


First
Congregational
Church /
United Church of Christ
Burlington, Vermont

217th

Annual Meeting

February 5, 2023



January 1, 2022 – December 31, 2022

Annual Meeting Documents

Published on January 27th, 2023

Table of Contents.

Table of Contents.....	p. 2
Agenda.....	p. 3
In Memoriam.....	p. 4
Golden Members.....	p. 5
New Members.....	p. 5
Membership Report.....	p. 6
Letter from President Paul Hobbs.....	p. 7
Minutes of 216 th Annual Meeting.....	p. 8
Treasurers' Report January-December 2022.....	p. 12
Balance Sheet January-December 2022.....	p. 17
Report from Minister.....	p. 18
Report from the President and Chair of the Board of Trustees.....	p. 20
Thank you to Members Who Have Been Serving on Teams.....	p. 21
Proposed Budget: 2023.....	p. 22
Personnel Team Report.....	p. 24
Pastor Parish Relations Report.....	p. 24
Building and Grounds Team Report.....	p. 24
Sale of Parsonage to the Ronald McDonald House Report.....	p. 25
Stewardship Report.....	p. 25
Visioning Report.....	p. 26
Deacons Report.....	p. 28
Worship Team Report.....	p. 28
Music Report.....	p. 29
Austin Handbell Choir Report.....	p. 30
Faith Formation Team Report.....	p. 30
Youth Ministries.....	p. 31
Connections Team Report.....	p. 35
Fellowship & Hospitality.....	p. 36
Women's Fellowship Report.....	p. 36
Flower Committee.....	p. 37
Partners in Pastoral Care Report.....	p. 37
Outreach Team Report.....	p. 38
Investments and Trusts Report.....	p. 39
Directory of Staff.....	p. 41
Investments and Trusts Portfolio.....	Appendix A
US Economy and Financial Markets Report.....	Appendix B
Proposed Slate of New Officers....	Appendix C to be included at a later date

Agenda
217th Annual Meeting
First Congregational Church Burlington
February 5, 2023

Included in 10 a.m. Worship Service

State of the Church (Sermon)	Rev. Elissa Johnk
Remembrance of Deceased Members	
Honoring Golden Members	
Celebrating New Members	

Business agenda at 12 p.m. on Zoom

Call to Order	Paul Hobbs
Declaration of Quorum	
Invocation	

“Speaking the truth in love, we must grow up in every way to him who is the head, into Christ, from whom the whole body, joined and knit together by every ligament in which is it equipped, as each part is working properly, promotes that body’s growth in building itself up in love.” – Ephesians 4: 15-16

Old Business

- | | |
|---|-------------------|
| 1. Approval of Minutes – 216 th Annual Meeting | Dawn Plante |
| 2. Final Treasurer’s Report | Mike Knauer |
| 3. I&T Presentation | Tony Hall |
| 4. 2022 Highlights | Caroline Crawford |
| 5. Pastor’s Report | |
| 6. Visioning Report | |

New Business

- | | |
|--|-------------|
| 1. Discussion and Vote on Visioning Resolution | Paul Hobbs |
| 2. Adoption of 2023 budget | Mike Knauer |
| 3. Election of Officers | |

Closing Prayer and Benediction
Adjournment

In Memoriam

January 1, 2022 - December 31, 2022

*Lois Apgar
Jeanette Byington
Ruth O. Copp
William Crawford
Alan Elrick
Ruth Goodridge
Beverly Hopwood
Stuart Jacobs
Joan Lauber*

*Dr. Bentley A. Merrick
Carol Morse
Helen Park
Nancy Parker
Karen Plante
Richard Remick
Thomas Taylor
Robert Young*



Our Golden Members

55 Years

David & Susan Jenkins

Sylvia Stebbins

60 Years

Louise Remick Brewster

Susan Saunders

65 Years

Eunice Newell

Beverly Slocum

Our New Members

Kristen Elder-Connors

Jack Lynch

William Gunger

Membership Report for
January 1, 2022 - December 31, 2022

Active Membership

296

Baptisms

Charlotte Cheeseman

Jack Lynch

Tanner Meredith

Tucker Meredith

New Members

Kristen Elder-Connors

Jack Lynch

William Gunger

Deaths

Lois Apgar

Jeanette Byington

Ruth O. Copp

William Crawford

Alan Elrick

Ruth Goodridge

Beverly Hopwood

Stuart Jacobs

Joan Lauber

Dr. Bentley A. Merrick

Carol Morse

Helen Park

Nancy Parker

Richard Remick

Thomas Taylor

Robert Young



Letter from President Paul Hobbs

Dear Fellow Members of First Congregational Church,

I started on this journey, in a leadership position of our community, in May of 2020, 2 Years and 8 Months ago. And what a transformational 32 months they have been. Have truer words ever been spoken? It was March of 2020, 2 Years and 10 Months ago when the Governor and Mayor started to act, the dominos started to fall, and our world began to close.



What has not changed in the past 32 months? In 2023 the world is reset and we no longer even compare how it's done now, to how it was done then. In hindsight, I feel like if I was going to be an FCC leader, it probably should be during a shutdown. As an engineer, I'm an organizer and problem solver, and not so much a party planner and out-reacher. And, I don't mind a Zoom meeting all that much! I wanted to get to know the congregation, the staff and our pastor and I've done that. I've made many new friends and a little work along the way was well worth the effort.

Looking forward, this really is a year of excitement and new activity. Please welcome Susan Ellwood as your new president. She has been a consistent and strong leader for a long time, including leading the search team that brought us Elissa.

Challenging and exciting work will continue in our visioning working groups, and by this time next year we will be moving in a unified direction, developing a new and dynamic mission for First Congregational Church. This new mission will need action from us, action that responds well to needs in our community and that we can get behind and find fulfillment in. There will be active, hands-on roles and on-going planning and managing roles in which to engage us. Personally, I'm looking forward to finding my place as a do-er after my time as a manager.

I was honored to sign the 'transformational' closing documents for the sale of the Ronald McDonald House on my front porch, wearing a mask, with COVID! This was not the photo-op celebration we would have liked, but as with everything over the past 32 months, we just keep moving forward. The money is 'parked', as directed by the congregation, and waiting for the completion of our study phase and selection of a path in which to invest our energy and resources. Thank you one more time Amy Mellencamp, for your consistent work and leadership of the important task of leading the Parsonage Study Group. (And personally, thank you for jumping in as the new Principal at Burlington High School!!!! My heart sank for the kids when I learned that the BHS principal was leaving, but leapt when I heard you were filling the void.)

Lastly, I would like to welcome all of this year's new members to First Congregational Church! FCC's continued focus on hospitality brings energy and light into our community. I hope that in 2023 we will keep this focus, and guess what my Star Word was!???

We do not walk alone, Peace.

Paul

Paul Hobbs
Church President



Annual Meeting Official Warning

Pursuant to Articles VII and X, Sections 2, 4, and 5, of the BY-LAWS OF THE FIRST CONGREGATIONAL CHURCH, UNITED CHURCH OF CHRIST, Burlington, Vermont:

The 217th Annual Meeting of the Congregation will be held on Zoom on Sunday, February 5, 2023, at noon for the purpose of:

- electing all officers, boards and teams;
- voting on the budget for fiscal year January 1 – December 31, 2023;
- any other business which may properly come before the members assembled.

- Dawn C. Plante, Clerk

FIRST CONGREGATIONAL CHURCH Burlington, Vermont 216th Annual Meeting Minutes February 6, 2022

The meeting unofficially started with the 10:00 a.m. worship service at which time Rev. Elissa Johnk addressed “The State of the Church” during her sermon. During the worship service she also honored new, golden, and deceased members as follows:

Baptisms: Caroline Catlin Johansson, Wheeler Morrissey, Elijah Wilson, Harper Wilson

New members: Tim Berger, Bill Crawford, Jill Crawford, Joan Goodell, John Goodell, Dianne Griffiths, Justin Hudson-Sabens, Caroline Catlin Johansson, Nolwenn Madden, Theresa Mazza-Anthony, Bill Neil, Faith Neil, Nellie Stidham, Sara Wilcoxson

Golden Members: 50 years – Bev Austin, Karan Dewar, Paul Turmelle

55 years – Jeffery Comstock, Dorothy (Bunty) Davies, Hubert Davies, Penelope Rieley, Sheldon Rieley

60 years – Marcia Conner

65 years – Charles Church, Jr., Janice Claypoole,

70 years – Richard Remick, Everett Stebbins

75 years – Beverly Remick

Deceased members: January 1, 2021 – January 31, 2022: Janet Brown-Wolff, Ann Drennan, Betsy Isham, Don Jackson, Priscilla Kim, Joan Krech, George Passage, Sandy Wooster

CALL TO ORDER

The meeting was officially called to order by Paul Hobbs, President, at 12:00 noon. A quorum (>50 members) was determined by counting persons present via ZOOM and phone. Rev. Johnk spent a few minutes advising those in attendance how to participate by raising hands using the reaction button and how to vote by completing forms on the screen and clicking [SUBMIT].

INVOCATION

Hannah Sachs offered a prayer asking God to be with us as we conduct the business of our church.

TREASURER’S REPORT

Michael Knauer presented the report as printed in the annual report. Last fiscal year's net income was \$40,000 vs. a budgeted deficit of \$25,000. COH at the end of FY 2021 = \$190K. This was due to increased pledge income, increased donations at Easter and Christmas and lower expenses than budgeted due to the church not being open for programs and events. We were able to complete the technology upgrade of our AV equipment, replace the Sanctuary furnace, replace sump pumps that service the Possibility Shop and repair the Sanctuary and Education Wing roofs. We were also able to maintain our mission and outreach initiatives. Rental income, however, was down by ~40%. Mike continued that on-line giving increased; and that we have received \$142,000 from the Ronald McDonald House as down payments toward their purchase of our former parsonage. Mike offered appreciation to his fellow members of the Finance Team.

INVESTMENTS & TRUSTS

Tony Hall reported our portfolio of investments is at \$1,114,000. This represents growth of 16.23% in 2021. Annualized growth for the past several years is 7.28%. He continued that we received \$128,000 in new gifts this past year and that now we have 14.14% invested in ESG accounts. He added that the I&T Team will request that the Board of Trustees approve up to 10% of our portfolio, not to exceed \$80,000, be transferred to new ESG accounts.

HIGHLIGHTS OF FY 2021

Hannah Sachs presented a "Top Ten List" which included

- Reopening church for Sunday worship while continuing live streamed worship.
- Keeping members socially connected with special occasion home deliveries
- Celebration of David Neiweem's length of service as Director of Music Ministries ending with a joyous retirement party and finding Amy Shortt as our new Director of Music
- Lay-led music coordinated by Ana Ruesink throughout the summer and by Ann Vivian during the Fall and Winter.
- Joint Youth Group with College Street UCC
- Peace Camp and YES with College Street UCC
- Social Justice work
- Initiating "Radical Hospitality" with development of the Welcome Team for both in person and virtual Sunday worship.
- 14 new members
- Visioning Team work

PASTOR'S REPORT:

Rev. Johnk highlighted points made during the "state of the church" sermon she offered during worship this a.m. and referred the membership to her report as written in the annual report. She then asked for more volunteers for the Worship and Outreach Teams and for ushers and welcomers.

Buildings & Grounds Team Report:

Dave Grace reported that bids for exterior painting of the Sanctuary columns and trim on the east side of the Chapel have been requested. He discussed plans to make the Memorial Garden ADA accessible (cost ~\$20,000) this year and for a new Sanctuary Door (cost ~\$25,000) next year after funding for each is attained through special campaigns. He asked for a volunteer to lead the fundraising efforts for these two projects. He also

mentioned an intention to have an elevator installed from behind the cake room to the third floor next year. Donna Lee asked if “All Gender” plaques could be installed beside the handicap restrooms, and she offered to donate the cost of same.

Visioning Team Report

Rob Backus recognized the members of the Visioning Team for their ongoing exceptional work. He noted that more money is needed to complete the work of the visioning team and then moved (2nd by Janice Claypoole), “Be it resolved that First Congregational Church will use a portion the payments received from the Ronald MacDonald House toward the purchase of our former parsonage to fund the visioning process of First Church and that the amount for 2022 will not exceed \$15,000. Some discussion occurred re. the source of funding for this continued work with the consultant. Rev. Johnk responded that this is the same motion as the one approved last year; Mike Knauer stated that last year’s expense was \$10,500; Reid Willis asked if we should expect more funding requests for visioning work in years to come; Thea Knight asked what the goal of the team’s work is. R. Backus replied to each question and noted that the work is important due to the changing make-up of our church membership. Kay Ryder noted that sometimes one needs to spend money to accomplish what is wanted to be done. M. Samara noted that we have heard very little about the work of the Visioning Team for several months and requested that updates be given to the congregation more often. After reviewing the wording of the motion, it passed unanimously except for 3 abstentions. P. Hobbs thanked the membership for the trust put into funding this process. Finally, P. Hobbs added that Rev. Claire Bamberg, the consultant working with the Visioning Team, is scheduled to preach the sermon on 2/27/22.

“Parking” funds received from sale of the parsonage to RMD

R. Backus moved (2nd by Susan Ellwood) that FCC will hold all payments received from RMD toward the purchase of the former parsonage pending approval by the congregation as for how to use these funds. Jeff Comstock asked if the holding would not be included as part of the general operating budget; M. Knauer responded that that is correct. Bill Whitman asked if it made sense to put this money in an insured (FDIC) account; T. Hall explained pros and cons of this tact stating banks do not care for short-term liquid accounts and recommended that we keep the funds in a non-FDIC account. A friendly amendment was offered, and accepted by the motion maker and seconder, that the location of the “parked” funds will be in an account separate from our other investment accounts and not be part of the general operating budget. This location is to be approved by the Trustees. R. Backus accepted as a friendly amendment that the funds would be held in an account separate from our other investment accounts. The amended motion was approved by the voting members present with 3 abstentions.

2022 BUDGET

M. Knauer presented the proposed budget for FY 2022. He noted that we are starting the fiscal year with COH of \$190,000 as opposed to a budgeted \$56,000 deficit. He mentioned that the stewardship campaign garnered \$417,000 to date with a few more pledges expected vs. the goal of \$416,000 and that there were twelve new pledges this year even though total number of pledging units decreased to 122.

He highlighted that the budget retains full staffing and supports all programs, including mission. He also noted that the budget includes an increase of \$5,000 for property insurance, that it supports COLA and some salary increases, and that it expects a decrease in electricity costs due to the church continuing to be semi closed. Donna Lee moved (2nd by Hilah Clarke) to accept the proposed 2022 budget. Mike K. then added that a few minor tweaks to the budget have been made since first presented leading to a proposed deficit spending of

\$36,209, an increase of \$481. This change was accepted by the motion maker and seconder. Lois Farnham asked that the Pastor's Discretionary Fund be increased to \$1,000...Rev. Johnk explained why that was not needed this year. Holly Putterbaugh asked for the budget presentation to include a column reporting last year's budget...M. Knauer answered that he would do that next year. John Goodell requested explanation of the expense of \$4,000 for water...Doug Viehmann responded that water expense has been lower this past year due to the reduced activity in church and that we will see an increase as we reopen. Donna Lee asked if the "Special Building Projects" campaign is active to which D. Viehmann repeated his former request for a volunteer to lead the campaign, but that donations can be made marking a check with the name of the specific project. Thea Knight noted that she does not like deficit spending...P. Hobbs responded that we do not want to reduce programs and that if we did not take this attitude, we would most likely not have the several new members this year. He added that we still have ~\$60,000 left from the forgiven PPP federal loan; and when asked if there are any restrictions on the use of these funds, M. Knauer stated that these monies may be used for all budget items. With no further discussion the amended budget was approved. Paul Hobbs expressed his appreciation for all the work done by Mike Knauer and the other budget team members.

