

NORTHERN STAR SCOUTING 2023 ENDOWMENT FUNDING REPORT





\$789,607 SPENT ON CAMP IMPROVEMENTS



\$143,323 AWARDED IN ACADEMIC AID



443,462 PROVIDED IN REGISTRATION ASSISTANCE

35,151

10.5% GROWTH IN TOTAL YOUTH SERVED

Dear Friends,

We are pleased to present the annual Endowment Funding report, which provides an overview of the organization's financial health and progress over the past year, and our stewardship of long-term and targeted purpose funds. In its 93rd year and thanks to countless visionary donors, the Endowment is the financial backbone of Northern Star Scouting.

The success of Scouting is built on the support of volunteers and donors like you, who generously invest in young people, and it is an honor to share with you the impact of your contributions. Thank you!

This report will inform you about investment strategies, performance, and how funds are allocated toward the programs and initiatives that change lives.

At Northern Star Scouting, we are committed to transparency and accountability, and we believe it is essential to keep you informed about how your contributions are making a difference. This report is a testament to our promise to protect the investments, your wishes, and ensure they are used most effectively and efficiently.

The Endowment ended the year (December 31, 2023) with a value of \$42 million, a year-over-year increase of 10.2% or \$3.9 million.

With your unwavering and long-term financial support, Scouting can grow the Northern Star Trust through the Make Your Mark Campaign, and together, ensure that Scouting will remain strong!



John G. Patterson

John Patterson
Volunteer President



John R. Andrews

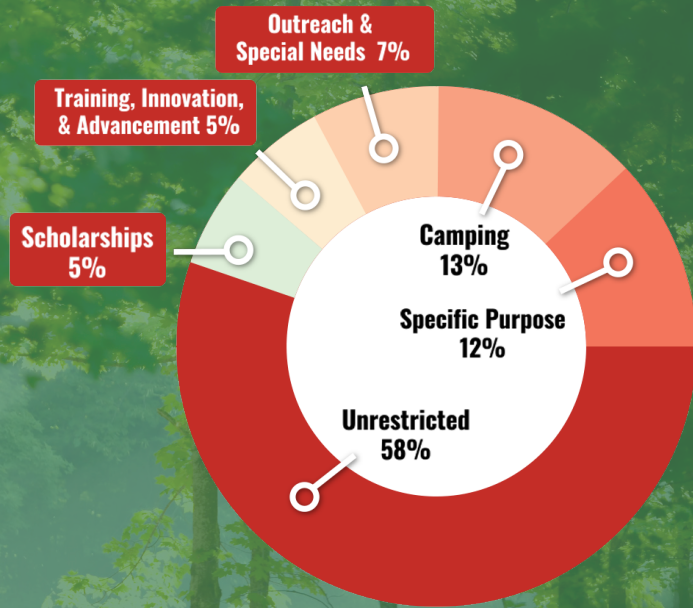
John R. Andrews
Scout Executive/CEO



Steve Lewis

Steve Lewis
Chair, Planned Giving Committee





The Purpose of an Endowment

The Northern Star Trust, commonly known as the Northern Star Scouting Endowment, comprises many distinct and designated funds and significant unrestricted funds. Since 1932, countless Scouters and friends have made financial contributions to the long-term investment fund.

The Endowment consists of individual funds established for various purposes; it includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments.

The Endowment aims to provide maximum sustainable financial support to Northern Star Scouting to perpetuate its mission. The core of the Endowment's purpose is balancing the interests of current and future generations of Scouts. The primary investment objective of the Endowment is to generate, on average over time, inflation-adjusted gains from investment returns. The spending distribution policy provides a mechanism for delivering financial support to the operating budget while ensuring some protection from the volatility of the capital markets.

With a solid foundation, it is time for Northern Star Scouting to have a more formalized, focused effort to increase the endowment through the \$35,000,000 Make Your Mark Campaign. The campaign's focus is to secure long-term funding for camp improvement and maintenance, outreach to at-risk children, and delivery of life-changing programs.



