



**Investment Committee Meeting Agenda
Thursday, August 14, 2019 4:00 pm
10000 N. Central Expressway, Suite 400, Dallas, Texas 75231**

Call to order: Rick Barry

Minutes from the May 15, 2019 Investment Committee meetings (p. 1)

Investment Performance Review (separate packet) Geoff Hall

- Market recap and performance
- Active v Passive Manager Analysis
- EFD Portfolio Active Managers

Financial Statement Review – Kathy McCabe

- Asset Allocation (p.3)
- EFD Statements of Net Assets & Activities (p.4-5)
- EFD Actual vs Budget (p.6)
- EFD Client Activity Summaries (p.7-8)

Liquidity Guideline discussion (p.11)

EHFD Financial Statement Review – Kathy McCabe

- EHFD Statements of Net Assets & Activities (p.9)
- EFHD Grant Amount

Other Business

Informational:

Upcoming Investment Partner Meetings:

- St. Paul's, Waxahachie 8/18/19 (future potential)
- Parish Episcopal 10/18/19

Outstanding RFP's:

- St. James Episcopal School, Texarkana
- Holy Trinity by the Lake

Adjourn

**Episcopal Foundation of Dallas
Investment Committee Meeting Minutes
Wednesday, May 15, 2019 4:00 pm
10000 N. Central Expressway, Suite 400, Dallas, Texas 75231**

Committee Members

Present: Rick Barry, Eugenia King, Pat Carrigan, Scott Hancock, Ken Hanks, Andy Welch and Dan Wilson

Absent: Will Beecherl, Philip de Bruyn

Others Attending: Pam Jamieson, Executive Director, Kathy McCabe, Controller, and Geoff Hall, Senior Investment Consultant, Vanguard

Rick Barry opened the Investment and Finance Committee meeting at 4:00 pm with a prayer.

Regular Business:

Rick welcomed Geoff Hall to the meeting who then reviewed the performance from the 1st quarter and the asset allocation. He gave an updated portfolio balance as of May 14 which had declined to about \$36.9 million. Geoff proposed that we reduce our allocation to the actively managed Short-Term Investment-Grade Fund by half and increase our position in Total Bond Market Index Fund to lengthen the duration of the portfolio from 4.6 years to 5.2 years which is closer to the benchmark of 6.0. It was moved, seconded and unanimously approved to accept the proposal.

For the next meeting Geoff will discuss the role of active managers in our portfolio. The committee noted the higher expense ratios of active managers and that, on balance, the managers we use had improved our portfolio's performance in the up years of 2016 and 2017 but diminished it in 2018, a down year. Geoff will look at whether there is any overall tendency for active managers generally or ours specifically to underperform their benchmarks in down markets, and he will discuss any changes recommended by Vanguard. He will also investigate and present information on potentially reducing the number of funds we use.

Minutes from the February 20, 2019 Investment Committee meeting were not reviewed as they were already approved at the March Board meeting.

Controller Kathy McCabe reviewed the current Financial Statement packet noting that we now have a money market account that hold funds for the 2019 grants. In the budget review she pointed out the sponsorships for the year. While these are included in the operating budget for internal reporting purposes, those dollars are included with grant monies in the audited financial statements. She also noted that the Diocese pulled about \$1 million out of their accounts in 2018 and are on track to do the same this year. Finally, Kathy informed the Committee that a check issued to one of our investment partners had been diverted and deposited in the bank account of an unrelated 3rd party. It is unclear yet if it is the result of a delivery error by the Post Office or if it is fraud. The bank is investigating and we fully expect to be reimbursed for the amount of the check.

The Episcopal Health Foundation (EHFD) grant calculation for 2019 will be \$312,025 and it was briefly noted that as a private foundation, the IRS requires us to distribute approximately 5% each year.

The (EHFD) Financial Statement review was led by Kathy. EHFD current assets were \$6,423,410 as of March 31, 2019.

Executive Director, Pam Jamieson reviewed the recent and upcoming investment partner visits and noted that St. Michaels and All Angels church had chosen another investment firm for their endowment.

