

First Presbyterian Church Endowment

Three Areas of Support

Mission

Education/Fellowship/Music

Operations

Mission

Currently, the Endowment of First Presbyterian has six mission-oriented funds. These mission-oriented funds have a current value of \$1,221,717.

In 2021, these six funds provided \$33,888 for mission projects and programs. For 2022, \$45,612 has been allocated to these funds.

Hammesfahr Fund-Youth Mission H4H

Beringer Scholarship Fund Presbyterian Women Fund Hale Fund-Local Assistance



















First Presbyterian Church Endowment

Education / Fellowship / Music

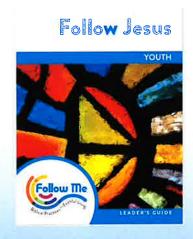
Currently, the Endowment of First Presbyterian has five program-oriented funds. These five funds have a current value of **\$322,911**.

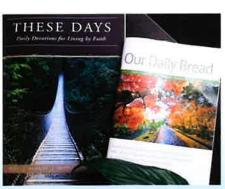
In 2021, these funds provided **\$9,745** for projects and programs of the congregation. For 2022, **\$12,060** has been allocated to these funds.

Sunday School Fund Music and Choir Fund Adult Education Fund Library Fund Youth Fund

















First Presbyterian Church Endowment

Operations

Currently, the Endowment of First Presbyterian has three funds supporting the operation of the church as a whole. The **Operating** and **Cemetery Funds** have a combined current value of **\$3,140,971**. The Preservation Fund, which was established in 2022, has a current value of **\$100,805**.

In 2021 the Operating and Cemetery funds provided **\$131,064** for the operations of the church. For 2022, **\$133,320** has been allocated to these funds. The **Preservation Fund** must reach a balance of \$500,000 before it can accessed.



Rev. Dr. Fred Garry Senior Pastor



Rev. Ashley Bair Interim Assoc. Pastor



Brenda Day Minister of Music



Nancy Leardi
Dir. of Christian Ed



Sue Harmon
Dir. Operations &
Finance



Vicky Lacson
Admin &
Communications



Jonathan Hollenbeck Facilities Manager



Colleen Walker Office Assistant



Merry Matlock Senior Services Coord



Bob O'Connell Facilities Asst.



Elaine Hansen Asst Bell Director



Sarah Teti Food Pantry Coord



Nick Spadavecchia Communications Consultant



Nate Brown Tech & Sound Consultant



Kat Davis Drama Consultant

How an Endowment is Formed

Most endowments for Protestant Churches were conceived in the mid-part of the 20th century. Churches, like ours, began with a modest gift. In 1966 the first donation was made to create the endowment. The gift was from Carleton Brune and it was \$2,000. From this gift, 55 years ago, the endowment of First Presbyterian has grown to more than \$5,000,000.

How an Endowment is Managed

After many years of oversight by members, the decision was made to utilize a wealth manager. A committee of the Finance Commission meets as needed with the manager to discuss the proper balance of investment as well as the performance of those investments. The strategy of the committee has been to invest the funds conservatively with a 60-40 balance of equity-to-bond. This allows for the growth and the decline of the market to be mitigated.

How an Endowment is Used

The endowment of First Presbyterian Church of Metuchen is used in two ways. The first is to honor the intent of the donors who gave to specific programs, missions, or aspects of our congregation's life. Each year, 4% of the value of each specific fund is drawn each year to fulfill the intent of the donor. Some of the funds are quite modest in size so the annual draw of 4% may be less than \$1,000. Others, like the Operating Fund, provide more \$100,000 for the annual budget.

The second way have utilized the endowment is to meet our debt service. Each year we utilize 2% of the current value of the endowment to satisfy the two mortgages. This represents, on average, \$80,000 annually. The two mortgages were taken out for our Social Center Renovation in 2011 and 2015. Both loans were paid in full on October 18, 2021 using \$378,277.48 from the endowment.

How an Endowment Grows

An Endowment Grows in three ways:

First, an endowment grows from gifts. During the last 55 years there have been many gifts to the endowment. There have been 14 gifts greater than 100,000 but there have been many gifts given like the first donation of \$2,000.

Second an endowment grows because it is managed well. By a spending policy of 4%, an endowment will, on average, grow by not being over utilized. That is to say, income from investments is greater than the usage.

Third, an endowment grows if it is not a source of dependence. An endowment should provide for the preservation of the buildings, additional programmatic support, or specific mission legacies. Once an endowment becomes the chief source of support for a congregation, then the fund will decline.

Fund Development and the Current Opportunity to Build the Endowment

In 2021, we received a bequest from the Ainslie Family. The amount of the donation was \$104,688. After much discussion and consideration, the recommendation of the Endowment Committee to the session was this:

Form a new fund in the Endowment to Preserve our Buildings.

The new fund, The Preservation Fund, has two key components. The first is that nodraw from this fund until the balance exceeds \$500,000. At 4%, this would provide \$20,000 annually to the upkeep of the buildings and grounds of our church. But we need to build this fund before we can see such usage.

This is a significant need for our congregation as annually we need \$50,000-80,000 in capital improvements and maintenance.