Endowment Objectives & 2023 Results

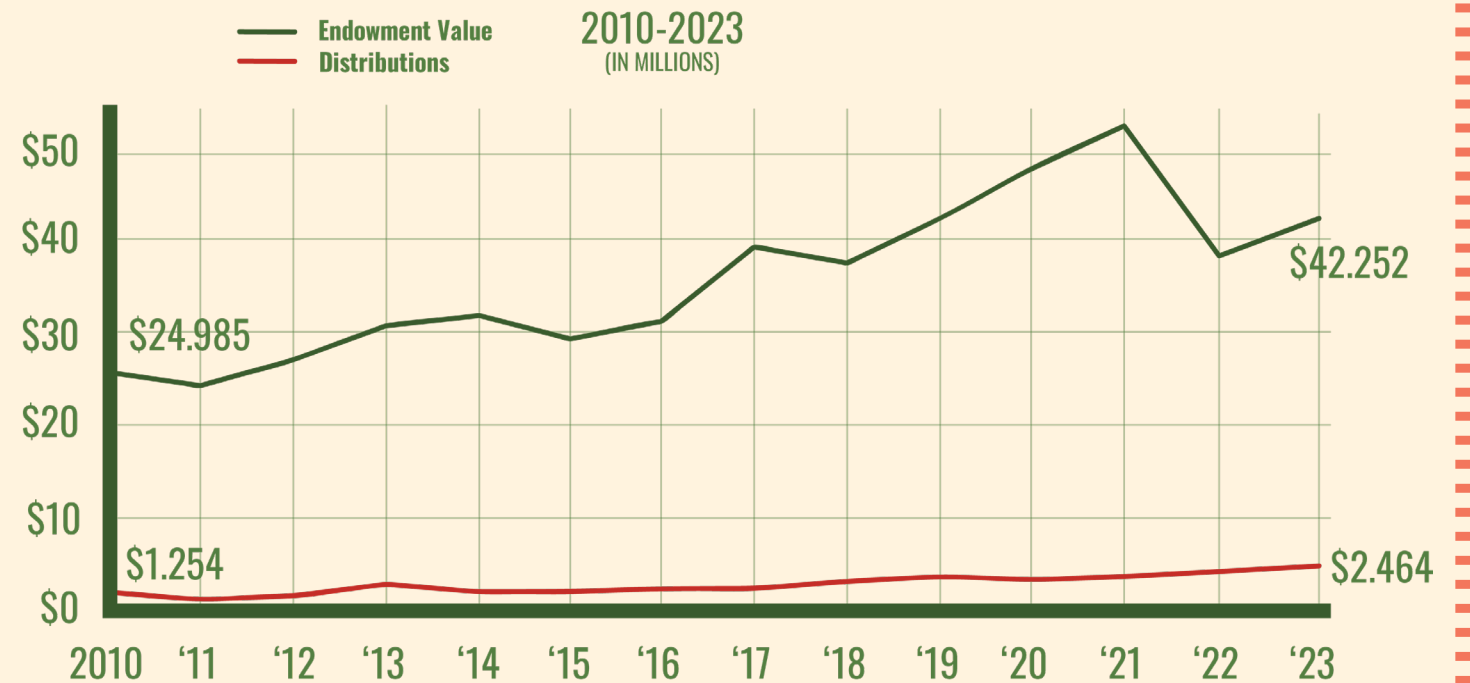
The Northern Star Scouting Board of Directors, as the trustee of the Northern Star Trust, has adopted an endowment investment policy designed to maintain the Endowment assets' purchasing power and provide for a predictable amount of annual distributions that will keep pace with increasing funding needs. Northern Star Scouting has established a risk tolerance of moderate volatility. It is willing to absorb some temporary fluctuations in market value and return rates to achieve longer-term objectives. The overall investment allocation targets 70% equities and 30% fixed income assets and has established the maximum acceptable deviation from the target.

Following the endowment investment policy, the investment committee has developed a diversified endowment investment portfolio in conjunction with outside advisors. The investment strategy seeks capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment funds, over time, are expected to provide returns equal to the distribution rate plus inflation.