With no further business, the meeting adjourned at 5:26 p.m.

Episcopal Foundation of Dallas

08.07.2019

| Asset Category | Investment Policy | 08.07.2019 Asset Allocation | |
|----------------------|-------------------|-----------------------------|--------------|
| | <i>Target</i> | % | Total |
| US Equity | 42% | 42% | 15,420,208 |
| International Equity | 28% | 28% | 10,092,904 |
| Fixed Income | 24% | 24% | 8,968,786 |
| Real Estate | 6% | 6% | 2,271,131 |
| TOTALS | 100% | 100% | \$36,753,028 |

Note: The Foundations Investment Policy allows for a +/-5 percentage point variance from desired target weighting.

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF NET ASSETS**

| | | As of 6/30/19 | As of 6/30/18 | As of 12/31/18 |
|-----------------------------------|-----|----------------------|----------------------|----------------------|
| Assets | | | | |
| Cash - Foundation operating | (1) | \$ 111,210 | \$ 543,217 | \$ 139,093 |
| Cash - Vanguard Money Market | (2) | \$ 187,085 | - | - |
| Administrative fees receivable | | 43,952 | 44,415 | 40,247 |
| Accounts receivable (EHFD) | | 2,660 | 110 | 11,276 |
| Contribution receivable | | | - | 1,500 |
| Investments - Foundation | (3) | 5,812,305 | 5,663,253 | 5,316,480 |
| Investments - Agency | (3) | 31,965,299 | 32,302,246 | 29,270,459 |
| Furniture and equipment, net | | 1,020 | 1,837 | 1,429 |
| Oil and gas property | (4) | 3,500 | 3,500 | 3,500 |
| Deposits and prepaid expenses | | 2,796 | 2,879 | 3,475 |
| Total assets | | <u>\$ 38,129,827</u> | <u>\$ 38,561,457</u> | <u>\$ 34,787,459</u> |
| Liabilities and Net Assets | | | | |
| Liabilities | | | | |
| Payroll liabilities | | \$ 2,517 | \$ 2,223 | \$ 6,703 |
| Accounts payable | (5) | 17 | 11,000 | 35 |
| Grants payable | | 216,100 | 247,500 | 30,000 |
| Due to Agency Funds | | 31,965,299 | 32,536,246 | 29,270,459 |
| Total liabilities | | <u>32,183,933</u> | <u>32,796,969</u> | <u>29,307,197</u> |
| Net Assets | | | | |
| Without donor restrictions | | 5,944,144 | 5,762,738 | 5,478,512 |
| With donor restrictions | | 1,750 | 1,750 | 1,750 |
| Total net assets | | <u>5,945,894</u> | <u>5,764,488</u> | <u>5,480,262</u> |
| Total liabilities and net assets | | <u>\$ 38,129,827</u> | <u>\$ 38,561,457</u> | <u>\$ 34,787,459</u> |

Notes to Statement of Net Assets:

- (1) Operating cash at 6/30/2018 included an EDOD deposit of \$234k made on 6/29, too late to transfer to Vanguard. The amount is also included in "Due to Agency Funds".
- (2) The Vanguard money market account was established on 3/31/2019. Funds in the account represent the dollars needed to fund the 2019 grant program.
- (3) See Client Activity Summary for a roll forward of investments.
- (4) The Foundation accepted a contribution of property in 1989. Under the terms of the property assignment, the Foundation shares any receipts from the property 50%-50% with other charities. The property is conservatively valued at \$3,500. Half the value is reflected as "temporarily restricted" due to the terms of the property assignment.
- (5) Accounts payable and associated Professional expense on the Statement of Activities at 12/31/2018 represent marketing services provided by RBMM as well as photography services.

