

**Date:** January 28, 2010

**To:** Board of Directors

**From:** Brian P. Curtin

**Subject:** Burlington Community Scholarship Foundation Investment Annual Report for 2009

The Burlington Community Scholarship Foundation had a very successful year in fund-raising. We raised \$4,342 in the Adopt A Class program and our fifteenth Annual Telethon grossed \$46,000 in receipts and had expenses of \$3,827 for a profit of \$42,173. The scholarship foundation was also able to raise \$7,230 in general check off contributions from taxpayers and another \$5,900 in miscellaneous donations.

The scholarship foundation assets invested at UBS Financial Services had a return of 29.06% on investment of funds. The major investment indexes were up the following:

- Dow Industrials – 20.19%
- Standard & Poor 500 – 24.71%
- NASDAQ - 45.29%

We must remember that the scholarship fund is an endowment fund and that we only invested 47% of our total funds of \$1,306,232 long term at UBS. However we are long term investors. Our investment committee has been very conservative and has maintained a strict investment policy under the Massachusetts laws governing the investments of trust funds. We did not lose any funds in risky or scam type investments as many systems have. The investment committee will continue to monitor our investments closely and will take appropriate action when necessary.

We had a return on investments of \$6,225 on the remaining 53% of our Endowment fund of \$693,741. This represented interest income on certificates of deposit and money market accounts or an annualized return of .90% which was a direct result of interest rates dropping from 2% to a record low of .05%. Our total assets increased from \$1,220,179 to \$1,306,232 or an increase of \$86,053. The scholarships total investment gain and interest income was \$144,138 for 2009.

The Burlington Scholarship Foundation had a much better year than most. The scholarship foundation awarded \$119,900 in scholarships in 2009.

Our asset allocation for the \$612,491 balance at UBS as of 12/31/2009 was:

- 2.03 % - Cash - 12,421
- 35.40 % - Fixed Income - 216,847
- 62.57 % - Equities - 383,223

The total fund balance was \$1,306,232 as of December 31, 2009. Below is the fund breakdown:

• Burlington High Scholarship Fund	115,149
• BHS Scholarship Trust	93,575
• Adopt A Class 2009 to 2022	185,793
• TD Banknorth BCSF	263,610
• Mary Gibson Memorial	12,912
• James Trentini Memorial	22,702
• <u>UBS Financial Services</u>	<u>612,491</u>
TOTAL	\$1,306,232