188					\$51,273		
Amount Awarded	\$5,000	\$8,000	\$12,000					\$25,000		
Extra Award	\$2,000	\$2,500	\$2,000	\$0	\$0			\$6,500		
Out of Pocket Cost	\$6,034	\$10,551	\$3,188	\$0	\$0	\$0	\$0	\$0		
Joey Molis									Joey Molis	
Total Out of Pocket Cost									Total Awards	
										\$31,500
	\$19,773									
Owen Molis	2021	2022	2023	2024	2025	2026	2026	Totals		
Total Bills	\$22,247	\$0	\$0					\$22,247		
Amount Awarded	\$6,000	\$0	\$0					\$6,000		
Extra Award	\$2,000	\$0	\$0	\$0	\$0			\$2,000		
Out of Pocket Cost	\$14,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Owen Molis									Owen Molis	
Total Out of Pocket Cost									Total Awards	
										\$8,000
	\$14,247									
Mercedes Creighton	2021	2022	2023	2024	2025	2026	2026	Totals		
Total Bills	\$6,617	\$0	\$0					\$6,617		
Amount Awarded	\$6,000	\$0	\$0					\$6,000		
Extra Award	\$617	\$0	\$0	\$0	\$0			\$617		
Out of Pocket Cost	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Mercedes Creighton									Mercedes Creighton	
Total Out of Pocket Cost									Total Awards	
										\$6,617
	(\$1)									

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Award History

Education Trust Award Summary									Active Student
Name	Total Awards 2003-2014	Total Awards 2015	Total Awards 2016	Total Awards 2017	Total Awards 2018	Total Awards 2019	Total Awards 2020	Total Awards 2021	Inactive
Sean Jackson	39,147								\$39,146.72
Jodi Jackson	15,896								\$15,895.99
Michael Bilodeau	25,899	\$1,097.00	\$1,395.00	\$1,731.00	\$1,745.00				\$31,866.72
Michael Bilodeau Jr.	9,300	\$2,486.00	\$1,717.00	\$1,226.00	\$1,415.00	\$1,554.00			\$17,698.00
Stephen A. Molis	20,905								\$20,905.00
Gina Griffin	2,990								\$2,989.75
Audrey Fargo	4,193		\$2,430.00						\$6,623.30
Amy B. Molis	11,950								\$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	\$2,500		\$52,940
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	\$12,000	\$63,765
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	\$2,576	\$1,745	\$15,580
Daniel Molis			\$10,500	\$16,700	\$14,000	\$7,000	\$6,500		\$54,700
Robert Molis					\$5,571				\$5,571
Shane Fargo		\$6,500	\$8,222	\$13,201	\$11,201	\$7,000	\$6,500		\$52,624
Austin Yetz				\$4,702	\$4,625				\$9,327
Morgan Bilodeau				\$1,955	\$2,193	\$2,998	\$769	\$942	\$8,857
April Streeter					\$3,018	\$5,000	\$4,693		\$12,711
Joey Molis						\$7,590	\$10,500	\$12,000	\$30,090
Cameron Yetz						\$1,250			\$1,250
Cecilia Molis							\$5,677	\$10,461	\$16,138
Owen Molis						\$1,250		\$6,000	\$7,250
Mercedes Creighton								\$6,000	\$6,000
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Totals	\$408,232	\$17,920	\$39,853	\$71,004	\$78,962	\$49,946	\$47,715	\$49,148	\$762,780