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF ACTIVITIES**

| | 6-Months Ended 6/30/19 | 6-Months Ended 6/30/18 | Year Ended 12/31/18 |
|---|------------------------------|------------------------------|---------------------------|
| Operating Revenues and Expenses | | | |
| Administrative fee income-gross | \$ 102,370 | \$ 106,551 | \$ 208,204 |
| Miscellaneous Income | 1,127 | - | 11,017 |
| Total operating revenue and support | <u>103,497</u> | <u>106,551</u> | <u>219,221</u> |
| Payroll and payroll taxes | (1) 69,031 | 66,339 | 147,198 |
| Professional fees | (2) 12,383 | 26,274 | 28,424 |
| Sponsorships | (3) 6,500 | 2,000 | 2,000 |
| Office Operation | (4) 14,338 | 15,141 | 28,793 |
| Total operating expenses | <u>102,252</u> | <u>109,754</u> | <u>206,415</u> |
| Increase in net assets from operations | <u>1,245</u> | <u>(3,203)</u> | <u>12,806</u> |
| Contributions income - Episcopal Fund | <u>107</u> | <u>-</u> | <u>110,495</u> |
| Net Investment Gains | | | |
| Interest & dividends | 51,856 | 48,380 | 245,382 |
| Realized gains | 38,245 | 58,577 | 68,684 |
| Unrealized gains (losses) | 625,006 | (77,174) | (692,704) |
| Less: Vanguard advisory fees | (3,034) | (3,139) | (6,281) |
| Less: Administrative fees on EFD funds | (15,082) | (16,011) | (31,926) |
| Total investment revenue | <u>696,991</u> | <u>10,633</u> | <u>(416,845)</u> |
| Grant Expense | | | |
| Foundation grants | 216,900 | 217,500 | 187,500 |
| Trustee fund grants | - | 4,000 | 4,000 |
| Advised fund grants | 15,811 | 20,253 | 33,506 |
| Total grant expense | <u>232,711</u> | <u>241,753</u> | <u>225,006</u> |
| Total Increase (Decrease) in net assets | 465,632 | (234,323) | (518,550) |
| Net assets at beginning of period | <u>5,480,262</u> | <u>5,998,812</u> | <u>5,998,812</u> |
| Net assets at end of period | <u>\$ 5,945,894</u> | <u>\$ 5,764,489</u> | <u>\$ 5,480,262</u> |

Notes to Statement of Activities:

(1)

Increase in payroll compared to 6/30/2018 is the result of

(2) See Note 4 on the Statement of Net Assets for explanation of increase.

(3) Sponsorships which started in 2018 represent charitable gifts to (1) support the fundraising efforts of nonprofit organizations that share similar funding priorities with the Foundation and the Diocese, and to (2) heighten awareness of the Foundation.

(4) See Actual vs Budget for additional detail.