Northern Star Scouting has adopted a spending (distribution) policy that uses a total return concept for endowment funds under its control. The resulting effective distribution rate for 2023 was 6.4%, resulting in an available distribution of \$2.5M. The average distribution over the past ten years has been 4.58%, and the average return has been 6.57%.

In establishing the spending policy, Northern Star Scouting considered the long-term expected return, maintaining the purchasing power of the endowment assets held in perpetuity and providing additional real growth through new gifts and investment return.

NORTHERN STAR ENDOWMENT TRUST





“Scouting is not just another program for youth, it’s THE program for youth! That is why we decided to make a commitment with a bequest in our will. It was easy to do and makes us feel good to know our support for Scouting will live on.”

– Barb Schmidt & Jim Persoon

7,141
CUB SCOUTS

6,576
SCOUTS BSA

513
VENTURERS
& SEA SCOUTS

934
EXPLORERS

19,987
COMMUNITY
SCOUTS

A Life Saving Diagnosis

Hearing the heartbreaking sound of his younger sister crying in pain, Braeden P., a Star Scout of Troop 409, knew his sister was in trouble.

After calming her down, he was able to use his First Aid skills to examine her leg and rash where she had been stung by a wasp. Seeing that the swelling in her leg was spreading to her face, Braeden knew right away that she was having an anaphylactic reaction to the sting and needed help.

Knowing time was of the essence, Braeden raced through the house to get an EpiPen and called his father, a Pediatric Intensive Care Unit doctor. He stabilized his sister as he instructed his mother how to administer the EpiPen. He then stayed with his sister to monitor her reaction and got her into a rescue position while his mother called 9-1-1.

Due to his quick thinking and diagnosis of the situation, Braeden’s sister received the life-saving drug and medical attention she so urgently needed and survived her emergency.

In the fall of 2023, Braeden received the Medal of Merit, a recognition for performing an act of service of rare exceptional character that reflects an uncommon degree of concern for the well-being of others.

Thankfully, Braeden’s Scouting skills helped him save his sister’s life!



Braeden P. from Troop 409 saves his younger sister’s life by using the First Aid skills he learned in Scouting.

Unrestricted Funds

General Purpose

Funds that provide support to numerous areas of Northern Star Scouting, including annual programs, special programming, facility improvements, and maintenance.

Unrestricted support includes significant estate gifts from Dr. Dan Ahlberg, Elizabeth Anderlik, John Fesler, Thomas Grog, Howard & Betsy Guthmann, Howard F. Kidder, Lorentzsen Family Trust, Harold Meissner, William Saul, and Lee & Dorothy Whitson.

Market Value: \$21,473,720 Distributions: \$1,211,940

Ozias Trust

Created in 1968 by Edward M. Ozias to support Northern Star Scouting’s areas of greatest need.

Market Value: \$424,600 Distributions: \$18,500



Training, Innovation & Advancement

Allen F. Jacobson/3M Fellowship Fund

Supports leadership development in Scouting's nationally recognized "Training & Advancement" program. The fellowship provides an endowed professional staff position and programs that develop and train youth and adult leaders.

Market Value: \$1,888,200 Distributions: \$108,300

Innovation Fund

Provides "venture capital" to further strengthen impact and connectivity at every level, building upon the success of the past and ensuring a bright future for communities served.

Market Value: \$114,800 Distributions: \$1,770

Wood Badge Scholarship Fund

Provides scholarships to adults inspired to seek the summit of Scout training.

Market Value: \$31,970 Distributions: \$1,820

Howard Wilcox Fund

The long-time 3M engineer, professor, and former mayor of Hudson, WI, established the Fund in 1989 to support training, campers' scholarships, and general operations. The Wilcox Fund includes memorial gifts in honor of: Aaron Ambroz, Gene Dufty, Vern Emery, "Boots" Hanson, Bob Johnson, Neal Kwong, Greg Marthaler, Stephen Matthews, Earl Petersen, and Joan & Chuck Schwoch.

