



PCS Capital & Endowment Fund

Annual Report Fiscal Year July 1, 2023 – June 30, 2024



It is with great pleasure and pride that we present the **2023 Annual Report for the Princeton Charter School Capital and Endowment Fund**. This year has been one of revitalization, strategic development, and substantial growth. We have achieved significant milestones that reinforce our commitment to the long term sustainability and excellence of Princeton Charter School (PCS).

As the school grows, we recognize that the Endowment must evolve to meet the needs of the school, fulfill our fiduciary responsibilities, and also continue to forge and build relationships with our alumni families, alumni and community as a whole. Now, as the endowment enters its 3rd decade of existence, we plan on taking some leaps to better meet these exciting challenges.



FUNDRAISING AND THIS YEARS' ACHIEVEMENTS

This year, thanks to the unwavering generosity of our individual donors, **we successfully raised over \$200,000**. Your contributions have been pivotal in advancing our mission to support the capital needs of PCS, ensuring that our students have access to the best facilities and resources.

We attribute this year's success first and foremost to the contributions by current parents. Of the donations, **70% came from current parents**. This is a tribute to the enthusiasm and dedication of a large part of the PCS community, but also represents an opportunity for us to engage with the other half. Just as in politics, small-dollar donations are prized as they show voter engagement, for us any contribution from parents is tangible evidence of loyalty to PCS and is valuable to showcase to the larger Princeton community and the state of New Jersey.

The strong support of our community was also reflected in a matching campaign by both alumni and current parents.

We often get asked the differences between donating to the school directly versus the PCS Friends organization versus the Endowment.

The Endowment is a vehicle for savings and investment for future capital projects. The Endowment's ability to earn interest and invest and plan for long term capital projects is the core reason for its creation. And while the school can accept donations, it is not staffed for the administrative tasks of receiving donations nor is it capable of investing those donations. Hence the creation of the Endowment a few years after the founding of the school.

Our Friends organization is incredibly active and successful in its fundraising efforts every year. They work with Charter administrators to understand the current year's needs, such as funding for student trips, student events like field day, school clubs and activities, essential technology for student learning e.g. chromebooks, 3D printers, tablets. The general idea behind the Friends' fundraising is to pay on a current operating basis various expenses that PCS might not be able to fit into the annual budget. This, of course, has a direct and positive impact on the student experience at PCS - both academic and extracurricular.

Funds raised by Capital & Endowment Fund support longer term projects and can be thought of as the school's long-term savings

account. The building expansions over the years have been funded by the Endowment. And the Endowment backs the debt service currently held by the school. Should there be an urgent need for cash infusion - for example to repair HVAC or plumbing - the school may not be able to fund such a large unexpected expense. The Endowment would act as the funding or borrowing entity and provide the cash to the school. With the **current budget of the school hovering around \$8 million**, the goal remains to **build the Endowment to be at least 50% of the operating budget**, to ensure long term financial stability.



STRATEGIC REVITALIZATION AND BOARD CHANGES

In 2023, we undertook a comprehensive review of our work at the Endowment, leading to a revitalized purpose and clearer delineation of responsibilities. It was essential to clarify our role in supporting the long term capital projects of PCS, distinct from the efforts of PCS Friends, who focus on addressing the school's short term needs. We recognized those roles blurred in the past five years. This was due to the pandemic as well as the expansion of the school's physical footprint, where both organizations lent crucial support. Going forward, the endowment is committed to working in close communication with the school and the Friends organization to coordinate efforts to support the school, help meet its needs, and ensure its long term financial health.

We are proud to share that the Endowment has reached an all time high of funds, albeit **we are still striving to hit \$4 million** (a goal derived around having 50% of the school's budget in the fund). We will continue to have direct control over investments and spend, while we "professionalize" our administrative efforts, such as donor recognition

and communication. **With over 1000 donors over our history**, we need to step up our communications to donors to show where their money is going and how it is being used.

The Board members of the endowment are highly engaged and involved. This year marks the end of Stefanos Damianikis' term of service as the leader of the Endowment. Stef was involved with the Endowment for 11 years, and also served on the Board of Trustees for school. During Stef's tenure, the Endowment grew significantly, in part due to increased outreach, but also due to his financial acumen and investment approach.

In the coming months we will look to add two new members to our Board, with a keen eye towards current parents as that connection is critically important. This year has highlighted the need for the Endowment to be a more active member of the current parent community and we believe having current parents involved will only strengthen that tie. Our working group for the 2024 campaign will launch soon, so please reach out should you have any interest in joining us.