ELECTION OF OFFICERS

The Slate of Officers for 2022, as printed in the Annual Report was presented noting that we need to vote only on the offices that are bolded. Lois Farnham moved (2nd by M. Knauer) that the 2022 Slate of Officers be approved. There was minor discussion about why the length of terms was longer than 1 year for some offices. Rev. Johnk explained that this is due to the change in our fiscal year. The motion passed.

Rev. Johnk offered the Benediction and then asked for a motion to adjourn. This was done by J. Claypoole (2nd by P. Hobbs). The motion passed unanimously.

Rev. Johnk then thanked Paul Hobbs for a very well-run annual meeting.

The meeting was adjourned by Paul Hobbs, President, at 1:30 p.m.

Michael Samara then asked to speak saying that the agenda of the annual meeting focuses on "church work", but a "shout-out" was needed for all the work put into keeping our church vital by Rev. Johnk and the rest of the staff.

Respectfully submitted, Dawn Plante, Clerk

Treasurer's Report as of December 2022 for Operating Budget

It has been an honor to continue my service as Treasurer this past year! I thank Heather Pipino, our bookkeeper, who not only does a great job year after year but is also very patient as I continue to learn our financial systems and processes.

2022 was another unique year in the life of our congregation. As the church did not fully reopen until late in the year, many of us were apprehensive about how the financial health of the church would continue to fare during the lingering phases of the pandemic. At the annual meeting in February, the congregation passed a proposed budget that contained a projected deficit of -\$36,209. We felt strongly that the only way we would emerge healthy from the pandemic and thrive was to continue to maintain if not grow staff and programs.

In the end, we came through 2022 in good financial health. In fact, we finished the year with a healthy net income rather than a deficit! This was due to two main factors: 1) higher than budgeted pledged, unpledged, and special offering income, which is a real tribute to the congregation and its commitment to the church; and 2) lower than budgeted expenses in several areas such as salaries, programs, and utilities. Our lower expenditures reflected a staffing vacancy starting in the fall as well as the fact that our re-opening did not occur as soon or as completely during the year as we had hoped. Overall income for the fiscal year was \$650,321 vs. \$623,762 budgeted. Overall expenses were \$613,407 vs. \$659,971 budgeted. Income and expenses were over 4% and 7% better than budget, respectively. This resulted in net income of \$36,915 vs. the budgeted deficit of -\$36,209.

I want to thank every member of our church community for your generous and continued support of First Congregational Church! I also want to thank all staff, committees, and teams for your judicious use of resources during this time, which helped tremendously with our expenses savings.

The work of the church resumed or continued in many ways, as reflected in some of our key expenditures in 2022:

- Completed the Memorial Garden access walkway during the summer.
- Significantly increased the music program post-Covid, including the wonderful Christmas Oratorio event.
- Maintained our support to UCC OCWM (Our Church's Wider Mission), JUMP (Joint Urban Ministry Project), Share Christmas, and other mission initiatives.

Throughout much of 2022 we continued receiving money from Ronald McDonald House (non-refundable monthly payments towards the down payment) per the purchase and sale agreement that was approved in 2020. Later in the year we received the rest of the funds from the sale of the RMH. All RMH funds are set aside in a separate account and are not counted in our Operating Budget income or cash balance. A limited amount of these funds were used to pay for Visioning Team expenses during 2022 as approved at the annual meeting in February. The year-end balance of the Ronald McDonald House funds is \$1,855,938. The funds are invested in a money market fund as well as short-term treasury bills and are currently earning an average of greater than 4%.

Looking forward to 2023, we start our new fiscal year January 1st with an Operating Cash on Hand balance of \$228,640 vs. \$191,725 a year ago and \$150,338 two years ago. This will enable us to get through 2023 with the proposed budget, which contains a planned deficit of -\$28,622. The reasons for planning a deficit rather than strictly balancing the budget are to enable us to maintain strong ministry and mission programs throughout the year as we continue to fully emerge, build, and grow after the pandemic. 2023 will be our first year of being fully opened since 2019.

Key highlights of the proposed 2023 budget are:

- Maintains staff and programs
- Budgets for Youth Ministries (collaborating with College Street Congregational Church)

- Assumes we continue to be fully open (with the corresponding spend rates for programs and utilities) throughout 2023
- Supports key infrastructure projects: exterior painting for trim, window, column, and steeple

In closing, I want to thank Heather, our bookkeeper, the Budget Task Force, Trustees, and teams and committees who manage a budget for the great job they did helping pull together and review the proposed budget for 2023!

I look forward to 2023, the first year we are fully opened since I became your treasurer, and the continued progress we will make towards fulfilling our mission and ministry!

Sincerely,

Michael D. Knauer, Treasurer

Income			
Accounts	Actual FY22	Budget	% Variance
Revenues			
Tithes and Offerings			
Pledged Offerings	\$ 424,838.87	\$ 414,000	3%
Committed Gifts	\$ 5,000	\$ 5,000	0%
Donations-Unpledged	\$ 20,482.91	\$ 18,000	14%
Plate Offerings-Tithes	\$ 5,483.37	\$ 1,500	266%
Communion Offering	-	\$ 200	-100%
Christmas Offering	\$ 14,602	\$ 10,500	39%
Easter Offering	\$ 5,764	\$ 5,500	5%
Per Capita Income	\$ 1,122.25	\$ 1,812.50	-38%
Unrestricted Memorial Gifts	\$ 1,085.01	\$ 5,000	-78%
Total-Tithes and Offerings	\$ 478,378.41	\$ 461,512.50	4%
Earned Income			
Fundraisers and Events	\$ 7,255.25	\$ 8,200	-12%
Fundraisers (Non-Tax Deductible)	\$16,084.25	\$ 11,000	46%
Rental Income	\$ 13,097.50	\$ 12,000	9%
Funeral and Committal Fees	\$ 2,117	\$ 2,000	6%
Reimbursed Income - Fees	\$ 4,019.91	\$ 1,500	168%
Book-Supply Income	\$ 729	\$ 200	265%
Insurance Reimbursement	\$ 7,082	\$ 6,600	7%
Meal Income F&H	\$ 247.34	\$ 200	24%
Parking Income	\$ 1,430	\$ 1,800	-21%
Registration Fees	\$ 505	\$ 200	153%
Total-Earned Income	\$ 52,567.25	\$ 43,700	20%
Distributions & Transfers Income			
Distributions-Transfer Income	\$ 52,574.00	\$ 73,549	-29%
Special Project-I&T Income	\$ 66,801.76	\$ 45,000	48%
Total-Distributions & Transfers Income	\$ 119,375.76	\$ 118,549	1%
Total Revenues	\$ 650,321.42	\$ 623,761.50	4%

Expenses			
Accounts	Actual FY22	Budget	% Variance
Salaries & Consultants			
Ministry Salaries	\$ 88,660.99	\$ 102,265.92	-13%
Ministry Housing	\$ 45,264	\$ 45,264	0%
Ministry FICA	\$ 6,404.46	\$ 6,466.54	-1%
Administration Salaries	\$ 57,331.59	\$ 57,636.24	-1%
Building Salaries	\$ 7,257.49	\$ 12,780.24	-43%
Music Salaries	\$ 39,409.55	\$ 45,390.29	-13%
Faith Formation Salaries	\$ 10,268.14	\$ 19,673	-48%
Consultants (1099)	\$ 48,303.75	\$ 52,540	-8%
Total-Salaries & Consultants	\$ 302,899.97	\$ 342,016.23	4%
Benefits			
Health Insurance	\$ 21,646.21	\$ 21,703.56	0%
Dental Insurance	\$ 1,760	\$ 2,004	-12%
Vision Insurance	\$ 383	\$ 400	-4%
403b ER Contribution	\$ 22,282.23	\$ 23,881.19	-7%
Life-Disability	\$ 2,387.54	\$ 5,070	-53%
Total-Benefits	\$ 48,458.98	\$ 53,058.75	-9%
Taxes & Insurance			
FICA Employer	\$ 12,503.73	\$ 15,183.70	-18%
Workers' Comp. Insurance	\$ 2,765	\$ 1,000	179%
Total-Taxes & Insurance	\$ 15,288.73	\$ 16,183.70	-6%
Professional Development			
Senior Minister Prof. Development	\$ 494.56	\$ 2,000	-75%
Non-Clergy Professional Development	\$ 284.50	\$ 500	-43%
CMC Professional Development	-	\$ 1,000	-100%
Total-Professional Development	\$ 779.06	\$ 3,500	-78%
Ministry Expenses			
Minister's Discretionary Expenses	\$ 1,098.20	\$ 750	46%
Worship Expense	\$ 2,281.05	\$ 1,600	43%
Flower Expense	\$ 1,910.98	\$ 1,000	91%
Music Expense	\$ 20,192.52	\$ 7,300	177%
Deacons Expense	\$ 2,560.59	\$ 4,000	-47%
Plaques & Memorial Garden	\$ 1,054.38	\$ 2,000	-36%
Stewardship Expense	\$ 282.69	\$ 300	-6%
Per Capita Expense	\$ 4,092.18	\$ 4,350	-6%
Total-Ministry Expenses	\$ 33,472.59	\$ 21,300	57%

Expenses			
Accounts	Actual FY22	Budget	% Variance
Building & Grounds			
Electricity	\$ 8,481.66	\$ 8,000	6%
Repairs and Maintenance	\$ 19,892.47	\$ 20,000	-1%
Natural Gas-Fuel	\$ 14,188.68	\$ 15,000	-5%
Property Insurance	\$ 39,771.75	\$ 40,702	-2%
Snow Removal-Lawn Care	\$ 828.54	\$ 5,400	-85%
Trash and Recycling	\$ 1,373.34	\$ 3,000	-54%
Water	\$ 3,240.57	\$ 4,000	-19%
Total-Building & Grounds	\$ 87,777.01	\$ 96,102	-9%
Administrative			
Postage	\$ 1,593.67	\$ 2,400	-34%
Printing and Copying	\$ 4,432.97	\$ 4,200	6%
Supplies	\$ 6,429.83	\$ 5,400	19%
Technology	\$ 6,168.34	\$ 6,600	-7%
Telephone	\$ 5,359.29	\$ 6,500	-18%
Advertisements	\$ 150	\$ 750	-80%
Background Checks	\$ 49.25	\$ 100	-51%
Total-Administrative	\$ 24,183.35	\$26,010	-7%
Programmatic Expenses			
Meals-Food	\$ 2,444.82	\$ 2,900	-16%
Travel-Mileage	-	\$ 6,000	-100%
Program Expenses	\$ 3,801.68	\$ 2,500	52%
UCC Delegates	\$ 150	\$ 1,000	-85%
Total-Programmatic Expenses	\$ 6,396.50	\$ 12,400	-48%
Credit Card Fees	\$ 3,396.90	\$ 2,500	36%
Payroll Fees	\$ 2,324.24	\$ 2,200	6%
Equipment and Furniture	\$ 2,291.06	\$ 5,000	-54%
Miscellaneous Expense	\$ 12,833.65	\$ 8,400	53%
Misc-Gift Card Expense	\$ 10,120	\$ 6,000	69%
Transfer Expense	\$ 21,540.25	\$ 20,300	6%
Special Project Expense-General	\$ 41,644.26	\$ 45,000	-7%
Total-Other Expenses	\$ 94,150.36	\$ 89,400	5%
Total Expenses	\$ 613,406.55	\$ 659,970.68	-7%
Net Total	\$ 36,914.87	(- \$36,209.18)	

Balance Sheet as of December 31, 2022

Accounts	Amount
Assets	
1100-Current Assets	
01-1110 General Operating Account	\$294,248.58
02-1120 Program Account	\$41,515.77
07-1140 Possibility Shop	\$65,787.26
08-1130 Pastoral Care	\$2,743.07
09-1150 Investment & Trusts Account (Fidelity)	\$1,058,194.67
09-1151 Fidelity-RMH	\$1,855,938.11
09-1155 Ameritrade Account	\$25,092.73
Total 1100-Current Assets	\$3,343,520.19
Total Assets	\$3,343,520.19
Liabilities & Net Assets	
Liabilities	
2100-Current Liabilities	
01-2110 Deferred Pledge Income Liability	\$60,478.25
Total 2100-Current Liabilities	\$60,478.25
2200-Credit Cards	
01-2200 Credit Cards-Key Bank	\$5,130.49
08-2200 Credit Cards-Key Bank	\$201.31
Total 2200-Credit Cards	\$5,331.80
Total Liabilities	\$65,810.05
Net Assets	
01-3100 Unrestricted Net Assets	\$228,639.84
02-3100 Unrestricted Net Assets	\$41,015.77
02-3200 Restricted Net Assets	\$500.00
07-3100 Unrestricted Net Assets	\$65,787.26
08-3100 Unrestricted Net Assets	\$2,541.76
09-3300 Unrestricted I&T Assets	\$2,242,507.51
09-3400 Restricted I&T Assets	\$696,718.00
Total Net Assets	\$3,277,710.14
Total Liabilities & Net Assets	\$3,343,520.19

Report from Lead Minister, the Rev. Elissa Johnk

Friends,

In my household we have a tradition that on every birthday, after the person being celebrated receives their cake, they are required to go through their year and name the high points that occurred in each month. It's a bit of an Annual Report, so to speak, to cement in our memories the most important parts of the year. There are years when it can be challenging – when a year is full of grief and loss, for example. 2022 was not one of those years. At least not in the life of First Church.



No, this past year has been a remarkable one. In January, we began planning for two major transitions – Hannah's parental leave, and how we might welcome Amy the next month. The Visioning Team was finishing up the first round of its process, conducting cottage meetings on peoples' experiences of, and dreams for, the church and Stewardship concluded an extremely successful campaign. Building and Grounds installed a plaque commemorating Lois and Holly's Civil Union in July of 2000, and hosted a successful in-house day of service in conjunction with Outreach. On the flip side, the acceleration of Covid transmission meant we also went back to an earlier stage of precautions, cancelling all in-person meetings.

February marked the beginning of Amy's already spectacular time with us, and the conclusion of a remarkable time of being led by this congregation's deep bench of lay musicians. And in March, the choir resumed rehearsals after a two year hiatus! Lent brought a sermon series based around the books the Vision Team chose to help prepare us for the next stage of the vision process. The widespread involvement – well over forty regular participants – meant that these themes of active faith, history, and charity effortlessly dominated our congregational life through May. Indeed, March and April were full of conversations about the Visioning process – what brought us here? Where might we go? What does discernment mean, and how do we do it? By mid-May, we had received almost forty proposals for different ways the church could move into the future, had a meeting to narrow it down, and launched our different working groups to study how we might go about actualizing them.

Through all of this, choir started singing in worship, we hosted a joint Easter service with College Street, came together to fill in for Hannah on her leave, and lined up the Rev. Joan O'Gorman for my own impending leave – which arrived earlier than expected. And while my three months were mostly spent trying to figure out how to survive with two small children (how do people do this??), the church remained active during the summer – with concerts, a yard sale, Peace Camp, Dragonboat races, a Wondrous Walk, Bible and Beer gathering, a potluck dinner and boat rides!

I returned in September to a church alive with the Spirit, and ready to go. Although it was sad to say goodbye to Hannah, it was with great pleasure that we sent her to a location with an ordained position near her family. Later that month, we launched into our fall series on a "Good Enough" faith. For the first time since March 2020, we fully lifted our Covid masking and gathering restrictions, as children's vaccinations were rolled out, and transmission remained low. Fellowship time was back!

In late September and October, our collaboration with College Street was finalized, as Jason Vanderlaan was officially listed as our joint "Youth Leader." Indeed, October brought us two joint services with College Street, including our second "Service-Service" in partnership with local organizations. The Youth Program had its first "Trunk or Treat" and Connections hosted a Moth Storytelling event. Momentously, it also brought the closing for the sale of the parsonage to the Ronald McDonald House!