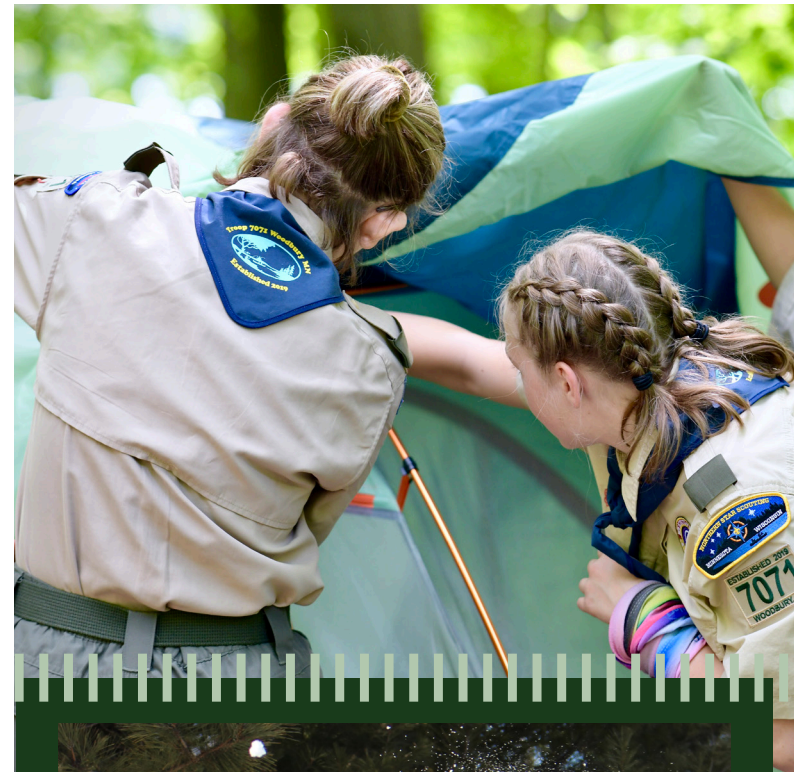
Market Value: \$17,840 Distributions: \$1,020



Patti's Trust

Created in 2018 in honor of Patti Dalen-Leisinger, a long-time staff member who raised millions to support Scouting. The Fund assists staff and volunteers in strengthening their relationship-based fundraising skills through workshops and mentoring.

Market Value: \$29,170 Distributions: \$1,670



Camping

Property Maintenance Fund

Supports ongoing maintenance and improvements of more than 7,000 acres of Northern Star camp property. Contributors include: Rolf & Idelle Bjelland, Paul & Muffy Christen, Will Sulzbach, Lawrence & Adina Gagner, David & Billie Novy, Brackin Family Trust, and Jim & Linda Mitchell.

Market Value: \$3,488,000 Distributions: \$197,940

E.J. Stearns Fund

Provides support for maintenance and improvement at Camp Stearns, along with scholarships, training, and programs for youth in districts J, M and Q.

Market Value: \$562,950 Distributions: \$32,100

Lawrence & Adina Gagner Winter Camping Fund

Established in 1995 to provide capital support for what has become a winter camping program recognized as among the best in the nation.