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

| | Notes | 2019 | YTD at 06/30/2019 | | |
|---------------------------------------|-------|-------------------|-------------------|-------------------|------------------------------|
| | | Annual Budget | Actual | Budget | Variance over (under) Budget |
| Operating Revenue and Expenses | | | | | |
| Revenue | | | | | |
| Administrative fee income - gross | | \$ 203,500 | \$ 102,370 | \$ 101,750 | \$ 620 |
| Other Income | | 11,000 | 1,127 | - | 1,127 |
| Operating Revenue | | \$ 214,500 | \$ 103,497 | \$ 101,750 | \$ 1,747 |
| Expenses | | | | | |
| Payroll | | | | | |
| Executive Director | | 75,000 | 37,500 | 37,500 | - |
| Grant Administrator | | 11,000 | 7,875 | 6,000 | 1,875 |
| Controller | | 37,500 | 18,750 | 18,750 | - |
| Employers Payroll Taxes | | 9,450 | 4,906 | 4,950 | (44) |
| Total Payroll Expenses | | \$ 132,950 | \$ 69,031 | \$ 67,200 | \$ 1,831 |
| Professional Fees | | | | | |
| Audit | | 20,500 | 11,940 | 12,000 | (60) |
| Tax return preparation | | 3,200 | - | - | - |
| Website & Computer Tech | | 3,000 | 443 | 1,500 | (1,057) |
| Legal Fees | (1) | 4,500 | - | 2,250 | (2,250) |
| Marketing | | 2,000 | - | - | - |
| Development | | 3,500 | - | - | - |
| Total Professional Fees | | \$ 36,700 | \$ 12,383 | \$ 15,750 | \$ (3,367) |
| Sponsorships | | \$ 8,000 | \$ 6,500 | \$ 8,000 | \$ (1,500) |
| Office Expense | | | | | |
| Rent | | 7,200 | 4,348 | 3,600 | 748 |
| Insurance-D&O/Liability | | 3,500 | 4,477 | 3,500 | 977 |
| Telephone/Fax/Internet | | 600 | 300 | 300 | - |
| Computer Expense | | 2,000 | 888 | 1,100 | (212) |
| Development | (2) | 3,750 | 230 | 1,900 | (1,670) |
| Depreciation | | 1,300 | 408 | 650 | (242) |
| Professional Development | | 1,500 | 1,230 | 1,050 | 180 |
| Office Supplies | | 1,500 | 784 | 750 | 34 |
| Marketing materials | (2) | 2,500 | - | 1,250 | (1,250) |
| Insurance-Worker's Comp | | 350 | 160 | 175 | (15) |
| Property Taxes | | 50 | - | - | - |
| Board Luncheon | | 800 | 1,036 | 800 | 236 |
| Meetings | | 2,000 | 351 | 1,000 | (649) |
| Convention | | 200 | - | - | - |
| Memorials & special gifts | | 500 | - | 250 | (250) |
| Miscellaneous | | 500 | 126 | 250 | (124) |
| Total Office Expense | | \$ 28,250 | \$ 14,338 | \$ 16,575 | \$ (2,237) |
| Operating Expense | | \$ 205,900 | \$ 102,252 | \$ 107,525 | \$ (5,273) |
| Operating Surplus (Deficit) | | \$ 8,600 | \$ 1,245 | \$ (5,775) | \$ 7,020 |

Notes

- (1) Positive variance in Legal Fees is partially the result of receiving pro-bono legal services for the review of the investment management agreement and the donor advised fund agreement.
- (2) Positive variance in Marketing and Development is the result of a timing difference. Those areas are in the final stages of developing a handout for endowments and the board member talking points piece that will be produced in the second half of the year.