The funds, as we voted last year, were parked in an account, to be left alone until we completed our Visioning process. Even with that historic October, November and December kept up the pace. November brought a Ministry Fair, and Connections' before-worship breakfasts, to great success. Our New Member class was superbly well attended, and led us well into the month of December, which was packed, with 8 worship

services, including the pageant, the Christmas Oratorio, and a joining service. Sunday School attendance reached its post-pandemic high, with 15 kids in attendance, and growing!

Perhaps most exciting from my perspective, however, was the strength from which all of these church “highs” occurred. We are certainly dealing with a congregational landscape changed indelibly by the pandemic. Volunteerism continues to be lower, as folks continue to stay home and carefully prioritize their social interactions. Yet our in-person attendance rose steadily in the spring and fall, and for the year, we averaged more than 80 people in physical attendance, and almost 100 viewers online! In this achievement, I would be remiss not to thank Lou Rochford for pioneering our digital hospitality and crafting such excellent worship slides.

In that vein, as you will see in the following report, each and every team functioned from a place of strength this year. Outreach facilitated a myriad of wonderful partnerships and events, Connections was more active and creative than ever, Worship crafted moving and faithful spaces for every season, Stewardship was enormously successful, Trustees took on serious discussions about maintenance and faithful stewardship, our Ushers worked double-time, and Visioning Working Groups were well-attended and creative. Our staff has functioned *exceptionally* through two parental leaves, and two major transitions – Amy and Hannah. I hope we, as a congregation, know how fortunate we are to have each and every member of our staff. I am not naming individuals here, because I would inevitably leave many of you out – this year was a congregation-wide effort!

Yet, I have gone into such detail this year to highlight how extraordinary this year has been. Like 2020, this year has been a historic one in the life of First Church. In my ministry, I have never experienced anything like it. In the book of Habakkuk, the prophet is instructed to “write the vision plain”, so “even a runner could see it.” It is a scripture that has always intimidated me. How are we to so clearly know what God is intending for us? After this year, however, I am beginning to understand it better. The act of writing is an act of discernment, and discernment energizes us in a special way – as we begin to understand that God is, indeed, at work amongst us. Trusting that a vision will emerge (and it is!) is an act of faith that opens us to the movement of the Spirit among us. From my perspective, that openness, and the movement of the Spirit, are clear in a whole new way. And I cannot wait to see what 2023 will bring.

Yours in faith and excitement,

Elisa



From the Ronald McDonald House: Thank you to First Congregational Church of Burlington for their partnership over the last 38 years in renting the house (\$1 per year!) to us in supporting our mission. A BIG thank you for the sale of the house to us, making it our forever home for families!

Report from the President and Chair of the Board of Trustees

The mission of the First Congregational Church Board of Trustees (BOT) is to manage church resources and operations effectively. The Board includes the church officers as well as five members who serve as trustees at large. We meet monthly throughout the church year, and our meetings are open to any members who would like to attend.

Highlights of the work of the 2022 Board of Trustees include:

Full Covid Restrictions Lifted

Fall began with a welcome return to in-person worship, with singing and no masks required. Thank you to the Re-Gathering Team, which was charged with making some very difficult decisions. Members of the Board of Trustees joined certain Regathering Team meetings to support them and understand the challenges and reservations of resuming gathering in person without face coverings. We continued cautiously, and the BOT believes we have established good practices and adequate options for those who remain vulnerable. The BOT welcomes feedback on this important subject from all.

Supporting “Church Where You Are”

Even as we are excited to be able to gather physically for worship, a substantial number of members and friends are continuing to join us online. We have no plans to (ever) stop streaming our services, and we see opportunities to enhance our capabilities. We are continuing this year to hold our annual meeting online, to ensure equal access to all members. While there is a technological limitation regarding how remote attendees can be heard and engage, this is a challenge we hope to address in 2023. We recognize that remote worship, and especially remote committee time, is viable and perhaps even preferred at times.

Creating a New Vision

The sale of the parsonage to the Ronald McDonald House has provided First Church a transformational opportunity. Teams are working on proposals that will be presented later this year for all to consider. During the Congregational Meeting, each group will present a brief update of their progress and look ahead. In the coming weeks, the Board of Trustees will engage with each group to look for overlap in scope and effort as the proposals continue to take shape.

Supporting Our Presence in Downtown Burlington

Our physical location is one of our great gifts and it also presents challenges. The Trustees supported the work of our staff in compassionately managing the presence of regular visitors to the porch and lawn, many of whom experience homelessness, as well as physical and mental health challenges. We also supported the Buildings and Grounds team in the completion of the Memorial Garden Access Path. In 2023 we look forward to completing the painting project that was approved by the congregation for 2022. (The contractor experienced labor challenges and was not able to complete the project as planned in 2022.) We look forward to this ‘refresh’ in 2023 and continue to think about the reshaping of our West entry in conjunction with one of many Visioning plans.

Supporting Fiscal Health

The Board of Trustees supports the work of the Stewardship Committee, which has done a remarkable job in helping us meet our pledge goal for the new fiscal year. The Board is pleased with the current fiscal health of the church and expects that this year’s budget will allow us to continue our important work even in the difficult times we are currently living through.

Respectfully submitted,

Paul A. Hobbs

President, First Congregational Church

Thank you to Members Who Have Been Serving on Church Teams:

Administration Teams (Personnel and I&T): Gloria Flinn, Tony Hall, Michael Knauer, Bob McKearin, Stan Schmidt, Matthew Smith, and Bob Wolf

Pastor Parish Relations: Susan Saunders, Chair; Caroline Crawford, Michael Knauer, Dawn Plante, and Michael Samara

Buildings and Grounds Team: Dave Grace, Doug Viehmann, Mary Hyde (Poss Shop Representative), and Mike Knauer

Stewardship Team: Steve Hyde, Leader; Eric Davis, and Pam Meaker

Worship Team: Ann Vivian, Leader; Members: Faith Neil, Lou Rochford, Cyndy Hall, and Karl Doerner (Deacon Rep)

Faith Formation Team: Jennifer Jorgenson, Leader; Faith Formation Director: Hilah Clarke; Caroline Catlin

Connections Team: Bob Wolf, Leader; Linda Elrick, Jennifer Jorgenson, Baki Nelson, Patty Thomas, and Carol Schoonmaker

Partners in Pastoral Care Team: Janice Clements, Leader; Barbara Carter, Tony Hall, Carlanne Herzog, Lucy Samara, Michael Samara, and Janice Claypoole; Susan Saunders (Associate Member) and Judy Gray who completed her tenure during 2022

Outreach Team: Louise Brewster, Reid Willis, Dianne Griffiths, Bobbi Holzel, Mary Hyde, and Laurie Nelson

Visioning Team: Rob Backus, Trustees Liaison; Susan Saunders, Tony Hall, Jennifer Jorgenson, Mandy Grace, and Charlie Smith

First Congregational Church Proposed Budget

<u>2023 BUDGET</u>	<u>Total</u>	<u>Budget Comparison 2022</u>
Pledged Offering & Committed Gifts	\$437,000	\$419,000
Donations-Unpledged	\$13,500	\$18,000
Plate Offerings	\$5,000	\$1,500
Communion Offering	\$200	\$200
Christmas Offering & Xmas Mission	\$12,000	\$10,500
Easter Offering & Easter Mission	\$5,500	\$5,500
Per Capitas	\$1,813	\$1,813
Memorial Gifts	\$2,500	\$5,000
Subtotal Donations	\$477,513	\$461,513
Fundraisers	\$25,720	\$19,200
Rental Income	\$20,000	\$12,000
Funeral / Wedding Fees	\$2,000	\$2,000
Reimbursed Income	\$3,850	\$10,300
Registration Fees	\$500	\$200
Subtotal Earned Income	\$52,070	\$43,700
Transfer Income - Poss Shop	\$15,000	\$25,000
Transfer Income - I&T	\$35,581	\$30,829
Slocum Bequest - I&T (for B&G)	\$75,000	\$45,000
Subtotal Transfers	\$125,581	\$118,549
TOTAL INCOME	\$655,164	\$623,762
Staff Salaries	\$272,725	\$289,476
Consultants	\$56,671	\$52,540
Benefits	\$46,491	\$53,059
Taxes	\$13,518	\$16,184
Professional Development	\$3,000	\$3,500
Subtotal Staff & Consultants	\$392,405	\$414,759
Minister's Discretionary Expense	\$2,500	\$750
Worship Expense	\$1,600	\$1,600
Flower Expense	\$1,000	\$1,000
Music Expense	\$17,250	\$7,300
Plaques & Memorial Garden	\$2,000	\$2,000
Deacons Expense	\$1,000	\$1,000
Connections Expense	\$3,800	\$3,000
Stewardship Expense	\$300	\$300
Per Capita Expense	\$4,350	\$4,350
Subtotal Ministry Expenses	\$33,800	\$21,300
Electricity	\$8,400	\$8,000
Repairs and Maintenance	\$22,000	\$20,000
Natural Gas-Fuel	\$15,000	\$15,000

2023 BUDGET	Total	Budget Comparison 2022
Property Insurance	\$36,981	\$40,702
Snow-Lawn	\$5,400	\$5,400
Trash and Recycling	\$2,000	\$3,000
Water	\$4,000	\$4,000
Subtotal Building & Grounds	\$93,781	\$96,102
Postage	\$1,600	\$2,400
Printing & Copy	\$4,300	\$4,200
Supplies - Admin	\$2,700	\$2,400
Supplies - B&G	\$2,700	\$3,000
Technology	\$8,950	\$6,660
Telephone	\$5,500	\$6,500
Advertisements	\$1,750	\$750
Background Check	\$100	\$100
Subtotal Administration	\$27,600	\$26,010
Meals-Food	\$3,200	\$2,900
Travel-Mileage	\$4,000	\$6,000
Program Expenses - Faith Formation	\$3,800	\$2,500
UCC Delegates	\$1,000	\$1,000
Subtotal Programmatic	\$12,000	\$12,400
Credit Card & Payroll Fees	\$5,500	\$4,700
Equipment & Furniture	\$2,500	\$5,000
Misc Expense & Gift Cards	\$10,500	\$6,500
Transfer Expense-Mission	\$30,700	\$28,200
Special Projects	\$75,000	\$45,000
Subtotal Fees and Transfers	\$124,200	\$89,400
TOTAL EXPENSES	\$683,786	\$659,971
NET INCOME (LOSS)	-\$28,622	-\$36,209

Personnel Team Report 2022

Greetings . . . to everyone, from your First Church Personnel Team!

The Personnel Committee's basic function is to assist Reverend Johnk and the Trustees with the hiring and management of our human resources, our excellent and much appreciated staff. This may include drafting and revising job descriptions, posting open positions, interviewing candidates, addressing personnel issues that may arise and providing advice to Trustees regarding pay and benefits, plus compliance with the Personnel Handbook, staff performance reviews and dealing with the unexpected.

In 2022 Personnel was involved in most of those areas. There was one departure of note last year. That of Hannah Sachs, our Director of Creative Ministries. That was disappointing and she will be missed, but the search is underway for a replacement, hopefully early this year.

Currently the Church staff is comprised of Lead Minister, Rev. Elissa Johnk; Amy Shortt, Director of Music; Hilah Clarke, Faith Formation Director; Caroline Catlin Office/Building Manager and Early Childhood Ministries; Heather Pipino, Finance Manager; Jason Vanderlaan, Youth Ministries; Laura Elder-Connors, Children's Choir Director; Jennie Coleman, Handbell Choir Director; Lucy Samara, Communications Coordinator; Ian Rock-Jones and Jesse O'Gorman, Security; and Derik Breen, Facilities and Maintenance.

Lastly, because of the lopsided age and gender composition of the Personnel Team (and that's not even counting race and ethnicity!) we want and need new and diverse representation on Personnel. Please consider joining us. We "meet" via Zoom on the 4th Wednesday of each month at 4, for one hour - a time limit that, with only rare exceptions is taken seriously.) The work is interesting, at times challenging, always collaborative and important to the smooth operation of our Church.

Bob McKearin, Bob Wolf, and Mike Knauer

Pastor Parish Relations Report 2022

The Pastor-Parish Relations Committee exists to be a liaison between parishioners who do not feel comfortable having in-person, positive or negative discussions with the ministerial staff and as support for the ministerial staff. We are always available to listen to the minister and the members of First Church.

We met with Rev. Johnk twice this year. In May we discussed how we can support the work of the church while Rev. Johnk is on parental leave this summer. Discussion continued that there are most likely several "informal policies" and/or "procedures" that should be reviewed and formalized after the conclusion of the Visioning Process.

Our October meeting's discussion centered around supporting Rev. Johnk as she transitioned back into full ministerial responsibilities and prepares for the Advent Season. She suggested that we look for ways to support the Faith Formation team and the administrative office staff.

At both meetings this year we spent time discussing the importance of this team's caring for the church and this minister. In October the recommendation was made that while searching for someone to fill the position left vacant due to Hannah Sachs' departure, the search team consider hiring another ordained minister to share some of Rev. Johnk's responsibilities.

Team members: Susan Saunders, Michael Samara, Michael Knauer, Caroline Crawford, Dawn Plante
Reported by: Dawn Plante, Chair

Building and Grounds Team Report 2022

In 2022, the Buildings and Grounds Team completed a number of small projects and maintenance items, as well as managed a major upgrade to our grounds. Over the summer, contractors put the finishing touches on a new walkway connecting the front parking lot with the Memorial Garden, providing handicap access on a safe, level surface directly in front of the Sanctuary steps. The project was completed at a cost of \$35,800 by EEC

Excavating of Fletcher, VT. Some smaller projects completed this year were some much needed electrical upgrades to our fire alarm system, an updated Prayer Box, and coordination of the spring work-day. One major project we had planned but did not execute was Phase 1 of our exterior painting project. The contractor, Heritage Environmental Projects, was not able to start the job before the weather turned cold but has agreed to hold the price to perform the work in 2023.

As renters have started to show more interest in the building, we also completed the much needed updating of our rental rate sheet early in the year and handed over negotiation of contracts to the extremely capable and well-organized Caroline Catlin.

Looking to 2023, we will be working with Heritage to schedule both Phase 1 and Phase 2 of the painting project, which will result in fresh paint from the South side of the Sanctuary along Buell St (including the base of the tower) all the way to the North side of the Chapel facing the Ronald McDonald House. This leaves Phase 3 to complete in 2024 along the back of the church including the Education Wing and all East-facing painted surfaces. We are also looking forward to consulting and providing support as needed to projects that come out of the Visioning Teams' progress.

Finally, our team has lost some members over the past year and would greatly appreciate some new people joining the fun!

Thanks for reading this report and thank you to all of you who are able to pledge your support for our beautiful home.

God Bless – the Buildings and Grounds Team
David Grace, Doug Viehmann, Mary Hyde, and Mike Knauer

Sale of Parsonage to the Ronald McDonald House

The sale of the church parsonage to the Ronald McDonald House was completed in 2022. For 38 years the Ronald McDonald House Charities of Burlington rented our historic parsonage for one dollar a year. During that time, it fulfilled a vital mission with grace, hospitality and creativity; made wonderful improvements to the property; and was both a good neighbor and a site for meaningful voluntarism for many from First Church.

After several years of study and negotiating, our congregation voted, in June 2020, to sell the church parsonage to the Ronald McDonald House for \$1.9 million. The Ronald McDonald House was given two years to raise the needed funds, which they did this past spring despite the challenges of the pandemic. It then took a number of months to complete required City and State permits and documents - thank you to Doug Viehmann for his key assistance with this part of the process! On October 6th, the church officially closed on the sale, and we are in receipt of the agreed upon \$1.9 million in funds.