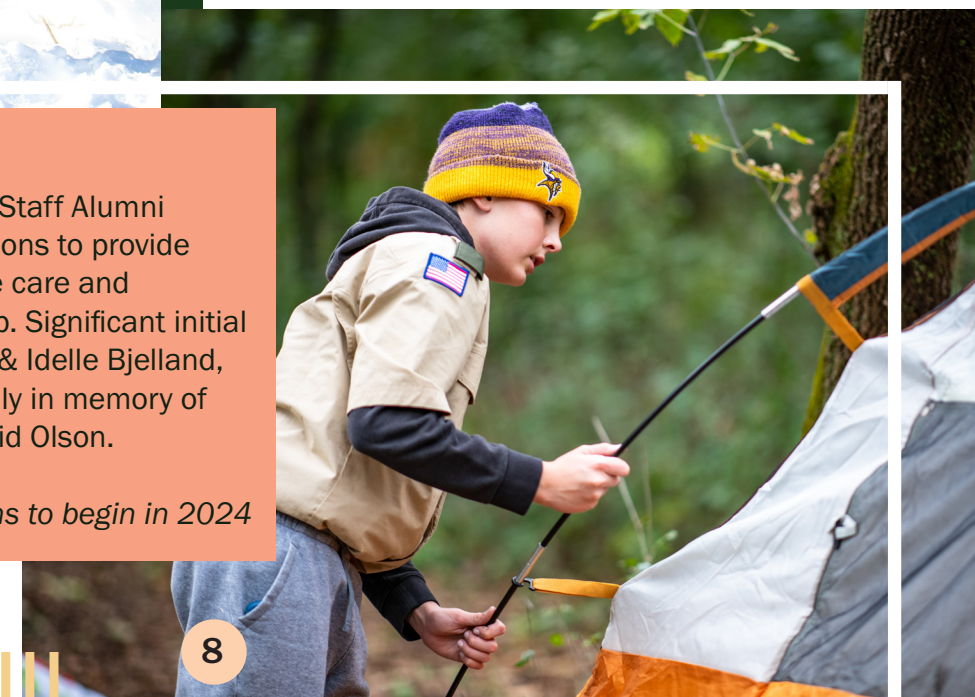
Market Value: \$696,100 Distributions: \$39,930



Many Point Scout Camp Heritage Fund

Established in 2022 by the Many Point Staff Alumni Association and various interested persons to provide income and long-term protection for the care and maintenance of Many Point Scout Camp. Significant initial support and deferred gifts include Rolf & Idelle Bjelland, Al Boyce, Jay Belschner, The Bollig Family in memory of Peter Bollig, Dr. Chris Tashjian, and David Olson.

Market Value: \$261,170 Distributions to begin in 2024





Outreach & Special Needs

Allen F. & Barbara J. Jacobson Outreach Fund

In 1976 one of Northern Star's legacy councils established a fund to support disadvantaged Scouts and Scouts with disabilities. In 1991, the Jacobsons started a fund in the other council to improve accessibility to Scouting for those youth most challenging to reach but who often have the greatest need. The two funds merged in 2014.

Market Value: \$2,385,710 Distributions: \$136,010

Alexandra (Sandy) & Robert Klas Special Needs Fund

Ardent advocates of Special Needs Scouting, the Klas' established this Fund in 2004 to ensure these important young people are never overlooked. The Fund supports program opportunities and staff support for these children.

Market Value: \$272,200 Distributions: \$15,520

Scholarships

Philmont Scholarship Fund

Funded primarily by the Birse & Holler families, this Fund provides scholarships for local Scouts to attend the High Adventure camp at Philmont Scout Ranch in Cimarron, NM.

Market Value: \$66,010 Distributions: \$3,770

Terry N. Thompson High Adventure Fund

Awards scholarships to attend National BSA High Adventure camps across the United States.

Market Value: \$6,970 Distributions: \$400

Pederson Jamboree Fund

Established in 2019 to honor long-time Scout leader Jon Pederson, who dedicated tremendous time to local and national Scouting activities, including Jamborees across the globe.

Market Value \$16,660 Distributions \$660

Campership Fund

Provides scholarships for Scouts to attend summer resident camps. The Mardag Foundation created the Fund in honor of Robert S. Davis, President 1977-78. Support also comes from Lea A. & Elsie L. Wildung, Jim & Katie Lasch, Dr. Dan Ahlberg and many adult leaders in Troop 3124.

Market Value \$958,710 Distributions \$50,610

Gordon & Elaine Kogl Fund

Established in 2020 from the trust of Gordon & Elaine Kogl, the Fund provides scholarships to program staff for education and training beyond a high school level.

Market Value \$231,570 Distributions \$13,280

Sean Merhar Memorial Fund

The friends and family of Sean Merhar created this Fund to award a scholarship to a Tomahawk Camp Staff member who demonstrates creative leadership skills.

