

Finance and Investments

Submitted by: Daniel Bigelow, Endowment Manager

New Endowment Funds

We received several memorial bequests and estate gifts honoring Peter Brigham and Phyllis Smith. These gifts totaled \$1,976.

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. This gift realized \$25,458.21 and is in addition to a similar gift received previously. These funds have not been included in the total value of the Endowment for 2019 listed below.

Endowment Activity in 2019

Source	Amount	Notes
Memorial and Estate Gifts	\$1,976.00	A total of \$2,476 (2018-19) 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
Total Capital Campaign Gift of Shares	\$35,782	Awaiting transfer to the Capital Campaign when needed
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 5.9% increase from 2018	\$750.00	Contributed to operating budget

Invested Endowment Funds

The stock market rose strongly, and the bond market rose modestly in 2019, with the S&P 500 rising 31.5% (including dividends) for the year. An aggregate Total bond index published by Vanguard rose 7.90% for the year, including reinvested interest. A Vanguard Balanced Composite index (blending both stocks and bonds) rose 21.87% in 2019. For comparison purposes, the Old First endowment rose 23.60% in 2019.

Investment Return	
Value of Endowment*, 12/31/2018	\$1,400,989
Value of Endowment**, 12/31/2019	\$1,693,953

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

**Value of Endowment for 2019 is net of withdrawals from the endowment of \$58,600 in 2019 for program support and excludes the shares of Johnson & Johnson stock, the funds reserved for the capital campaign and the previously allocated 2017 and 2018 Endowment contributions to the operating budget.

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 2015 through the end of 2019 is \$1,434,328. The proposed budget includes withdrawals from our endowment of \$61,000 or 4.25% which is slightly above the midpoint of the range recommended in the endowment guidelines and is a 5.2% 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.