The parsonage sale furthers the important mission of the Ronald McDonald House to be a welcoming home for families and their children facing critical health needs, as well as our work as a church seeking to put our faith into action for many years to come. Thank you to all as we embark on this important new era for First Church.

Amy Mellencamp, Chair, Parsonage Study Group

Stewardship Campaign Report 2022

The Stewardship Committee, although small in numbers was a diligent, creative, and effective workforce. It selected "In God We Trust, With God We Do" as this year's theme for the Stewardship campaign. The committee wanted to make the connection between how our spiritual life has impacted our work beyond the walls of FCCB. One service was totally devoted to hearing from members as to how their spiritual life intersects with their work.

The committee also initiated a new practice of posting the names of individuals, with their permission, who

had made a pledge on our “Stand Up, Be Counted, Make a Joyful Noise” bulletin board. Individuals were also given the option of being listed as “anonymous”. It was exciting to see the list grow over the weeks of the campaign and still continues to do so. Our intent was to promote participation, believing that making a commitment is the pathway to making one’s faith actionable in the wider world.

The campaign has been a success with 126 pledges received and over \$441,000 raised in support of the operating budget as of the printing of this report.

Visioning Team Report 2022

During the spring and summer of 2020, the Trustees, working with Pastor Johnk, saw the need for us, as a congregation, to engage in a visioning process. Changes in the life of the church over the preceding ten years and anticipated future changes, worked together to create the need for us to re-envision ourselves as a congregation. We are not the church we were ten years ago, and Burlington is not the city it was. As a congregation we have experienced many transitions. Transitions and change are as much a part of our congregational life as our personal lives and there are times when they create the need for us to stop for a bit, look at ourselves and really think about who we are and what we should be doing.

Recent changes include the sale of the parsonage (the property next door) to the Ronald McDonald house which raises the question “how do we, as a Christian community, use those proceeds to support our mission?” We know that like the Covid pandemic there could be major, and unforeseeable changes. How do we equip ourselves to thrive in their midst?

There are, unfortunately, things that will never change. The world will always have poverty, people without homes, addiction, sickness, and death. Parents will always need help raising their families. As a congregation we have always been active in addressing these needs within our congregation, our local community, and our global community. Are the old ways working or do we need to find new ones? If new ones, what are they?

We know that as we define our work in the world, we need a church facility that supports our mission. Does our church facility do that or are there changes and improvements we need to make?

We know from how we responded to Covid that we can meet the challenges of the present and the future, and serve our needs as members of this congregation, but doing so requires a real look at ourselves and what our role in the world is.

To lead this whole church visioning process the Trustees appointed a Vision Team which was commissioned before the congregation in the summer of 2020. This team developed a process by which all congregants join in the initiative with increasing involvement and ownership. Here is a summary of the work the Vision Team has done since its commissioning.

- 1) The first step was to arrange listening sessions. These were held over several months, throughout 2021. Some were in person and some over Zoom. In all we had 42 sessions attended by approximately 140 people. The sessions were held throughout the week. There were time slots for every demographic and to meet every time constraint. People were encouraged to participate from near and far. Up to six people gathered per group to engage in conversation concerning four discernment questions: what brought you here; why have you stayed; what is your vision of First Church three to five years from now; and, what do you think it will take to get from where we are today to your vision of our future? The answers to the questions were transcribed, and anonymous quotes from answers to each question were made available to the entire congregation in the spring of 2022. It was reassuring for all who participated to find themselves heard in this way. The quotes were then assigned to categories and a word cloud was created from the answers to each question. These framed our worship time together over four exciting weeks during which we listened to ourselves, our hopes and dreams and prayed for God’s guidance regarding the ministries towards which we are being called.
- 2) The Vision Team then chose three books to feature during our Lenten Book Series for 2022. Pairs of

Vision Team members also facilitated the three groups, coming back together regularly to share what they were learning, both about themselves and where the church is being called. This book series was extraordinarily successful. The team anticipated roughly 18 people total. However, in excess of 45 people signed up for groups and participated in them. The discussions and deep sharing enriched all who were able to participate.

- 3) Each book group then took a Sunday during which they led worship, using music, reading and prayers to craft a service that reflected the heart of what they had learned through their encounters with the book. At each service a Vision Team member brought a message, examining not only reflections on what they had gleaned from “their” book, but also the areas of service and community care to which their group was feeling called.
- 4) Following these in-depth steps, the congregation was charged with developing preliminary proposals, using a template provided by our consultant. The Vision Team then met and consolidated similar proposals into categories, synthesizing the proposed initiatives into nine categories. Another all-congregation meeting was held, to discuss each proposal. In-person and online questions and thoughts were offered, and the members of the congregation then “voted with their bodies” by gathering around the proposal they supported. Six of the nine proposals garnered sufficient support to advance, listed below:
 - a. Educational/Conversation Hub; Childcare; Building Projects and Renovation; Contemporary Worship and Media; Environmental Assessment; and Partnering with Current Programs/Expansion
- 5) The next step was for the congregation to take the primary role by crafting detailed proposals for these six. Congregants were asked to select a proposal to support with time, professional resources and/or prayer. It did not have to be the one for which they voted. By now it was the beginning of the summer season. Two of the six teams had enough people sign up to get started immediately: Child-care and Building Projects and Renovations. Those two teams were the ones that had the most research to do before presenting a completed proposal, and they got started mid-summer.
- 6) The Vision Team had originally proposed an extremely aggressive schedule, but we came to realize that it was too aggressive. In consultation with Rev. Johnk and the Trustees, we crafted a timeline that would allow for more space for each group to deeply develop proposals. Our timeline for creating proposals brought us into Advent, a time of adventure and the hope of promised brightness; through Christmas, with its celebration of the birth of Jesus; into Epiphany’s journey of new awareness in beginning the work of Christmas; and finally, into Lent 2023 as the time of discernment for the finished proposals.
- 7) As teams re-gathered, our consultant met with them to outline the final proposal form, answer questions and establish regular meeting times, and before November 20th, 2022 all Vision Team members did a check in on each proposal group. Progress was noted, any specific support requests were articulated and addressed, and all teams set regular meeting times. Of the six original groups, with low lay participation (due to the understanding that worship should be a staff-led endeavor), it was decided that Contemporary Worship and Media become a staff-led initiative.

It is important to note that while there is a Vision Team member assigned to each proposal working group, they are there to *resource* the group, not lead it. This phase of the work is for the congregation to shine. The Vision Team will coordinate support around “hot spots” and “speed bumps” serving more the role of observer than active participant.

The five remaining groups are convening now, and are following the timeline (below) going forward:

- On, or before, March 1st, 2023 the completed final proposals will be turned in to the office
- The proposals will go out to the congregation March 12th
- The congregation will read, pray, and listen for the call of God
- There will be a Q&A session for the entire congregation on March 19th

* On March 26th the congregation will vote on which final initiative and/or initiatives they feel called to support, having discerned God's will.

This very important phase of proposal development will be as successful as those who participate in it. The Vision Team invites the congregation to prayerfully consider joining one of the proposal teams to become an active participant in defining who we are as a congregation and what we do in the world. Following this vote, it will be to the congregation to start making this vision a reality!

The Vision Team: Rob Backus, Amanda Grace, Jennifer Jorgenson, Tony Hall, Susan Saunders, and Charlie Smith

Deacons Report 2022

As Deacons, our mission statement is: *"Acting as servants of God, we nurture the spiritual life of the church."* In 2022, we have done this in many ways both large and small, with one of the most visible and recurring being the serving of Communion the first Sunday of each month. We have striven to balance the health and safety concerns caused by the COVID19 pandemic with the desire of many to receive the elements in their traditional form, and in October we returned to offering cubed bread and cups of juice to everyone alongside the sealed wafer and juice packets. We plan to continue providing both options while health and safety concerns persist.

Deacons have also joined new member classes to welcome several additions to our church family and answer their questions, facilitated joint services with our friends at College Street Congregational Church, and volunteered at a number of church events organized by the teams we oversee: Connections, Faith Formation, Outreach, and Worship. One of the Deacons, Baki Nelson, was instrumental in putting together and leading our church's successful 2022 Dragonheart dragon boat team that fundraised over \$2,500 for cancer support and wellness programs and came in first place in our racing division. We have also continued to serve and fill in as ushers and digital ushers to welcome people and assist with our church services on Sundays.

On the back end, the Deacons have been attending meetings of the various Vision Project Teams and identifying areas of overlap between them to help coordinate their visioning efforts. Deacon Amy Mellencamp is also serving as the church's representative on the Board of the Vermont UCC Conference where the experiences, successes, and challenges of UCC churches in Vermont are discussed. Additionally, we have met to consider special requests from outside groups, have worked to update training materials for staff and volunteers, and are also exploring new ways to recognize and thank the volunteers who make so much of what FCC accomplishes possible. We look forward to continuing these efforts and continuing to nurture our church's spiritual life in 2023.

Respectfully, Donal Dugan and Eric Davis, Co-Chairs of the Board of Deacons

Worship Team Report 2022

Communal worship is the one activity First Church experiences together! Worshipping together helps us build lives of faith, care for one another, and go out to serve in Christ's name. Your Worship Team provides support to First Church worship throughout the year. Activities included: preparing the Sanctuary to reflect liturgical seasons and special worship experiences, planning lay-led worship, providing worship leadership as needed, implementing thematic features requested by clergy and other worship planners, and securing lay readers for each service.

It continues to be a complete joy to work with Rev. Elissa, staff representative to the Worship Team. She is an expert at floating wonderful ideas which spark more ideas, questions, discussion and finally hatch into a plan. (e.g., Will anyone ever hear the words: *"...we need a really big Christmas Tree"* again and not remember the

one of 2022?!)

Other highlights of 2022: Return of the Epiphany Star project, Paper Crane prayer project throughout Lent & Easter, red spirit spiraling streamers for Pentecost, lay-led Story worship support during the three month tenure of parental leave pastor Rev. Joan O’Gorman including planning and leading worship for several Sundays, prepared ‘extras’ for Welcome-Back-Elissa & Thank-You-Joan Sunday in September, logistical support for the spectacular special Advent Oratorio Sunday this December, some Lenten paper cranes came to rest in that “*really big tree*” for Advent, and on Christmas Eve the light of the cosmos illuminated the Sanctuary ceiling!

Worship Team 2022:

Faith Neil, Lou Rochford, Cyndy Hall, Ann Vivian, Karl Doerner (Deacon Rep)

Music Report 2022

This year has been full of newness cradled in tradition, relationship building and reengaging the community in music making. We are blessed at First Church in many ways, in particular with dedicated, talented members who love and support this church in mission and music. I am grateful to have become a part of this community in February of this year.



Over the past ten months:

- Our Sanctuary Choir regathered with renewed energy and commitment. We have seen growth in membership, musicianship, and spirit with an openness to learn new and challenging repertoire in different styles. They have led in worship weekly providing support for congregational singing and offering anthems by modern and traditional composers. The choir prepared Camille Saint-Saëns’ Christmas Oratorio, a 35 min. choral work accompanied by strings, harp, organ and soloists, and presented it as a gift to our church and community during Advent. It is a joy to work with them.
- Our Children’s Choir began regular rehearsals under the care and leadership of Laura Elder-Connors – offering their voices in worship to remind us to “prepare the way” and to “be the change we want to see”.
- Our youth offered their musical talents in a variety of ways by singing solos, playing instruments and collaborating with young community musicians from the Vermont Youth Orchestra. I look forward to building on these relationships in the months to come.
- Our Bell Choir under the care and leadership of Jennie Coleman has continued to be a constant and steady part of the music program, giving of their time and talents not only monthly during worship but in small ensemble offerings. I’ve had the opportunity to get to know this group by supporting their music making and look forward to collaborating in creative ways.
- Many talented musicians within our church including Emy and Tim Berger, Paul Hobbs, Nolwenn Madden, Simon Jorgenson, Tony Hall, Zach Kelly, Bill Neil, and Kristen Elder-Connors have offered their individual talents through solo and instrumental ensembles. It has been a delight to work with each of them and to provide opportunities and repertoire to showcase their abilities.
- Musicians from the wider community, some familiar and some new, including Jane Kittridge, Onion River Jazz Band, students from University of Vermont, soloists from East Carolina University, instrumentalists from Vermont Symphony Orchestra and a dulcimer player who is also a church musician in Plattsburg have been welcomed into our church to share their talents.

For me, these past 10 months have been mostly about relationship building, yet all the while making music to the best of our ability and always in service to God and one another. I have also had the opportunity to get to know others in non-musical ways by: rowing with our churches Dragonboat team (and btw we won first in our

division, just ask Baki!) participating in the Wondrous Walk, collaborating with College Street on Ash Wednesday, World Communion, Youth Christmas Service and week-long Peace Camp, and many conversations over coffee, lunch and dinner. I appreciate each opportunity.

Thank you for your support! And thank you to our wonderful staff, Elissa, Caroline, Hilah, Jason, Lucy, and Max with whom I have the privilege to work! I am excited for the music we will make in 2023 and beyond as we continue to “Serve God with gladness and come before God’s presence with singing!”.

Amy Shortt
Director of Music

Austin Handbell Choir 2022

The Austin Handbell Choir rehearsed and played throughout the year. We currently have 11 full-time members and a couple of go-to substitutes when the need arises. We are always actively recruiting. If you have a desire to share your talents, please contact us. Adding 2 to 3 new full-time ringers would allow us to play a wider variety of music and different levels of music.

The choir held 2 bake sales this past year, raising just over \$725 dollars. These funds allow us to purchase additional music and equipment along with maintenance supplies. This coming season we are anticipating some of our bells being sent out for some much-needed preventative maintenance and refurbishing. This can be a costly venture, since it requires up to pack and ship our bells to Hatfield, Pennsylvania - to the only Schulmerich company located in the United States.

In the coming months, we would like to send our choir robes out for dry cleaning. It has been quite a few years since these were professionally cleaned and pressed. I think they are about due. 😊

Both the Austin Handbells and the Atherton Bells have been used over the past year. Having the Atherton Malmark bells, which offer a beautiful, softer tone, allow us to ring and practice with smaller ensembles, duets, and even solo ringing. When rehearsing for special music – we can do so without breaking up our other 5 octaves of Schulmerich bells.

Looking forward to 2023, the Austin Handbell choir will be celebrating our 60th anniversary. We will be planning a winter concert sometime during the Christmas holiday season. Our first time ever ringing in church, under the direction of Nancy Lawrence was during the Vespers service in 1963. We have come a long way since that first hand-written “Away in the Manger” and we’re hoping you can celebrate that with us. We’ll keep you posted.

Until then, happy ringing, and God bless.

Jennifer Coleman
Director, Austin Handbell Choir

Faith Formation Report 2022

The Faith Formation Team has had many changes in 2022. The Faith Formation team's mission is: *To encourage spiritual growth and curiosity, to foster Christian community and connection, to nurture faith, hope and love for all ...so all will feel supported on their journey towards one beautiful and joyful creation.*

Below is a list of the highlights from each area of Faith Formation during the 2022 year. **Nursery/Preschool**

- Our nursery and preschool were able to be open under the loving, capable hands of Caroline Catlin and volunteers from our congregation.

Elementary School Age Children

- We began the year continuing with the Illustrated Ministries curriculum.



- When the weather cooperated, we played, had prayer circle, and a Bible verse outside at the Ronald McDonald House play space. Thank you RMH for welcoming us!
- Children enjoyed our elementary classroom and each other's company as we explored God's creation and Word.