10 *Market Value: \$42,230 Distributions: \$2,420*

Scholarships

Eagle Scout Scholarship Fund

Created in 1997 in honor of Distinguished Eagle Scout Robert H. Tucker, who served as 3M General Counsel until his retirement in 1975. Additional endowed scholarships established by: Robert & Joyce Rosene, Eugene & Kathleen Delaune, Chris & Karen Hoffmann, Hugh & Marilyn Madson, C.R. Hackworthy, Paul & Georgia Crockett, and John T. Richter (in memory of James Gillespie).

Market Value \$305,740 Distributions \$17,540

Ronan Banavige Memorial Scouting Fund

Established in 2022 to honor the memory of Ronan Banavige, a dedicated Eagle Scout who exemplified the Scout Oath and Law. Deeply loved by his family, friends, and the entire community, the Ronan Banavige Memorial Scouting Fund provides financial support to expand unit access to High Adventure programs.

Market Value: \$99,960 Distributions: \$4,430



Duty to God Scholarship Fund

In 2022, Northern Star Scouting volunteers and benefactors Kay and Bill Davies generously provided funds to establish the Duty to God Scholarship. The scholarship is awarded to an Eagle Scout who has demonstrated an extraordinary commitment to the nonsectarian Duty to God charge of the Scout Oath.

Market Value: \$32,270 Distributions: \$1,370



Specific Purpose

Joseph L. Rose Exploring & Venturing Fund

As one of Minnesota's first Eagle Scouts, Joe passed the values of Exploring, Venturing, and Scouting on to his family, friends, colleagues, and employees. His friends and family created the Fund; significant contributors include Thomas Rose and Mary Huberty.

Market Value: \$1,120,920 Distributions: \$64,230

Past Presidents Fund

Designed to provide stability to council operations. Income is available to the Council only when the Council experiences unexpected and unavoidable non-budgeted expenses. Since 1993, all distributions have been reinvested.

Market Value: \$177,250 Distributions: \$9,740



Andersen/Hulings Fund

Fred C. Andersen and A.D. "Bill" Hulings established the fund to supplement staff salaries to keep Scouting competitive as an employer. Employees are asked to direct the 3% additional monthly compensation to their 403(b).

Market Value: \$3,102,010 Distributions: \$171,440

Catholic & Protestant Religious Committees' Funds

Supports the efforts of individuals who help grow Scouting through their respective churches, with funds segregated for each committee.

Market Value: \$92,010 Distributions: \$5,250

James E. West Fellowship

A James E. West gift is an easy way to support Northern Star Scouting's Endowment via a donation of \$1,000. Individuals may contribute in their own name or in honor of another. Over 600 fellows have been presented with a special certificate, distinctive lapel pin, and an embroidered square knot. These investments generate approximately \$27,000 in unrestricted support to Scouting each year.

Impact of an Endowment

Enhances stability A well-managed endowment builds credit-ability and sends a message of planned long-term stability, fiscal responsibility, and financial viability.

Relieves pressure on the annual fund Annual fund goals tend to rise right along with the cost of providing services and operating the organization. Still, the ability of the annual fund to meet increasing demand is not limitless.

Allows program expansion Program expansion can be funded with distributions from endowment funds used for pro-grams, scholarships, outreach, facility maintenance, equipment and supplies, and any other purpose designated by the donor or the board of directors.

Provides independence Endowment contributions designat-ed for specific purposes can provide a measure of independence from economic, governmental, and political forces.

Offers flexibility for management Endowments provide options to meet new challenges by providing greater financial flexibility and self-sustaining income streams.

Impact of Gift Planning

Builds a pipeline of future gifts A growing endowment builds a pipeline of gifts that will mature in the future because many endowment gifts are designed to be used at a future date. An organization that attracts deferred gifts enhances its financial security and positions itself to enjoy increasingly larger gifts in the future.

Encourages outright gifts Outright gifts, as well as other kinds of planned gifts, are encouraged by building an endow-ment. Donors who have decided to make an endowment gift to the organization are likely to make gifts to the organization's annual and capital campaigns as well. After all, they have already committed to the organization's future.