Episcopal Foundation Client Activity Summary - Second Quarter 2019

| | Market Value 3/31/2019 | Deposits | Withdrawals | Interest & Dividends | Adm Fees | Money Mgr Fees | Realized Gains/ (Losses) | Unrealized Gains/ (Losses) | Market Value 6/30/2019 |
|---|---------------------------|-----------------|---------------------|-------------------------|--------------------|--------------------|-----------------------------|-------------------------------|---------------------------|
| <u>ASSET MANAGERS</u> | | | | | | | | | |
| Proceeds from Class Actions | - | | | - | - | - | 1,152.10 | - | - |
| Vanguard | 37,168,980.08 | | | 203,675.26 | (51,107.35) | (10,183.80) | 46,726.71 | 885,198.39 | 37,777,603.74 |
| TOTAL MANAGERS | 37,168,980.08 | 2,090.43 | (468,928.08) | 203,675.26 | (51,107.35) | (10,183.80) | 47,878.81 | 885,198.39 | 37,777,603.74 |
| <u>AGENCY ACCOUNTS</u> | | | | | | | | | |
| Frank Hughes Estate | 1,002,131.18 | - | (12,542.00) | 5,485.73 | (1,377.93) | (274.57) | 1,283.12 | 24,353.16 | 1,019,058.69 |
| Amistad Mission | 1,318,195.28 | - | - | 7,296.75 | (1,812.52) | (361.17) | 1,702.34 | 32,007.53 | 1,357,028.21 |
| Episcopal Health Foundation of Dallas | 6,105,668.57 | - | (4,000.00) | 33,777.74 | (8,395.29) | (1,672.87) | 7,881.43 | 148,260.12 | 6,281,519.70 |
| Alice L. Bomar Trust fund | 35,664.95 | - | (58.51) | 197.13 | (49.04) | (9.77) | 46.00 | 866.08 | 36,656.84 |
| Church of the Incarnation Pension Trust | 1,487,045.61 | - | - | 8,231.40 | (2,044.69) | (407.43) | 1,920.39 | 36,107.43 | 1,530,852.71 |
| Our Merciful Saviour Episcopal Church | 72,654.10 | - | - | 402.17 | (99.90) | (19.91) | 93.82 | 1,764.14 | 74,794.42 |
| Annie Harris Norton Fund | 4,264.62 | - | - | 23.60 | (5.86) | (1.17) | 5.51 | 103.54 | 4,390.24 |
| St. Albans Scholarship Fund | 11,703.24 | - | - | 64.78 | (16.09) | (3.21) | 15.11 | 284.17 | 12,048.00 |
| St. John's Episcopal School | 4,770,019.74 | - | - | 26,403.99 | (6,558.78) | (1,306.92) | 6,160.08 | 115,822.38 | 4,910,540.49 |
| St. Mark's Irving | 233,829.94 | - | (30,000.00) | 1,151.73 | (321.52) | (64.07) | 286.60 | 4,986.51 | 209,869.19 |
| | - | - | - | - | - | - | - | - | - |
| Parish Episcopal School Fund | 3,347,635.84 | - | - | 18,530.52 | (4,603.00) | (917.21) | 4,323.19 | 81,285.03 | 3,446,254.37 |
| Good Shepherd Episcopal Church | 56,974.16 | - | - | 315.38 | (78.34) | (15.61) | 73.58 | 1,383.41 | 58,652.58 |
| Petrash Scholarship Fund | 14,598.80 | - | - | 80.80 | (20.07) | (4.00) | 18.86 | 354.49 | 15,028.88 |
| The Santiago Foundation | 751,009.32 | - | (8,500.00) | 4,157.13 | (1,032.64) | (205.77) | 969.87 | 18,235.50 | 764,633.41 |
| St. Augustine's Episcopal Church | 121,440.30 | - | - | 672.23 | (166.98) | (33.27) | 156.82 | 2,948.74 | 125,017.84 |
| St. Matthew's Cathedral Revolving Fund | 63,187.80 | - | - | 349.77 | (86.88) | (17.31) | 81.60 | 1,534.28 | 65,049.26 |
| St. Matthew's Cathedral Endowment Fund | 1,206,117.86 | 2,083.34 | (13,500.00) | 6,625.25 | (1,658.41) | (330.46) | 1,549.05 | 29,256.94 | 1,230,143.57 |
| Holy Nativity | 272,853.52 | - | (37,500.00) | 1,326.57 | (375.17) | (74.76) | 319.31 | 6,685.32 | 243,234.79 |