Middle School Youth

- In June our youth participated in a 4 day YES (youth experience in service) program led by Jason Vanderlaan.
- The Youth Group met Wednesday evenings for service and fun including: a fall retreat, pumpkin carving, "Trunk or Treat," Movie Night, and a Christmas party at Rev. Ken White's home.
- Led the congregation in an interactive, multi-generational Christmas Pageant

We once again partnered with College Street Congregational Church for a very successful Peace Camp in July. We had over 70 participants and many skilled volunteers. Together we made Peace Camp happen. It was a labor of love, and we were so grateful to be able to rejoice, pray, learn and play together.

Faithfully submitted by the Faith Formation Team, Jennifer Jorgenson, and Faith Formation Director, Hilah Clarke

Faith Formation: Youth Ministries Report 2022

Vision & Overview

The combined Youth Ministry Program of First Congregational Church of Burlington and College Street Congregational Church is dedicated each year to playful and engaging opportunities, embodied in three main aspects: service, faith formation, and relationships. As these two youth groups combined officially this year, there have been some significant changes to our program.

Our new schedule is that we meet every Wednesday from 6:00-8:00pm. We start by sharing a meal together (usually pizza!) for the first 30 minutes, before moving into our activities for the night, which vary from week to week, but include combinations of: games, service opportunities, Scripture and prayer, discussions, etc.

One really fun addition to the schedule is that once a month, instead of regular youth group, our pastors, Elissa and Ken, lead an intergenerational youth group where parents, family, and adults are invited to join the youth to pray and play together!

In addition to weekly Wednesday gatherings, there is also one youth group meeting per month on a weekend, to accommodate for those with different schedules and to make space for different service opportunities or longer youth groups - things like the Spectrum Sleepout, movie nights, an overnight lock-in, etc.).

The partnership between our two churches has certainly been a highlight and inspiration this year. It was a privilege working with Hannah Sachs before she moved, and it has been an honor and delight to work with Hilah Clarke now. Additionally, we've continued to welcome the youth group from South Hero as guests to our events, under the leadership of Leslie Desrosiers.

Seeing the youth from a variety of churches get to know each other more and build friendships as they explore faith is a beautiful gift to us all. It is a joy to have so many youth from different places and perspectives all joining together to play and pray together, to learn and grow with and from each other.

I'm filled with gratitude for these connections and for churches that prioritize the youth and empower me to make space for our youth and their connection with other youth and adult leaders, as well as those in our larger community. These opportunities provide the youth with continually growing glimpses into the God whose image dwells in us all.

Youth Group Gatherings & Volunteer Opportunities

With our combined youth group (and friends/neighbors!), we've been grateful to have over 35 youth within our circle, with individual gatherings ranging from a handful to a dozen youth at a time.

Some of the highlights from 2022 include:

- Games nights playing Munchkin and Throw Throw Avocado (and talking about fear)
- Movie night watching *Just Mercy* and discussing the death penalty and racism
- A “Middle Ground” discussion on feminism
- The Spectrum Sleepout
- More board games and Mr. Beast chocolate bars!
- Bowling and Game Room at St. Mark’s
- Preparing a meal for ANEW place
- Cardboard Box Tower Defense!!!
- (P)review night, where we invited the 5th graders to see what youth group was like and reflect over the past year with us
- Photo-video Scavenger Hunt
- Grog, tag, hide & seek
- The South Hero Crop Walk
- Pumpkin carving
- Trunk or Treat
- Abolish Slavery VT (Prop 2) training on relational organizing with Debbie Ingram
- Haunted or Hopeful - What’s the deal with ghosts?
- Glow-in-the-Dark / Black-Light Olympics
- Fall Retreat
- The Penny Challenge!!
- Intergenerational youth groups
- The Youth Advent Service
- Jackbox Games & Reverse White Elephant - Christmas Party at Ken’s

I’m so grateful for our volunteer adult leaders – Jess Lilly and Simon Jorgenson, as well as our staff leaders: Hilah Clarke, Elissa Johnk, and Ken White. And thank you to everyone else who supports in any of the many ways you all do!

Mission Trip & Peace Camp

It was so wonderful being able to do a mission trip this year and to be able to focus our time and efforts on our communities here in Vermont. We had a week of faith-focused, community-centered opportunities to connect, learn, serve, and grow together. Our focus was to explore issues of racial and social inequity in Vermont and volunteer with some of the amazing BIPOC-led organizations and initiatives in our area.

We had 15 youth join us and were very grateful to have Ken White and Margaret Brown as adult leaders, too! We volunteered over four days with Food Not Bombs, New Community Project, Burlington Poetry Walk, UVM Interfaith Center, and People's Kitchen / People's Pride. We also got to enjoy creemees and rock climbing! Please check out the video we made about our experience here: <https://youtu.be/05YldCCYxmA>.

Peace Camp was a fun week of faith formation, creative/crafting projects, and exciting games! The theme for the week was “What’s in a Name?” in which we explored stories from the Bible (and our own lives) in which names are given, received, resisted, and reinvented. Thank you so much to all the volunteers who helped make Peace Camp such a successful collaboration and an enriching and fun experience - First Church’s Hilah Clarke, Caroline Catlin, Simon Jorgenson, Jennifer Jorgenson, Cyndy Hall, and Lou Rochford and a special thanks to the College Street folks who including Laura Labrie, who co-led a cabin with me, and Jessica Titcomb, who led the creative activities!

Up Next: 2023!

I’m excited for what this next year holds for our youth group as we continue to merge and meld as a combined group. As momentum continues to build, I’m eager to see how the youth will continue to grow and shine in even more brilliant ways. They are full of life and energy and a desire to bring that spirit of “pray and play” into our world - something we all greatly need.

In addition to faith formation and games and service opportunities, I’m looking to (re)introduce and expand an interactive adventure element to youth group - in a way that will connect us more with other youth groups, churches, and our community. We’re excited for the way partnerships and collaborations continue to expand

our horizons and bring us together. We're also looking forward to another mission trip in Vermont, as well as another Peace Camp.

Thank you again to the College Street Congregational Church and First Congregational Church of Burlington for the privilege of serving and partnering with you all. Much thanks to the Christian Development Board and the staff from both churches, whose support and inspiration has fueled the fun-and-faith roots of youth group. Thank you to everyone else who gives and supports in so many ways. Thanks be to God for all of you, and for our youth – may we continue to give and receive from these life-giving gifts!

Respectfully Submitted,
Jason Vanderlaan, Youth Leader





Connections Team Report 2022

Greetings Friends from the Connections Team,

First let us thank all our Connections Volunteers who helped make 2022 a successful year! We appreciate your time and talents! Without your help, Connections activities wouldn't be possible...we hope you enjoyed yourselves and had some fun too!

2022 was a year of transition. Our team said goodbye to staff member Director of Creative Ministries, Hannah Sachs, who was instrumental in getting many of our initiatives implemented, especially our Welcoming Program and Name Tags. She was a big believer in welcoming new visitors and will be missed. And we transitioned activities back into our beautiful building this fall which we missed for the past 2 years!

Our team is small consisting of Bob Wolf, Linda Elrick, Carol Schoonmaker and Patty Thomas. A special thank you to Communications Coordinator, Lucy Samara, who has been very helpful behind the scenes providing valuable support as well as our "super volunteers" Jen Jorgenson, Amy Mellencamp, Sara Wilcoxson, and Dawn Plante. We can always use more help in 2023 so please think about it!

Connections falls under Deacon's oversight with our mission of: "Seeking to connect visitors, congregants and the greater Burlington community with the people and work of First Church". Sounds simple enough...but how did we practice this in 2022? Realizing Connections can offer a lot of important work for FCCB, we focus our mission on a few needed areas.

Connecting to New Visitors by providing a warm welcome for our new guests and visitors. Did you know a New Visitor takes only 30 seconds to form a good first impression of FCCB? And within 7-10 minutes people decide whether to return or not! This continues to be one of our top priorities as we practice our New Visitor Pathway. Did you know someone new comes to our church every week? Over the past year we've welcomed over 70 new visitors through our pathway with many joining FCCB! Your support is needed too! We ask for everyone's help by intentionally welcoming New Visitors through Passing of the Peace each Sunday. Or if you want to take it a step further, become a "Welcomer" once a month. You can help with a simple gesture...please, please, please wear a Name Tag so everyone gets to know each other again!

Connecting to Congregants We had many fun activities throughout 2022. Again, we thank you all (and there were many) who helped volunteer supporting these events: Valentine's Day Auction (*Shout out to Jamie Polli!*), Pets of FCCB (*New!*), Art Shows, Jazz Festival Weekend (*New!*), Yard Sale (*Shout Out to Karan Dewar & Jennie Coleman!*), Dragonboat (*Shout out to Baki Nelson!*), September Homecoming, Moth Story Hour (*Shout out to Steve Hyde*), Trunk-or-Treat (*New!*), November Drop In Breakfasts (*New!*), Christmas Fair Bazaar and Dinner (*New!*) (*Shout out to Karan Dewar & Jennie Coleman!*). Connections was pleased to provide collaboration support or lead many of these events and several more. Again, we could not do them without your volunteer support and participation. We're only successful as a team and ask for you to support us by considering saying YES to volunteering and attending one event (or more!) in 2023. Who knows, you might even meet someone new from FCCB!

And Connecting to our local Community is Connection's third mission focus and is quite frankly one of our weaknesses and an area where we need to do more. We were successful with a few activities this year: Sambatucada Drum Band on the lawn for June's Jazz Festival, July Yard Sale and Christmas Fair were well attended. And our Prayer Box continues to receive a steady stream of prayer requests that are read in Worship. We have a prime location and strive to do better connecting to our community in 2023.

If you are interested in fostering connections and helping our church grow, we welcome new team members who would like to participate in our monthly meeting and ongoing projects. We also welcome volunteers who would like to be involved on an as-needed basis for specific projects...so please think about it!

Peace,

Bob Wolf, Linda Elrick, Carol Schoonmaker, Patty Thomas

Connections: Fellowship & Hospitality Report 2022

My star word for 2022 was “transformation”. I should have drawn that star word for this committee. This group has changed, morphed, zigged, zagged, risen to all kinds of challenges, changing guidelines, locations and we finally ended up back in a warm chapel.

Fellowship and Hospitality served beverages, snacks, meals, and tidings of great joy on the sanctuary portico, the front lawn, center walkway, under canopies, under the trees, to-go meals from the second floor, in 1 door and out the other. We sound like a Dr. Suess story line 😊. But it’s been fun!!

As of mid-October, we received the green light from the covid response team that we could finally move coffee fellowship back inside the building. Using our green mugs and warm hugs, we welcomed everyone back into the chapel as our guidelines loosened.

We hosted a simplified Homecoming Picnic, a couple of special Sunday coffee hours and our annual Christmas Pageant Sunday. Our committee has a set line budget, but most of our snacks are donated by our members and church parishioners. Please reach out to Linda Elrick, Karan Dewar or Jen Coleman if you are interested in lending a hand or donating for Sunday coffee hours.

Please come join us...Let’s do coffee!!

Blessings to all,

Jen Coleman, Linda Elrick, and Karan Dewar 😊

Women’s Fellowship Report 2022

2022 opened the church for us a bit more...little by little and it allowed us to loosen our covid restrictions and actually open our doors to our neighbors, family and friends. We were so excited to bring back some of our favorite social activities. Even washing our green coffee mugs felt good! With the assistance of the Connection’s Team, we celebrated and brought back to life our Fall Harvest Bazaar with a newer version...our Christmas Holiday Fair. We added a few extra booths, hot chocolate, s’mores, a roasting pit outside and wreath decorating. Thanks to Mary Hyde for all her creative talent and Karan Dewar for the splendid bows. Women’s Fellowship ordered our wreaths through the Youth Program Wreath Sale. This allowed us to support Youth Ministries projects and their future community service adventures.

Hopefully next year, weather permitting, this can be expanded and more booths and more outside activities and winter games can be included.

Women’s Fellowship once again served our VT famous Chicken and Biscuit dinner INSIDE!! We did offer plenty of to-go meals also for those on the run or still a bit hesitant to be in and around multiple people during cold and flu season.

Women’s Fellowship is still assisting with Life Alert subscriptions for a few of our members, which is such a wonderful program. This allows our members to stay in their own homes feeling safe, comfortable, and independent while doing so.

The Women’s Book Group continues to meet from September through June each year with superb leadership from Janice Clements. The participants “pitch” book at a potluck gathering in June and then vote (online) in July to select books for the coming September through May.

We are looking forward to building and expanding the summer All Church Yard Sale (hopefully moving the date a bit so it may not be SO hot), the Christmas Fair, and the Chicken and Biscuit dinner. The Connections Team has been such a great source of support for us and with many other activities this past season. We look forward to working more closely with them in the future.

Thanks and blessings to all for all the continued support.

Jennie Coleman, Chair

Women's Fellowship: Flower Committee Report 2022

The Flower Committee falls under the umbrella of Women's Fellowship. However, it does operate with its own line item on our annual budget.

Flowers throughout the year are purchased and "gifted" by church members for dedications, memorials, special events and occasions, such as anniversaries, birthdays and weddings. There are times during the summer months and early fall where members bring in floral arrangements from their own home gardens. And, of course we love to utilize the wonderful peonies from the Memorial Garden. For all those who share your home gardens... Thank you for all the beauty.

The Easter and Christmas season allow church members to donate tulips, lilies, and poinsettias to help decorate the sanctuary. The Flower Committee purchases extra flowers for holidays, and unfortunately ends the year with a negative balance in the account. However, when this happens, Women's Fellowship covers the outstanding balance. The funds are transferred from one account to the other to zero out the budget for the end of the calendar year.

It may be necessary to discuss raising the purchase amounts for Sunday flowers and floral arrangements to help offset this deficit. In the interim, Women's Fellowship will still take care of the Flower Committee and cover when needed.

There is a 2023 Sunday Flower sign-up board available in the Narthex of the Sanctuary. Please think about sharing your special occasion by signing up for the date of your choice.

Happy New Year to all and thank you for ALL your support and beautiful flowers.

Sincerely,

Jennifer Coleman

Partners in Pastoral Care Report 2022

The pastoral care team, known as **Partners in Pastoral Care** (PIPC), was formed ten years ago. Members include, Rev. Elissa Johnk, Senior Minister, and committed church members Barbara Carter, Janice Claypoole, Janice Clements, Carlanne Herzog, Tony Hall, Bill Neil, Lucy Samara, Michael Samara and associate member, Susan Saunders. Under the oversight of the Board of Deacons, each member has signed a confidentiality pledge and all communications among members of PIPC are kept confidential. We are committed to the values of caring, compassion, concern, competence, collaboration and creativity. PIPC meet bi-monthly and serve as a clearing house for identified care or concern needs within our congregation. Continuous confidential communication is shared among the team members between formal meetings.

PIPC is enhanced by a network of other member volunteers, known as **Friends at First**, who provide meals, phone calls, rides to church worship and events, participate in our church prayer tree and make home visits. Rev. Johnk and trained hospital chaplain Michael Samara, along with trained Stephen Minister, Tony Hall, and retired clergy, Rev. Bill Neil, visit those in hospitals or in care facilities on request from individuals or family members. COVID restrictions have led to phone or virtual visits on many occasions. Both Michael Samara and Carlanne Herzog have Master's degrees in counseling. Lucy Samara brings long experience from her prior role as Director of Outreach Ministries, and a wide network of connections with members and the wider community. Carlanne Herzog, Barbara Carter and Janice Claypoole are also trained Stephen Ministers.

PIPC has transitions and gratitude to share! We are so pleased to have welcomed Bill Neil to PIPC this year and are grateful for the years of good work shared by Carlanne Herzog who will be transitioning off of PIPC in January 2023. We are also thankful for long-term member Janice Claypoole who is now primarily providing support to our meal train system.

