

Finance and Investments

Submitted by: Larry Waddell, Endowment Manager

New Endowment Funds

There were three memorial gifts totaling \$11,050 made to Old First in 2021. Those gift funds will be transferred to the Endowment in the first quarter of 2022.

Existing Endowment Funds

We continued to receive dividend income from 200 shares of Johnson & Johnson stock. The dividend income is contributed directly to the operating budget. All of the 2018 Endowment budget contribution continues to be held in money-market funds awaiting to be transferred to our main checking account when needed. A contribution of \$71,600 was made to the operating budget.

Endowment Activity in 2020

Source	Amount	Notes
Endowment Contribution to Operating Budget in 2018	*	*The \$53,000 amount budgeted is pending and will be transferred when needed
Endowment Contribution to Operating Budget in 2021	\$71,600	Contributed to operating budget
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 5.28% increase from 2020	\$838	Contributed to operating budget

Invested Endowment Funds

Despite the ongoing global Coronavirus pandemic, domestic civil unrest, and a polarized US political environment, the stock market continued its multi-year rise in 2021. The S&P 500 rose 28.7% (including dividends) for the year. An aggregate Total bond index published by Vanguard fell -1.77% for the year, including reinvested interest. A Vanguard Balanced Composite index (blending both stocks and bonds) rose 14.3% in 2021. For comparison purposes, the Old First endowment rose 17.4% in 2021 (adding back JNJ stock and making other adjustments to 2021).

Investment Return	
Value of Endowment*, 12/31/2020	\$1,775,286
Value of Endowment**, 12/31/2021	\$2,084,504

* The balance as of 12/31/2020 does not include the value of the shares of Johnson & Johnson stock

**Value of Endowment for 2021 is net of withdrawals from the endowment of \$71,600 in 2021 for program support and *does include* the shares of Johnson & Johnson stock, as well as 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 2017 through the end of 2021 is \$1,697,187. The proposed budget includes withdrawals from our endowment of \$75,000 or 4.42%, which is within the range recommended in the endowment guidelines, and represents a 4.75% 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 endowment-related long-term liabilities at this time.