| ECR - Building Fund | 225,596.78 | - | (13,000.00) | 1,248.77 | (310.20) | (61.81) | 291.33 | 5,477.78 | 219,242.65 |
| <u>DIOCESAN ACCOUNTS</u> | | | | | | | | | |
| E.D. Farmer Foundation | 851,051.97 | - | - | 4,710.91 | (1,170.20) | (233.18) | 1,099.06 | 20,664.66 | 876,123.22 |
| Endowment of the Episcopate | 2,224,062.04 | - | - | 12,311.09 | (3,058.09) | (609.36) | 2,872.19 | 54,003.17 | 2,289,581.04 |
| St. Paul Memorial Fund | 790,504.79 | - | (150,000.00) | 3,684.86 | (1,086.94) | (216.59) | 999.37 | 12,042.30 | 655,927.79 |
| Corporation of the Diocese | 3,046,308.66 | - | (125,000.00) | 16,286.81 | (4,188.67) | (834.65) | 3,916.13 | 68,008.24 | 3,004,496.52 |
| The Mausoleum Perpetual Care Fund | 118,651.14 | - | - | 656.78 | (163.15) | (32.51) | 153.22 | 2,881.01 | 122,146.49 |
| Memorial Scholarship Fund | 652,301.22 | - | - | 3,610.76 | (896.91) | (178.72) | 842.39 | 15,838.74 | 671,517.48 |
| Ministry with the Aging, Inc. / Bruton | 259,812.57 | - | - | 1,438.17 | (357.24) | (71.19) | 335.52 | 6,308.59 | 267,466.42 |
| Elizabeth Austin Miller Fund | 178,450.55 | - | - | 987.80 | (245.37) | (48.89) | 230.46 | 4,333.02 | 183,707.57 |
| Junker Fund | 125,706.84 | - | - | 695.84 | (172.85) | (34.44) | 162.34 | 3,052.33 | 129,410.06 |
| Price Fund | 111,178.20 | - | - | 615.42 | (152.87) | (30.46) | 143.58 | 2,699.56 | 114,453.43 |
| William B. Clayton Fund | 200,177.75 | - | - | 1,108.07 | (275.24) | (54.85) | 258.51 | 4,860.59 | 206,074.83 |
| Hiram and LaVerne McCurry Fund | 354,213.56 | - | - | 1,960.72 | (487.04) | (97.05) | 457.43 | 8,600.77 | 364,648.39 |
| Bishop Moore Endowment | 40,535.78 | - | - | 224.38 | (55.74) | (11.11) | 52.35 | 984.26 | 41,729.92 |
| Estate of Estelle Smith | 634,061.71 | - | (30,000.00) | 3,371.62 | (871.83) | (173.72) | 814.54 | 13,965.41 | 621,167.73 |
| Lawrence Blake Scholarship Trust | 783,696.89 | - | (39,016.57) | 4,158.36 | (1,077.58) | (214.72) | 1,006.48 | 17,168.84 | 765,721.70 |
| The Gathering | 45,762.24 | - | - | 253.31 | (62.92) | (12.54) | 59.11 | 1,111.17 | 47,110.37 |
| <u>EPISCOPAL FOUNDATION ACCOUNTS</u> | | | | | | | | | |
| The Episcopal Fund | 4,411,406.91 | 7.09 | - | 24,418.98 | (6,065.71) | (1,208.64) | 5,696.96 | 107,115.13 | 4,541,370.72 |
| The Julie and Louis Beecherl Trustee's Fund | 572,989.44 | - | - | 3,171.73 | (787.86) | (156.99) | 739.96 | 13,912.94 | 589,869.22 |
| Beecherl Advised Fund | 260,909.74 | - | - | 1,444.24 | (358.75) | (71.49) | 336.95 | 6,335.24 | 268,595.93 |
| J. C. Brown Memorial Scholarship Advised Fu | 322,118.50 | - | (5,811.00) | 1,756.29 | (442.91) | (88.26) | 415.15 | 7,544.39 | 325,492.16 |
| Bishop Stanton Advised Fund | 84,487.97 | - | - | 467.68 | (116.17) | (23.15) | 109.10 | 2,051.48 | 86,976.91 |
| AGENCY ACCOUNTS | 31,517,067.52 | 2,083.34 | (463,117.08) | 172,416.34 | (43,335.95) | (8,635.27) | 40,580.69 | 748,239.21 | 31,965,298.80 |
| EPISCOPAL FOUNDATION ACCOUNTS | 5,651,912.56 | 7.09 | (5,811.00) | 31,258.92 | (7,771.40) | (1,548.53) | 7,298.12 | 136,959.18 | 5,812,304.94 |
| TOTAL | 37,168,980.08 | 2,090.43 | (468,928.08) | 203,675.26 | (51,107.35) | (10,183.80) | 47,878.81 | 885,198.39 | 37,777,603.74 |