In addition to calls and visits, we reach out in support to members in bereavement by sending a series of 4 booklets about the grief journey accompanied by a personalized note. PIPC maintains the prayer request

cards found in the pews, the weekly printed list of Celebrations and Prayers and a list of those who offer prayers in a prayer tree. This list is displayed on-screen during worship. An up-to-date list of community resources is maintained and PIPC can link those requiring some assistance with the appropriate agency.

Recognizing an evolving demographic and comfort level with digital communication, PIPC has begun using Meal Train for the occasions when someone is in need of meals. This has proved very successful and facilitates communication among the recipient of meals and those providing the meals. **In 2020, 157 meals were delivered to 20 families.**

PIPC continues efforts to expand opportunities for those who would like to provide rides, meals, prayers, phone calls and other identified needs. Our goal is to link people who wish to help with others who have an expressed need. Each year we invite members of the congregation to stay in touch with (snowbird) members who live elsewhere in the winter.

How can you help? Let us know if you or someone you know would benefit. Join the list of people willing to:

- provide an occasional meal
- donate money to a fund to provide ingredients for others who are able to make meals
- make a phone call to a housebound member
- send notes or cards
- communicate with snow birds during the winter months
- make a home visit
- add your name to the prayer tree
- provide a ride for someone wanting to get to a church event.



Prepared by Janice Clements

Outreach Team Report 2022

In 2022 the Outreach Team welcomed two new members, Dianne Griffiths, and Laurie Nelson. The team is blessed by the gifts they bring to our work. We continue to meet via Zoom the third Wednesday of the month at 5:00 pm.

Our **GOALS** continue to be:

- Respond to significant local needs such as poverty, the unhoused, hunger, and refugee assistance;
- Promote awareness and support of local, national and international ministries of the United Church of Christ;
- Offer opportunities for members to share their time, talents, and resources;
- Coordinate special offerings;
- Advise the Trustees on the Church's budget.

BUDGET

Member pledges, through the operating budget, fund two core Outreach efforts: Our Church's Wider Mission (OCWM) Fund of the Vermont UCC Conference, and the Joint Urban Ministry Project (JUMP). In 2022, we donated \$10,500 to OCWM, of which the Vermont Conference UCC allocates 70% to support the work of the VT Conference UCC with UCC congregations in Vermont and 30% to national UCC efforts. We donated \$8000 to JUMP along with office space, access to parking, and member volunteers. Covid precautions in 2022 continue to limit JUMP on-site operations to one day per week.

Beyond these two core efforts, the operating budget supports some staff travel and supplies related to Outreach work. Outside of the budget, church members support Outreach work with donations of time, talents, and funds.

PROGRAMS

The Outreach Team promotes four special offerings each year:

- The Easter Offering (March) which is comprised of the mission portion of the Flower & Mission Offering

plus 10% of the Easter Offering. In 2022, we donated \$2,972 to the VT UCC Hope Fund.

- One Great Hour of Sharing (March) to support UCC Disaster, Refugee and Sustainable Development Ministries. In 2022 we collected and donated over \$1585.
- Neighbors in Need (October) to support UCC ministries of Justice and Compassion. In 2022 we raised \$705.
- Christmas Mission Offering (December) which is comprised of the mission portion of the Poinsettia & Mission Offering plus 10% of the Christmas Offering. In 2022, we donated \$2,908 for the UCC Hope Fund in payment toward our pledge of \$9000 over three years.

Other Outreach work also continued forward through 2022. As always, the **Possibility Shop** run by our stalwart volunteers continues to provide low-cost household items to our community and vouchers for JUMP clients to use in the shop. Our faithful “Legal Clinic Team” – FCCB volunteer attorneys and administrative volunteers – hosted nine phone in **Pro-Bono Legal Clinics** from January 2022 to January 2023 offering free legal counsel to 52 individuals. Legal concerns addressed included: citizenship, housing, wills and estates, consumer contract disputes, divorce, etc. Several First Church members continued work with **VIA** on Public Safety, and Housing. Others are active with **Small Potatoes** monthly sandwich-making and serving, **Dismas House** monthly dinners, and **Meals on Wheels**. Outreach continued to sponsor the monthly **Silent Vigil for Racial Justice**, and we again collaborated with College Street Congregational Church for an October **Service Sunday**.

The finale of the year is always **Share Christmas**. The Outreach Team used donations totaling over \$4,900 from 36 donors to purchase supplies and gifts for King Street Family Center, and Dismas Houses in Burlington and Winooski. We also assisted 8 families with rent, utilities and/or gifts. This beloved tradition was supported generously by congregants again this year.

We give deep thanks and appreciation to all those who participate with or support the many facets of outreach within our church family. We offer a multitude of opportunities for members to join with us as the *Hands of the Church* at work in our world.

Respectfully,

The 2022 Outreach Team: Louise Brewster, Dianne Griffiths, Bobbi Holzel, Mary Hyde, Laurie Nelson, and Reid Willis

Investments & Trusts 2022

I&T continued to address a variety of issues in 2022 including the effects of current markets and global realities on I&T investments; temporary suspension of further ESG investments (investments that consider environmental; social and governance factors); establishing a separate Fidelity Brokerage account for money from the sale of the Ronald McDonald House; improving instructions for those wishing to make gifts to First Church; making more Treasury Bill purchases; and planning for any future I&T Team member vacancies.

To quote I&T Member Stan Schmidt, “The U.S. economy and the financial markets entered 2022 poised for transition as inflation returned from a decade long quiescent period. In the face of this investing environment, the Investments & Trust committee adopted a cautious stance. We added to our ESG funds in April but did so by raising money from existing equity positions and adding to our cash position. Over the course of April and May, the committee deployed an additional 12.5% of the account value from existing equity holdings to cash and short-term treasuries. This cautious stance continued throughout the rest of the year as no new commitments were made to equities or intermediate and long-term bonds. Similarly, the committee suspended additional increases in ESG exposure in what had become a muddled environment.” (See Stan Schmidt’s full text and I&T detailed report in the Appendix, following the I&T Performance Report)

Our research indicates that ESG rating services data can be challenging to interpret resulting in confusing and potentially misleading information. Lack of concrete, verifiable data, with which to measure ESG investment outcomes, makes it difficult to accurately gauge effective results. Consultation with Trustees reaffirmed that

the broad goals of ESG investing remain important for the congregation, so we plan to continue research on ESG matters, possibly focusing on one, versus all three, ESG categories, assessment of ESG as a more meaningful and better-defined investment, consultation with David A. Klassen, CIO, the Pension Boards United Church of Christ, examination of ESG holdings within the UCC Pension Portfolio, speaking with other leaders engaged in ESG studies and having at least one discussion with interested members of the congregation. I&T will report its progress to the Trustees.

I&T, in consultation with the Trustees, recommended separate management of the RMH funds, apart from Investments & Trusts. It endorsed the establishment of a distinct RMH Fidelity Brokerage Account for that purpose. (See Treasurer's Report for details).

Those of you making a gift to First Church will be pleased to know that a call to the Church Office or the Finance Office will direct you to the required forms.

The protocol for gifting remains as follows:

1. Review the language of donor gift options provided by the Finance Office.
2. Donor to notify Finance Office and select desired donor instruction language.
3. Finance Office to notify Trustees when gift received.
4. Trustees to approve/reject receipt of gift.
5. Finance/Trustees notify I&T of gift and its donor instructions.
6. The Finance Office will file donor gift instructions for future reference.

Succession planning provides a process for filling any vacancy in the I&T Team. We recognize the wisdom and benefit of this work which will be addressed in 2023.

Change is inevitable. This year there were many investment challenges due to the changing economic environment of high inflation and rapidly increasing interest rates. Remaining open to changing the investment holdings, and acting with flexibility, has yielded fruit, and provided opportunities not yet fulfilled.

Seeking God's will helps us fulfil the promises of good stewardship.

Respectfully submitted,

Tony Hall CLU, ChFC
Chair Investments & Trusts

On behalf of the I&T Team and its Ad Hoc members:

Rev. Elissa Johnk, Lead Minister
Gloria Flinn
Matthew Smith
Stan Schmidt
Heather Pipino, Finance Office
Mike Knauer, Treasurer

First Congregational Church Staff

Minister

Rev. Elissa Johnk
Lead Minister

Administrative/Operations Staff

Heather Pipino
Finance Consultant

Caroline Catlin
Office & Nursery Administrator

Lucy Samara
Communications Coordinator

Derik and Carole Breen
Facilities & Janitorial

Max Johnson
A/V Coordinator

Music Staff

Amy Shortt
Director of Music

Laura Elder-Connors
Children's Choir Director

Jennifer Coleman
Director of Austin Chimers Bell Choir

Program Staff

Hilah Clarke
Faith Formation Director

Jason Vanderlaan
Youth Ministries

Security Staff

Ian Rock-Jones

Jesse O'Gorman

Appendix A

FIRST CONGREGATIONAL CHURCH PERFORMANCE ANALYSIS

INDEX	ESG Funds	Since March 4, 2021	October 1, 2022 - December 31, 2022	January 1, 2022 - December 31, 2022	January 1, 2019 - December 31, 2022
Standard & Poors 500		4.76%	7.56%	-18.11%	7.66% per year
FCC Domestic & Global Equity Mutual Funds	Fidelity Sustainability (FITLX) Parnassus Mid-Cap (PARMX) Pax Global Envo (PGRNX)	-9.65% -5.53% -9.64%	8.96%	-19.63%	9.10% per year
Balanced Index (50% S&P/50% AGG)		-3.62%	4.21%	-16.23%	2.34% per year
FCC Balanced Funds	Green Century Bai (GCBLX)	-4.47%	10.08%	-7.99%	3.80% per year
iShares Core US Aggregate Bond Index (AGG)			0.67%	-14.98%	-3.57% per year
FCC Fixed Income Mutual Funds & Bonds			1.95%	-9.55%	-1.13% per year
EAFE			17.19%	-16.57%	0.01% per year
FCC International Equity Mutual Funds			12.61%	-32.64%	5.49% per year
Benchmark Return			7.30%	-16.32%	3.91% per year
Total Portfolio Return IRR			5.71%	-12.70%	5.50% per year

PORTFOLIO ALLOCATION SUMMARY AS OF DECEMBER 31, 2022

	MARKET VALUE	12/31/22 ALLOCATION	CURRENT TARGET ALLOCATION	LONG TERM TARGET ALLOCATION	
Domestic Equity Mutual Funds & Stocks	\$377,796.82	35.69%	50.00%	60.00%	
International Equity Mutual Funds & Stocks	\$66,054.20	6.24%	15.00%	15.00%	
Total Equity Funds & Stocks	\$443,851.02	41.93%	65.00%	75.00%	
FCC Balanced Funds	\$159,716.12	15.09%	10.00%		
Fixed Income Mutual Funds	\$81,630.14	7.71%	10.00%	10.00%	
Corporate & Government Bonds	\$0.00		5.00%	10.00%	
Total Fixed Income Funds & Bonds	\$81,630.14	7.71%	15.00%	20.00%	
Cash & Equivalents	\$373,398.09	35.27%	10.00%	5.00%	
Total Portfolio	\$1,058,595.37	100.00%	100.00%	100.00%	

PERFORMANCE REPORT
Discounted Cash Flow Method Net of Fees
First Congregational Church of Burlington
From 09-30-22 to 12-31-22

Portfolio Value on 09-30-22	1,030,550.77
Accrued Interest	242.71
Contributions	0.00
Withdrawals	-30,000.00
Realized Gains	0.00
Unrealized Gains	28,740.63
Interest	1,317.53
Dividends	27,585.75
Change in Accrued Interest	157.99
Portfolio Value on 12-31-22	1,058,194.68
Accrued Interest	400.69
Total Fees	0.00
Total Gain after Fees	57,801.90
IRR for 0.25 Years	5.71%

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST
First Congregational Church of Burlington
Discounted Cash Flow Method
From 09-30-22 To 12-31-22

Security	09-30-22 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	IRR +Fees	12-31-22 Market Value	Pct. of Assets
MUTUAL FUNDS							
MUTUAL FUNDS - FIXED INCOME							
Dodge & Cox Income Fund	51,665.27	0.00	987.22	436.30	2.76	53,088.79	5.02
Federated Short-Intermediate Government Tr	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fidelity Government Income Fund	5,454.57	0.00	18.08	29.14	0.87	5,501.79	0.52
Vanguard Short Term Federal Investor Shs	22,952.17	0.00	-68.41	155.80	0.38	23,039.56	2.18
	80,072.02	0.00	936.89	621.24	1.95	81,630.14	7.71
MUTUAL FUNDS - BALANCED							
American Cap Inc Builder A	58,756.03	0.00	5,714.17	921.10	11.29	65,391.30	6.18
American Inc FD of America A	68,155.90	0.00	3,549.88	3,443.00	10.26	75,148.78	7.10
Dodge & Cox Balanced Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Green Century Balanced Fund (ESG)	18,179.88	0.00	642.31	353.85	5.48	19,176.04	1.81
	145,091.81	0.00	9,906.36	4,717.95	10.08	159,716.12	15.09
MUTUAL FUNDS - DOMESTIC EQUITY							
Fidelity Contrafund	88,719.65	0.00	-5,022.63	8,471.70	3.89	92,168.72	8.71
Fidelity US Sustainability Index Fund(ESG)	51,284.96	0.00	3,114.04	813.37	7.66	55,212.37	5.22
Parnassus Mid Cap Fund (ESG)	13,042.18	0.00	497.95	630.76	8.65	14,170.89	1.34
Pax Global Environmental Markets (ESG)	11,596.93	0.00	1,762.05	44.62	15.58	13,403.59	1.27
Vanguard 500 Index Admiral	1,689.88	0.00	118.85	8.56	7.54	1,817.29	0.17
Vanguard Index 500 Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vanguard Windsor II	90,632.58	0.00	3,697.68	6,144.60	10.86	100,474.86	9.49
Washington Mutual Invs Fd Inc	89,764.08	0.00	8,618.11	2,166.90	12.01	100,549.09	9.50
	346,730.26	0.00	12,786.05	18,280.51	8.96	377,796.82	35.69
MUTUAL FUNDS - INTERNATIONAL EQUITY							
Vanguard Windsor International Growth	58,656.28	0.00	3,300.79	4,097.13	12.61	66,054.20	6.24
	58,656.28	0.00	3,300.79	4,097.13	12.61	66,054.20	6.24
MUTUAL FUNDS Total	630,550.37	0.00	26,930.08	27,716.83	8.67	685,197.28	64.73
GOVERNMENT BONDS - U.S. DOLLARS							
U. S. Treasury Note 2.125% Due 12-31-22	25,048.06	0.00	79.75	132.81	0.85	25,260.62	2.39
United States Treasury Series AV-2023	49,462.67	0.00	428.50	15.62	0.90	49,906.79	4.71
0.125% Due 01-31-23							
United States Treasury Series AZ-2023	48,907.04	0.00	375.00	46.87	0.86	49,297.67	4.66
0.125% Due 04-30-23							
United States Treasury Series BB-2023	68,213.37	0.00	566.30	21.87	0.86	68,757.79	6.50
0.125% Due 05-31-23							

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

First Congregational Church of Burlington

Discounted Cash Flow Method

From 09-30-22 To 12-31-22

Security	09-30-22 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	IRR +Fees	12-31-22 Market Value	Pct. of Assets
US TSY Bill Ser AP-2023	48,437.02	0.00	361.00	15.80	0.78	48,813.82	4.61
0.125% Due 07-15-23	240,068.16	0.00	1,810.55	232.99	0.85	242,036.69	22.86
TREASURY BILLS - U.S. DOLLARS							
United States Treasury Bill Zero Coupon	29,935.50	0.00	0.00	64.50	0.64	0.00	0.00
0.000% Due 11-01-22	29,935.50	0.00	0.00	64.50	0.64	0.00	0.00
CASH AND EQUIVALENTS							
		[Fees]					
Fidelity Cash Reserves	27,180.15	0.00		218.08	0.80	27,398.23	2.59
Fidelity Government Money Market	103,047.65	0.00		828.79	0.80	103,951.44	9.82
Vanguard Federal Money Market Fund	11.65	0.00		0.08	0.69	11.73	0.00
	130,239.45	0.00		1,046.95	0.80	131,361.40	12.41
TOTAL PORTFOLIO	1,030,793.48	0.00	28,740.63	29,061.27	5.71	1,058,595.38	100.00