2023 Investment Committee

Andrew Adams

Chief Investment Officer, Mairs & Power

William Brown

Retired Group Vice President, The Toro Company

Doug Bruce

Sr. Vice President-Wealth Management, UBS

Richard Halverson

Retired Partner, Great Northern Capital

Jon Melander

Chief Investment Officer, Boulay

Richard Nicholson

President, Nicholson Family Foundation

Ray Skowyra

Founder & Principal, Summit Associates

Jon Theobald (deceased)

Chairman Emeritus, Mairs & Power

John Patterson, Council President (Ex-Officio)

Partner, Fredrikson & Byron, PA

Dennis Goetz, Council Treasurer (Ex-Officio)

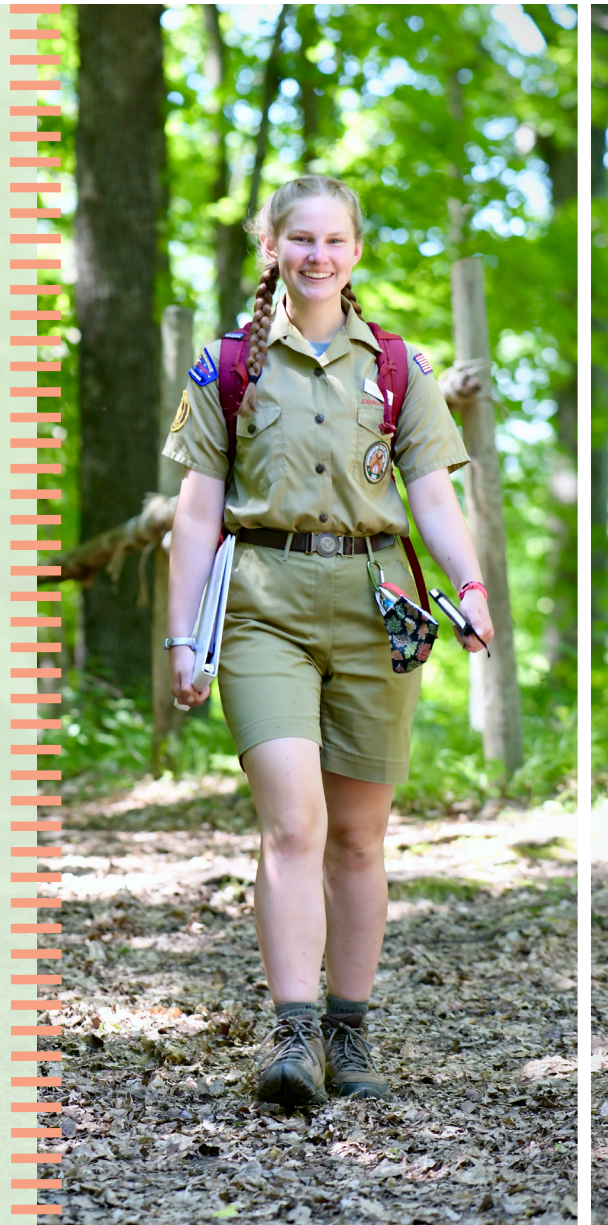
Chief Financial Officer, Pohlrad Companies

John Andrews, Scout Executive/CEO (Ex-Officio)

Northern Star Scouting

Doug Parish, Chief Financial Officer (Ex-Officio)

Northern Star Scouting



Development Leadership

Eric Miller *Vice President of Development*

Steve Lewis *Chair, Planned Giving Committee*

Mike & Anne Hall *Co-Chairs, "Make Your Mark" Campaign*

Brad Bakken *Chair, Annual Campaign*

Development Contacts

Jenny Hedal, *Director of Development*

612.261.2401 or jhedal@northernstar.org



Vision

All youth have the character, confidence, and experience to improve the world.

Mission

Northern Star Scouting prepares youth in a safe and inclusive environment to be leaders and individuals of strong character.



Northern Star Scouting
6202 Bloomington Road
Fort Snelling, MN 55111
651.261.2300
northernstar.org