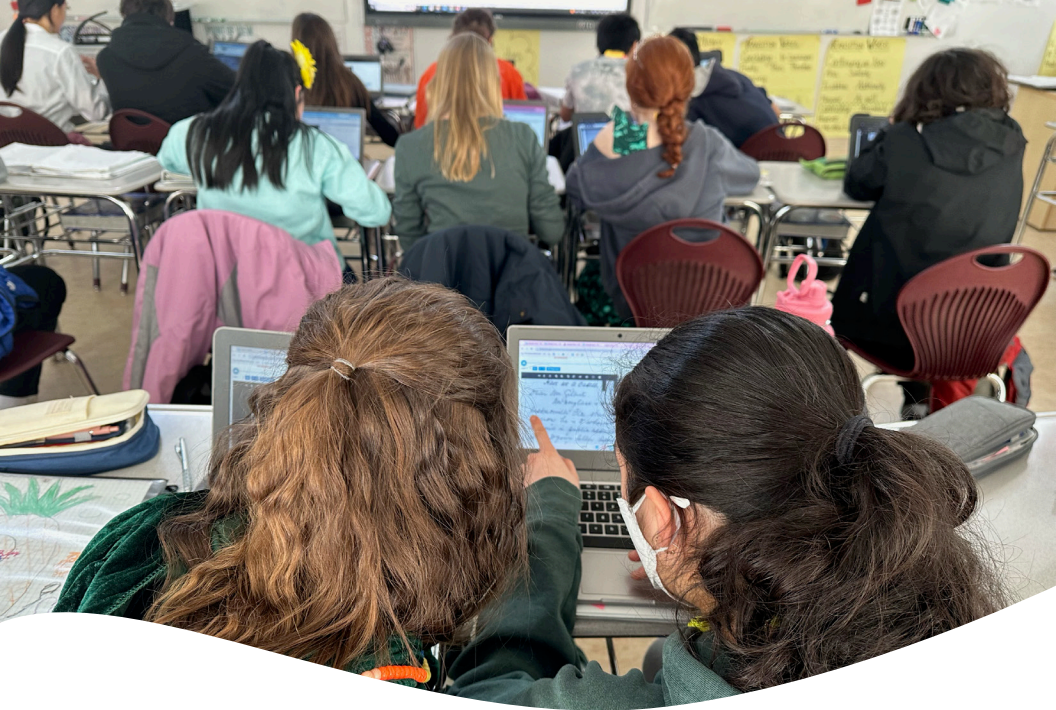
INVESTMENT STRATEGY

Our investment strategy is designed to balance stability with growth, ensuring the longevity and reliability of our endowment. We maintain a prudent approach by holding no less than \$500,000 in cash reserves to manage liquidity needs and emergencies.

Our investment portfolio is diversified through Exchange-Traded Funds (ETFs), which provide broad market exposure and reduce risk. We have made a strategic decision to avoid individual stocks to mitigate undue volatility and risk. We scrutinize our choices to ensure little to no fees and work with providers who are nonprofit friendly.

Our investments have yielded a steady growth rate over the past five years, reflecting the positive returns on the S&P 500 as a whole.

This conservative yet effective strategy allows us to focus on sustainable growth, ensuring that the Fund can continually support PCS's capital projects without exposing us to unnecessary financial risk.



LOOKING AHEAD

As we move forward, the Princeton Charter School Capital and Endowment Fund remains steadfast in its commitment to supporting the infrastructure and longterm goals of PCS. We are excited about the future and confident that with the continued support of our community, we will achieve even greater heights.

Thank you once again for your generosity and dedication. Together, we are making a lasting impact on the lives of our students and the broader PCS community.

Sincerely,

Maryellen McQuade

Chair, Princeton Charter School Capital and Endowment Fund

maryellen@pcsendowment.org

FINANCIAL OVERVIEW



\$213,000

TOTAL RAISED IN FISCAL
YEAR ENDING JUNE 30



~\$2,400,000

TOTAL ASSETS AS OF
CLOSE OF FISCAL YEAR



31%

PERCENT OF PCS
BUDGET



114 FAMILIES

OUT OF 320 FAMILIES TOTAL

CURRENT FAMILY
PARTICIPATION

INVESTMENT APPROACH

- **Cash Reserves:** Maintaining a strategic cash reserve to ensure liquidity and financial stability of approximately \$500,000.
- **ETFs:** Diversified holdings in Exchange-Traded Funds to maximize growth potential while minimizing risk.
- **No Individual Stocks:** Adhering to a policy of avoiding individual stock investments to reduce exposure to market volatility.



ACKNOWLEDGMENTS

We extend our heartfelt thanks to our donors, board members, and the entire PCS community. Your unwavering support and commitment are the pillars of our success.

Together, we are building a brighter future for Princeton Charter School.

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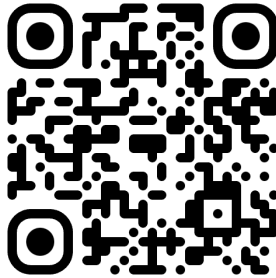
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Additionally, the following individuals donated directly to the school: Linping Sun, Zichao Fan, Yanling Ma, Neil & Amita Ghandi

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For more information or to make a donation,
please visit our website at pcsendowment.org



**Princeton Charter School Capital and
Endowment Fund**

100 Bunn Drive
Princeton, NJ 08540

Thank you for your continued support and dedication to
Princeton Charter School.