

Finance and Investments

Daniel Bigelow, Endowment Manager

New Endowment Funds

We received several memorial bequests and estate gifts honoring Marie Castor, Bob Calvert, Eleanor Hopkin and Peter Brigham. These gifts totaled \$2,412.00.

Existing Endowment Funds

We continued to receive dividend income from 200 shares of Johnson & Johnson stock. This income is contributed directly to the operating budget. A portion of the 2017 Endowment budget contribution and all of the 2018 Endowment budget contribution are being held in money-market funds awaiting to be transferred to our main checking account when needed. A capital-campaign gift consisting of mutual fund shares has been received and sold and is also being held in a money-market fund awaiting transfer. These funds have not been included in the total value of the Endowment for 2019 listed below.

Endowment Activity in 2018

Source	Amount	Notes
Memorial and Estate Gifts	\$2,412.00	Awaiting transfer to the Endowment funds
Endowment Contribution to Operating Budget in 2018	*	*The \$53,000 amount budgeted is pending and will be transferred when needed
Capital Campaign Gift of Shares	\$10,324	Awaiting transfer to the Capital Campaign
Endowment Contribution to Operating Budget in 2017	**	** A second \$25,000 payment is pending and will be transferred when needed or else reclassified.
Dividend income (Johnson & Johnson); a 6.6% increase from 2017	\$708.00	Contributed to operating budget

Invested Endowment Funds

The stock market declined modestly (although sharply at the end of the year), and the bond market was unchanged in 2018, with the S&P 500 declining 4.57% (including dividends) for the year. An aggregate Total bond index published by Vanguard declined 0.11% for the year, including reinvested interest. A hypothetical index investing 60% in the stock market and 40% in the bond market would have resulted in an approximate loss of 2.79% in 2018. For comparison purposes, the Old First endowment declined 4.81% in 2018.

Investment Return	
Value of Endowment*, 12/31/2017	\$1,524,922
Value of Endowment**, 12/31/2018	\$1,400,989

*This excludes the value of the shares of Johnson & Johnson stock

**Value of Endowment for 2018 is net of withdrawals from the endowment of \$53,000 in 2018 for program support and excludes the shares of Johnson & Johnson stock.

Our investment policy guidelines dictate that we take out of our endowment no more than 3 to 5% of the average value of the endowment over the prior five years measured each year on Dec 31. This policy helps to ensure that our endowment will continue to help fund the programs of the church for many years to come. Our average value from the end of 2014 through the end of 2018 is \$1,363,616. The proposed budget includes withdrawals from our endowment of \$58,000 or 4.25% which is slightly above the midpoint of the range recommended in the endowment guidelines and is a 9.4% increase from the previous year. This income from the endowment is contributed directly to our operating budget and helps to fund all of the programs of our church.

Liabilities

The Congregation has no long-term liabilities at this time.