PERFORMANCE REPORT
NET OF FEES
First Congregational Church of Burlington
From 12-31-21 to 12-31-22

Portfolio Value on 12-31-21	1,151,576.05
Accrued Interest	0.00
Contributions	130,313.46
Withdrawals	-68,986.03
Realized Gains	-27,427.57
Unrealized Gains	-169,336.67
Interest	3,200.88
Dividends	38,854.56
Change in Accrued Interest	400.69
Portfolio Value on 12-31-22	1,058,194.68
Accrued Interest	400.69
Average Capital	1,214,262.48
Total Fees	0.00
Total Gain after Fees	-154,308.11
IRR for 1.00 Years	-12.71%

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

First Congregational Church of Burlington

Discounted Cash Flow Method

From 12-31-21 To 12-31-22

Security	12-31-21 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	IRR +Fees	12-31-22 Market Value	Pct. of Assets
MUTUAL FUNDS							
MUTUAL FUNDS - FIXED INCOME							
Dodge & Cox Income Fund	59,564.82	0.00	-7,948.20	1,472.17	-10.87	53,088.79	5.02
Federated Short-Intermediate Government Tr	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fidelity Government Income Fund	6,307.11	0.00	-887.94	82.62	-12.77	5,501.79	0.52
Vanguard Short Term Federal Investor Shs	24,379.62	0.00	-1,678.68	338.63	-5.50	23,039.56	2.18
	90,251.55	0.00	-10,514.82	1,893.42	-9.55	81,630.14	7.71
MUTUAL FUNDS - BALANCED							
American Cap Inc Builder A	70,403.88	0.00	-7,206.31	2,193.74	-7.12	65,391.30	6.18
American Inc FD of America A	80,294.86	0.00	-10,137.26	4,991.18	-6.41	75,148.78	7.10
Dodge & Cox Balanced Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Green Century Balanced Fund (ESG)	22,885.69	0.00	-4,063.50	353.85	-16.21	19,176.04	1.81
	173,584.42	0.00	-21,407.07	7,538.77	-7.99	159,716.12	15.09
MUTUAL FUNDS - DOMESTIC EQUITY							
Fidelity Contrafund	216,478.00	-14,131.93	-46,130.01	10,952.66	-30.73	92,168.72	8.71
Fidelity US Sustainability Index Fund(ESG)	37,081.07	0.00	-12,682.07	813.37	-19.84	55,212.37	5.22
Parnassas Mid Cap Fund (ESG)	18,066.39	0.00	-4,526.27	630.76	-21.56	14,170.89	1.34
Pax Global Environmental Markets (ESG)	17,321.32	0.00	-3,987.81	70.08	-22.62	13,403.59	1.27
Vanguard 500 Index Admiral	2,220.26	0.00	-433.20	30.23	-18.15	1,817.29	0.17
Vanguard Index 500 Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vanguard Windsor II	160,331.68	-4,557.09	-22,140.22	6,840.50	-14.90	100,474.86	9.49
Washington Mutual Invs Fd Inc	152,927.63	-3,230.33	-15,367.51	6,219.30	-9.81	100,549.09	9.50
	604,426.35	-21,919.34	-105,267.09	25,556.90	-19.63	377,796.82	35.69
MUTUAL FUNDS - INTERNATIONAL EQUITY							
Vanguard Windsor International Growth	125,801.29	-5,272.23	-33,571.99	4,097.13	-32.64	66,054.20	6.24
	125,801.29	-5,272.23	-33,571.99	4,097.13	-32.64	66,054.20	6.24
MUTUAL FUNDS Total	994,063.60	-27,191.57	-170,760.97	39,086.22	-17.88	685,197.28	64.73
GOVERNMENT BONDS - U.S. DOLLARS							
U.S. Treasury Note 1.750% Due 09-30-22	0.00	-236.00	0.00	461.54	0.84	0.00	0.00
U. S. Treasury Note 2.125% Due 12-31-22	0.00	0.00	-190.50	413.85	1.12	25,260.62	2.39
United States Treasury Series AV-2023 0.125% Due 01-31-23	0.00	0.00	533.50	60.74	2.50	49,906.79	4.71
United States Treasury Series AZ-2023 0.125% Due 04-30-23	0.00	0.00	369.50	60.69	1.82	49,297.67	4.66
United States Treasury Series BB-2023 0.125% Due 05-31-23	0.00	0.00	391.30	35.26	1.53	68,757.79	6.50

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

First Congregational Church of Burlington

Discounted Cash Flow Method

From 12-31-21 To 12-31-22

Security	12-31-21 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	IRR +Fees	12-31-22 Market Value	Pct. of Assets
US TSY Bill Ser AP-2023 0.125% Due 07-15-23	0.00	0.00	320.50	15.74	2.72	48,813.82	4.61
	0.00	-236.00	1,424.30	1,047.82	1.66	242,036.69	22.86
TREASURY BILLS - U.S. DOLLARS							
U.S. Tsy Bill Zero Coupon 0.000% Due 07-12-22	0.00	0.00	0.00	41.86	0.53	0.00	0.00
US Treasury Bill Zero Coupon 0.000% Due 08-02-22	0.00	0.00	0.00	115.60	0.81	0.00	0.00
United States Treasury Bill Zero Coupon 0.000% Due 11-01-22	0.00	0.00	0.00	198.07	2.11	0.00	0.00
	0.00	0.00	0.00	355.53	1.13	0.00	0.00
CASH AND EQUIVALENTS							
		[Fees]					
Fidelity Cash Reserves	27,036.75	0.00		361.48	1.34	27,398.23	2.59
Fidelity Government Money Market	130,464.11	0.00		1,604.94	1.25	103,951.44	9.82
Vanguard Federal Money Market Fund	11.59	0.00		0.14	1.21	11.73	0.00
	157,512.45	0.00		1,966.56	1.26	131,361.40	12.41
TOTAL PORTFOLIO	1,151,576.05	-27,427.57	-169,336.67	42,456.13	-12.70	1,058,595.38	100.00

PERFORMANCE REPORT
Discounted Cash Flow Method Net of Fees
First Congregational Church of Burlington
From 12-31-19 to 12-31-22

Portfolio Value on 12-31-19	783,992.65
Accrued Interest	0.00
Contributions	263,771.55
Withdrawals	-133,019.03
Realized Gains	40,727.22
Unrealized Gains	-51,004.10
Interest	3,583.72
Dividends	150,142.67
Change in Accrued Interest	400.69
Portfolio Value on 12-31-22	1,058,194.68
Accrued Interest	400.69
Total Fees	0.00
Total Gain after Fees	143,850.20
IRR for 3.00 Years	17.44%
Annualized IRR	5.50%

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

First Congregational Church of Burlington

Discounted Cash Flow Method

From 12-31-19 To 12-31-22

Security	12-31-19 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	Ann. IRR +Fees	12-31-22 Market Value	Pct. of Assets
MUTUAL FUNDS							
MUTUAL FUNDS - FIXED INCOME							
Dodge & Cox Income Fund	54,921.92	0.00	-7,904.27	6,071.14	-1.13	53,088.79	5.02
Federated Short-Intermediate Government Tr	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fidelity Government Income Fund	6,032.35	0.00	-812.75	282.19	-3.02	5,501.79	0.52
Vanguard Short Term Federal Investor Shs	23,512.31	0.00	-1,556.11	1,083.37	-0.67	23,039.56	2.18
	84,466.57	0.00	-10,273.13	7,436.70	-1.13	81,630.14	7.71
MUTUAL FUNDS - BALANCED							
American Cap Inc Builder A	69,580.51	108.43	-246.95	6,782.31	3.35	65,391.30	6.18
American Inc FD of America A	89,121.54	987.39	-2,178.23	13,051.07	5.04	75,148.78	7.10
Dodge & Cox Balanced Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Green Century Balanced Fund (ESG)	0.00	0.00	-2,056.87	1,232.91	-2.47	19,176.04	1.81
	158,702.05	1,095.82	-4,482.05	21,066.29	3.80	159,716.12	15.09
MUTUAL FUNDS - DOMESTIC EQUITY							
Fidelity Contrafund	188,061.33	24,386.67	-20,185.02	50,739.74	12.61	92,168.72	8.71
Fidelity US Sustainability Index Fund(ESG)	0.00	0.00	-5,962.83	1,175.20	-6.54	55,212.37	5.22
Parnassas Mid Cap Fund (ESG)	0.00	0.00	-2,298.86	1,469.75	-3.06	14,170.89	1.34
Pax Global Environmental Markets (ESG)	0.00	0.00	-1,980.87	384.46	-6.63	13,403.59	1.27
Vanguard 500 Index Admiral	1,458.20	0.00	275.47	83.62	7.61	1,817.29	0.17
Vanguard Index 500 Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vanguard Windsor II	108,616.95	4,846.73	2.86	27,008.33	9.59	100,474.86	9.49
Washington Mutual Invs Fd Inc	114,816.38	6,732.89	5,842.03	18,990.79	9.16	100,549.09	9.50
	412,952.86	35,966.29	-24,307.22	99,851.89	9.10	377,796.82	35.69
MUTUAL FUNDS - INTERNATIONAL EQUITY							
Vanguard Windsor International Growth	81,247.85	3,901.11	-13,366.00	22,271.24	5.49	66,054.20	6.24
	81,247.85	3,901.11	-13,366.00	22,271.24	5.49	66,054.20	6.24
MUTUAL FUNDS Total	737,369.34	40,963.22	-52,428.40	150,626.12	6.40	685,197.28	64.73
GOVERNMENT BONDS - U.S. DOLLARS							
U.S. Treasury Note 1.750% Due 09-30-22	0.00	-236.00	0.00	461.54	0.84	0.00	0.00
U. S. Treasury Note 2.125% Due 12-31-22	0.00	0.00	-190.50	413.85	1.12	25,260.62	2.39
United States Treasury Series AV-2023	0.00	0.00	533.50	60.74	2.50	49,906.79	4.71
0.125% Due 01-31-23	0.00	0.00	369.50	60.69	1.82	49,297.67	4.66
United States Treasury Series AZ-2023	0.00	0.00	391.30	35.26	1.53	68,757.79	6.50
0.125% Due 04-30-23	0.00	0.00	391.30	35.26	1.53	68,757.79	6.50
United States Treasury Series BB-2023	0.00	0.00	391.30	35.26	1.53	68,757.79	6.50
0.125% Due 05-31-23	0.00	0.00	391.30	35.26	1.53	68,757.79	6.50

PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

First Congregational Church of Burlington

Discounted Cash Flow Method

From 12-31-19 To 12-31-22

Security	12-31-19 Market Value	Realized Gains	Unrealized Gains	Interest Dividends	Ann. IRR +Fees	12-31-22 Market Value	Pct. of Assets
US TSY Bill Ser AP-2023 0.125% Due 07-15-23	0.00	0.00	320.50	15.74	2.72	48,813.82	4.61
	0.00	-236.00	1,424.30	1,047.82	1.66	242,036.69	22.86
TREASURY BILLS - U.S. DOLLARS							
U.S. Tsy Bill Zero Coupon 0.000% Due 07-12-22	0.00	0.00	0.00	41.86	0.53	0.00	0.00
US Treasury Bill Zero Coupon 0.000% Due 08-02-22	0.00	0.00	0.00	115.60	0.81	0.00	0.00
United States Treasury Bill Zero Coupon 0.000% Due 11-01-22	0.00	0.00	0.00	198.07	2.11	0.00	0.00
	0.00	0.00	0.00	355.53	1.13	0.00	0.00
CASH AND EQUIVALENTS							
		[Fees]					
Cash	0.00	0.00		0.68	NA	0.00	0.00
Fidelity Cash Reserves	29,408.34	0.00		444.29	0.53	27,398.23	2.59
Fidelity Government Money Market	17,203.43	0.00		1,652.45	0.82	103,951.44	9.82
Vanguard Federal Money Market Fund	11.54	0.00		0.19	0.55	11.73	0.00
	46,623.31	0.00		2,097.61	0.73	131,361.40	12.41
TOTAL PORTFOLIO	783,992.65	40,727.22	-51,004.10	154,127.08	5.50	1,058,595.38	100.00

PORTFOLIO APPRAISAL
First Congregational Church of Burlington
413-048523-027
December 31, 2022

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets
MUTUAL FUNDS						
MUTUAL FUNDS - FIXED INCOME						
4,355.110	Dodge & Cox Income Fund	13.05	56,820.71	12.19	53,088.79	5.0
14.305	Federated Short-Intermediate Government Tr	10.59	151.43	0.00	0.00	0.0
602.605	Fidelity Government Income Fund	10.58	6,376.36	9.13	5,501.79	0.5
2,292.494	Vanguard Short Term Federal Investor Shs	10.85	24,872.21	10.05	23,039.56	2.2
			88,220.71		81,630.14	7.7
MUTUAL FUNDS - BALANCED						
1,038.122	American Cap Inc Builder A	53.75	55,794.04	62.99	65,391.30	6.2
3,320.759	American Inc FD of America A	19.51	64,777.91	22.63	75,148.78	7.1
0.641	Dodge & Cox Balanced Fund	77.84	49.90	0.00	0.00	0.0
624.220	Green Century Balanced Fund (ESG)	34.02	21,232.91	30.72	19,176.04	1.8
			141,854.76		159,716.12	15.1
MUTUAL FUNDS - DOMESTIC EQUITY						
7,623.550	Fidelity Contrafund	13.27	101,136.46	12.09	92,168.72	8.7
3,314.068	Fidelity US Sustainability Index Fund(ESG)	18.46	61,175.20	16.66	55,212.37	5.2
418.267	Parnassus Mid Cap Fund (ESG)	39.38	16,469.75	33.88	14,170.89	1.3
690.551	Pax Global Environmental Markets (ESG)	22.28	15,384.46	19.41	13,403.59	1.3
5.132	Vanguard 500 Index Admiral	147.95	759.29	354.11	1,817.29	0.2
0.317	Vanguard Index 500 Fund	89.18	28.27	0.00	0.00	0.0
2,694.418	Vanguard Windsor II	34.36	92,591.51	37.29	100,474.86	9.5
1,934.008	Washington Mutual Invs Fd Inc	39.00	75,427.31	51.99	100,549.09	9.5
			362,972.25		377,796.82	35.7
MUTUAL FUNDS - INTERNATIONAL EQUITY						
2,322.581	Vanguard Windsor International Growth	22.51	52,276.76	28.44	66,054.20	6.2
			52,276.76		66,054.20	6.2
	MUTUAL FUNDS Total		645,324.48		685,197.28	64.7
GOVERNMENT BONDS - U.S. DOLLARS						
25,000	U. S. Treasury Note 2.125 % Due 12-31-22	100.00	25,000.00	99.98	24,995.00	2.4

PORTFOLIO APPRAISAL
First Congregational Church of Burlington
413-048523-027
December 31, 2022

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets
50,000	United States Treasury Series AV-2023 0.125 % Due 01-31-23	99.80	49,900.25	99.70	49,849.50	4.7
50,000	United States Treasury Series AZ-2023 0.125 % Due 04-30-23	99.10	49,549.19	98.51	49,256.00	4.7
70,000	United States Treasury Series BB-2023 0.125 % Due 05-31-23	98.82	69,174.52	98.21	68,750.50	6.5
50,000	US TSY Bill Ser AP-2023 0.125 % Due 07-15-23 Accrued Interest	97.92	48,958.52	97.57	48,785.00	4.6
			242,582.49		400.69	0.0
					242,036.69	22.9
CASH AND EQUIVALENTS						
	Fidelity Cash Reserves		27,398.23		27,398.23	2.6
	Fidelity Government Money Market		103,951.44		103,951.44	9.8
	Vanguard Federal Money Market Fund		11.73		11.73	0.0
			131,361.40		131,361.40	12.4
TOTAL PORTFOLIO			1,019,268.37		1,058,595.38	100.0

INCOME AND EXPENSES
First Congregational Church of Burlington
From 10-01-22 Through 12-31-22

Security		Amount
Ex-Date	Pay-Date	
MUTUAL FUNDS		
American Cap Inc Builder A		
12-19-22	12-19-22	491.25
12-19-22	12-19-22	429.85
		921.10
American Inc FD of America A		
12-14-22	12-14-22	2,586.69
12-14-22	12-14-22	523.30
12-14-22	12-14-22	333.01
		3,443.00
Dodge & Cox Income Fund		
12-20-22	12-20-22	436.30
Fidelity Contrafund		
12-19-22	12-19-22	7,928.58
12-19-22	12-19-22	543.12
		8,471.70
Fidelity Government Income Fund		
10-31-22	10-31-22	8.89
11-30-22	11-30-22	9.08
12-22-22	12-22-22	1.20
12-30-22	12-30-22	9.97
		29.14
Fidelity US Sustainability Index Fund(ESG)		
12-09-22	12-09-22	813.37
Green Century Balanced Fund (ESG)		
12-30-22	12-30-22	313.41
12-30-22	12-30-22	14.58
12-30-22	12-30-22	25.86
		353.85
Parnassas Mid Cap Fund (ESG)		
11-18-22	11-18-22	629.25
12-22-22	12-22-22	1.51
		630.76
Pax Global Environmental Markets (ESG)		
12-22-22	12-22-22	38.74

INCOME AND EXPENSES
First Congregational Church of Burlington
From 10-01-22 Through 12-31-22

Security		Amount
Ex-Date	Pay-Date	
12-22-22	12-22-22	5.88
		44.62
Vanguard Windsor International Growth		
12-15-22	12-15-22	3,246.50
12-15-22	12-15-22	850.63
		4,097.13
Vanguard 500 Index Admiral		
12-20-22	12-20-22	8.56
Vanguard Short Term Federal Investor Shs		
10-03-22	10-03-22	48.95
11-01-22	11-01-22	52.99
12-01-22	12-01-22	53.86
		155.80
Vanguard Windsor II		
12-20-22	12-20-22	5,327.74
12-20-22	12-20-22	816.86
		6,144.60
Washington Mutual Invs Fd Inc		
12-19-22	12-19-22	1,410.04
12-19-22	12-19-22	387.89
12-19-22	12-19-22	368.97
		2,166.90
MUTUAL FUNDS Total		27,716.83
GOVERNMENT BONDS - U.S. DOLLARS		
United States Treasury Series 0.125% Due 04-30-23		
AZ-2023		
10-31-22	10-31-22	31.25
United States Treasury Series 0.125% Due 05-31-23		
BB-2023		
11-30-22	11-30-22	43.75
GOVERNMENT BONDS - U.S Total		75.00

INCOME AND EXPENSES
First Congregational Church of Burlington
From 10-01-22 Through 12-31-22

Security		Amount
Ex-Date	Pay-Date	
TREASURY BILLS - U.S. DOLLARS		
United States Treasury Bill Zero 0.000% Due 11-01-22		
Coupon		
11-01-22	11-01-22	198.07
CASH AND EQUIVALENTS		
Fidelity Cash Reserves		
10-31-22	10-31-22	60.82
11-30-22	11-30-22	72.77
12-30-22	12-30-22	84.49
		218.08
Fidelity Government Money Market		
10-31-22	10-31-22	227.44
11-30-22	11-30-22	282.66
12-30-22	12-30-22	318.69
		828.79
Vanguard Federal Money Market Fund		
10-03-22	10-03-22	0.02
11-01-22	11-01-22	0.03
12-01-22	12-01-22	0.03
		0.08
CASH AND EQUIVALENTS Total		1,046.95
NET INCOME		29,036.85

CASH LEDGER
First Congregational Church of Burlington
From 10-01-22 To 12-31-22

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
Long Term Capital Gain Distribution					
10-01-22			Beginning Balance		0.00
12-14-22	12-14-22	dp	Dividend	American Inc FD of America A	2,586.69
12-14-22	12-14-22	wd	Purchase	American Inc FD of America A	-2,586.69
12-15-22	12-15-22	dp	Dividend	Vanguard Windsor International Growth	3,246.50
12-15-22	12-15-22	wd	Purchase	Vanguard Windsor International Growth	-3,246.50
12-19-22	12-19-22	dp	Dividend	Washington Mutual Invs Fd Inc	1,410.04
12-19-22	12-19-22	wd	Purchase	Washington Mutual Invs Fd Inc	-1,410.04
12-20-22	12-20-22	dp	Dividend	Vanguard Windsor II	5,327.74
12-20-22	12-20-22	wd	Purchase	Vanguard Windsor II	-5,327.74
12-22-22	12-22-22	dp	Dividend	Pax Global Environmental Markets (ESG)	38.74
12-22-22	12-22-22	wd	Purchase	Pax Global Environmental Markets (ESG)	-38.74
12-30-22	12-30-22	dp	Dividend	Green Century Balanced Fund (ESG)	313.41
12-30-22	12-30-22	wd	Purchase	Green Century Balanced Fund (ESG)	-313.41
12-30-22	12-30-22	dp	Dividend	Green Century Balanced Fund (ESG)	14.58
12-30-22	12-30-22	wd	Purchase	Green Century Balanced Fund (ESG)	-14.58
12-31-22			Ending Balance		0.00
Short Term Capital Gain Distribution					
10-01-22			Beginning Balance		0.00
12-22-22	12-22-22	dp	Dividend	Pax Global Environmental Markets (ESG)	5.88
12-22-22	12-22-22	wd	Purchase	Pax Global Environmental Markets (ESG)	-5.88
12-31-22			Ending Balance		0.00
Fidelity Cash Reserves					
10-01-22			Beginning Balance		27,180.15
10-31-22	10-31-22	dp	Interest	Fidelity Cash Reserves	60.82
11-30-22	11-30-22	dp	Interest	Fidelity Cash Reserves	72.77
12-30-22	12-30-22	dp	Interest	Fidelity Cash Reserves	84.49
12-31-22			Ending Balance		27,398.23
Fidelity Government Money Market					
10-01-22			Beginning Balance		103,047.65
10-03-22	10-03-22	dp	Interest	Vanguard Short Term Federal Investor Shs	48.95
10-03-22	10-03-22	wd	Purchase	Vanguard Short Term Federal Investor Shs	-48.95

CASH LEDGER
First Congregational Church of Burlington
From 10-01-22 To 12-31-22

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
10-31-22	10-31-22	dp	Interest	United States Treasury Series AZ-2023 0.125% Due 04-30-23	31.25
10-31-22	10-31-22	dp	Interest	Fidelity Government Money Market	227.44
10-31-22	10-31-22	dp	Interest	Fidelity Government Income Fund	8.89
10-31-22	10-31-22	wd	Purchase	Fidelity Government Income Fund	-8.89
11-01-22	11-01-22	dp	Sale	United States Treasury Bill Zero Coupon 0.000% Due 11-01-22	30,000.00
11-01-22	11-01-22	dp	Interest	Vanguard Short Term Federal Investor Shs	52.99
11-01-22	11-01-22	wd	Purchase	Vanguard Short Term Federal Investor Shs	-52.99
11-03-22	11-03-22	lo	Withdrawal	from Portfolio	-30,000.00
11-18-22	11-18-22	dp	Dividend	Parnassas Mid Cap Fund (ESG)	629.25
11-18-22	11-18-22	wd	Purchase	Parnassas Mid Cap Fund (ESG)	-629.25
11-30-22	11-30-22	dp	Interest	United States Treasury Series BB-2023 0.125% Due 05-31-23	43.75
11-30-22	11-30-22	dp	Interest	Fidelity Government Money Market	282.66
11-30-22	11-30-22	dp	Interest	Fidelity Government Income Fund	9.08
11-30-22	11-30-22	wd	Purchase	Fidelity Government Income Fund	-9.08
12-01-22	12-01-22	dp	Dividend	Vanguard Short Term Federal Investor Shs	53.86
12-01-22	12-01-22	wd	Purchase	Vanguard Short Term Federal Investor Shs	-53.86
12-09-22	12-09-22	dp	Dividend	Fidelity US Sustainability Index Fund(ESG)	813.37
12-09-22	12-09-22	wd	Purchase	Fidelity US Sustainability Index Fund(ESG)	-813.37
12-14-22	12-14-22	dp	Dividend	American Inc FD of America A	523.30
12-14-22	12-14-22	wd	Purchase	American Inc FD of America A	-523.30
12-14-22	12-14-22	dp	Dividend	American Inc FD of America A	333.01
12-14-22	12-14-22	wd	Purchase	American Inc FD of America A	-333.01
12-15-22	12-15-22	dp	Dividend	Vanguard Windsor International Growth	850.63
12-15-22	12-15-22	wd	Purchase	Vanguard Windsor International Growth	-850.63
12-19-22	12-19-22	dp	Dividend	Washington Mutual Invs Fd Inc	387.89
12-19-22	12-19-22	wd	Purchase	Washington Mutual Invs Fd Inc	-387.89
12-19-22	12-19-22	dp	Dividend	Washington Mutual Invs Fd Inc	368.97
12-19-22	12-19-22	wd	Purchase	Washington Mutual Invs Fd Inc	-368.97
12-19-22	12-19-22	dp	Dividend	American Cap Inc Builder A	491.25
12-19-22	12-19-22	wd	Purchase	American Cap Inc Builder A	-491.25

CASH LEDGER
First Congregational Church of Burlington
From 10-01-22 To 12-31-22

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
12-19-22	12-19-22	dp	Dividend	American Cap Inc Builder A	429.85
12-19-22	12-19-22	wd	Purchase	American Cap Inc Builder A	-429.85
12-19-22	12-19-22	dp	Dividend	Fidelity Contrafund	7,928.58
12-19-22	12-19-22	wd	Purchase	Fidelity Contrafund	-7,928.58
12-19-22	12-19-22	dp	Dividend	Fidelity Contrafund	543.12
12-19-22	12-19-22	wd	Purchase	Fidelity Contrafund	-543.12
12-20-22	12-20-22	dp	Dividend	Dodge & Cox Income Fund	436.30
12-20-22	12-20-22	wd	Purchase	Dodge & Cox Income Fund	-436.30
12-20-22	12-20-22	dp	Dividend	Vanguard 500 Index Admiral	8.56
12-20-22	12-20-22	wd	Purchase	Vanguard 500 Index Admiral	-8.56
12-20-22	12-20-22	dp	Dividend	Vanguard Windsor II	816.86
12-20-22	12-20-22	wd	Purchase	Vanguard Windsor II	-816.86
12-22-22	12-22-22	dp	Interest	Fidelity Government Income Fund	1.20
12-22-22	12-22-22	wd	Purchase	Fidelity Government Income Fund	-1.20
12-22-22	12-22-22	dp	Dividend	Parnassas Mid Cap Fund (ESG)	1.51
12-22-22	12-22-22	wd	Purchase	Parnassas Mid Cap Fund (ESG)	-1.51
12-30-22	12-30-22	dp	Interest	Fidelity Government Money Market	318.69
12-30-22	12-30-22	dp	Interest	Fidelity Government Income Fund	9.97
12-30-22	12-30-22	wd	Purchase	Fidelity Government Income Fund	-9.97
12-30-22	12-30-22	dp	Dividend	Green Century Balanced Fund (ESG)	25.86
12-30-22	12-30-22	wd	Purchase	Green Century Balanced Fund (ESG)	-25.86
12-31-22			Ending Balance		103,951.44
Vanguard Federal Money Market Fund					
10-01-22			Beginning Balance		11.65
10-03-22	10-03-22	dp	Interest	Vanguard Federal Money Market Fund	0.02
11-01-22	11-01-22	dp	Interest	Vanguard Federal Money Market Fund	0.03
12-01-22	12-01-22	dp	Interest	Vanguard Federal Money Market Fund	0.03
12-31-22			Ending Balance		11.73

Appendix B

US ECONOMY AND FINANCIAL MARKETS REPORT – 2022

The U.S. economy and the financial markets entered 2022 poised for transition as inflation returned from a decade long quiescent period. Driven by supply chain problems and exacerbated by the Russian aggression in Ukraine, global equity markets faced the headwinds of rising commodity prices, rising labor costs, and rising energy costs. Reacting to these new inflationary pressures, the Fed was triggered to embark on the fastest, most aggressive, tightening since 1980. In the space of nine months, the Fed Funds rate went from 0.25%, where it had spent most of the last 14 years, to 4.25%.

There is a maxim in investing which says, “Don’t fight the Fed.” Most recessions have historically been triggered by the Fed raising rates to cool down the economy. As the cost of capital goes up, companies cut back on capital spending, housing suffers from rising mortgage costs, consumers are less willing to borrow to spend, and economic growth slows.

In the face of the highest inflation since the late 1980’s, both stock and bond markets went into sell mode right from the start of the year. In spite of several bear market rallies, 2022 has thus far (as of 12/19) seen both equity and fixed income portfolios, as well as balanced portfolios, decline in tandem for the first time in over 40 years. Through mid-December, the S&P 500 was down (18.6%), the Aggregate Bond index was down (13.45%) and the NASDAQ was down (31.9%) for the year.

In the face of this investing environment, the Investments & Trust committee adopted a cautious stance. We added to our ESG funds in April but did so by raising money from existing equity positions and adding to our cash position. Over the course of April and May, the committee deployed an additional 12.5% of the account value from existing equity holdings to cash and short-term treasuries. This cautious stance continued throughout the rest of the year as no new commitments were made to equities or intermediate and long-term bonds. Similarly, the committee suspended additional increases in ESG exposure in what had become a muddled environment.”

What does this mean for 2023? “Prediction is very difficult, especially if it's about the future!” (Niels Bohr, the Nobel laureate in Physics), but it is necessary to have opinions about the future when faced with making decisions. The increase in mortgage rates, which has more than doubled the monthly cost of a mortgage on a median priced house, has had a major slowing impact on the new construction market. The need for the Fed to get in front of the inflation scare, before it becomes institutionalized in the common psyche, means that interest rates are going to stay higher for longer. Given this, and absent a positive exogenous event, such as the favorable end of hostilities in Ukraine, I believe that we will see a recession in the latter half of 2023.

Markets are a predictive mechanism, generally discounting the future by a six-to-nine-month period, and both the equity and fixed income markets are likely to turn up long before a recession ends, and in many cases before it even begins. While opinions are mixed about whether the market will ultimately test and or break its October 2022 bottom, clearly, we are closer to an ultimate bottom in both time and magnitude than we were at the beginning of 2022. The I&T current portfolio exposure is roughly as follows: 8% Fixed Income, 15% Balanced equity and fixed income funds, 41% pure equity funds, 23% in Treasury Bills with maturities of less than 1 year, and 13% in cash in money markets.

As a result, it is likely that the committee will start to reconsider adjusting risk exposure upward sometime in the first or second quarter of 2023. In the interim, the return on risk-free cash held in US T-bills is +4.5% annually, offering an alternative to stocks and bonds not seen for many years.

Stanley T. Schmidt