Episcopal Foundation Client Activity Summary YTD through 06/30/2019

| | Market Value 12/31/2018 | Deposits | Withdrawals | Interest & Dividends | Adm Fees | Money Mgr Fees | Realized Gains/ (Losses) | Unrealized Gains/ (Losses) | Market Value 06/30/2019 |
|--------------------------------------|----------------------------|-------------------|-----------------------|-------------------------|--------------------|--------------------|-----------------------------|-------------------------------|----------------------------|
| ASSET MANAGERS | | | | | | | | | |
| Proceeds from Class Actions | | | | | | | 5,117.90 | - | - |
| Vanguard | 34,586,938.57 | 204,704.49 | 1,543,996.33 | 337,775.60 | (98,664.39) | (19,851.19) | 244,252.00 | 4,061,297.09 | 37,777,603.74 |
| TOTAL | 34,586,938.57 | 204,704.49 | 1,543,996.33 | 337,775.60 | (98,664.39) | (19,851.19) | 249,369.90 | 4,061,297.09 | 37,777,603.74 |
| AGENCY ACCOUNTS | | | | | | | | | |
| Frank Hughes Estate | 923,212.49 | - | (25,379.00) | 9,021.23 | (2,647.35) | (532.62) | 6,585.76 | 108,798.18 | 1,019,058.69 |
| Amistad Mission | 1,198,541.46 | - | - | 11,938.65 | (3,460.51) | (696.17) | 8,675.96 | 142,028.82 | 1,357,028.21 |
| Episcopal Health Foundation D | 5,835,130.84 | - | (316,000.00) | 56,376.99 | (16,418.59) | (3,303.85) | 41,832.66 | 683,901.65 | 6,281,519.70 |
| Alice L. Bomar Trust fund | 33,180.35 | - | (860.70) | 323.13 | (94.66) | (19.04) | 234.75 | 3,893.01 | 36,656.84 |
| Church of the Incarnation Pens | 1,279,965.51 | 85,000.00 | (8,164.06) | 13,428.54 | (3,804.64) | (765.19) | 9,780.80 | 155,411.75 | 1,530,852.71 |
| Our Merciful Saviour Episcopal | 66,059.22 | - | - | 658.01 | (190.73) | (38.37) | 478.18 | 7,828.11 | 74,794.42 |
| Annie Harris Norton Fund | 3,877.51 | - | - | 38.62 | (11.19) | (2.25) | 28.07 | 459.48 | 4,390.24 |
| St. Albans Scholarship Fund | 10,640.92 | - | - | 105.99 | (30.72) | (6.18) | 77.03 | 1,260.96 | 12,048.00 |
| St. John's Episcopal School | 4,337,040.62 | - | - | 43,201.19 | (12,522.21) | (2,519.17) | 31,394.80 | 513,945.26 | 4,910,540.49 |
| St. Mark's Irving | 165,687.10 | 50,000.00 | (30,000.00) | 1,949.53 | (549.34) | (110.38) | 1,519.41 | 21,372.87 | 209,869.19 |
| Sample Client | - | - | - | - | - | - | - | - | - |
| Parish Episcopal School Fund | 3,043,767.82 | - | - | 30,318.92 | (8,788.18) | (1,767.97) | 22,033.10 | 360,690.68 | 3,446,254.37 |
| Good Shepherd Episcopal Chur | 51,802.57 | - | - | 516.01 | (149.57) | (30.09) | 374.99 | 6,138.67 | 58,652.58 |
| Petrash Scholarship Fund | 13,273.65 | - | - | 132.21 | (38.32) | (7.71) | 96.09 | 1,572.96 | 15,028.88 |
| The Santiago Foundation | 682,839.50 | - | (8,500.00) | 6,801.75 | (1,971.54) | (396.63) | 4,942.92 | 80,917.41 | 764,633.41 |
| St. Augustine's Episcopal Chur | 110,417.05 | - | - | 1,099.87 | (318.80) | (64.13) | 799.27 | 13,084.58 | 125,017.84 |
| St. Matthew's Cathedral Revolvi | 138,920.78 | - | (88,000.00) | 731.70 | (277.90) | (56.14) | 621.12 | 13,109.70 | 65,049.26 |
| St. Matthew's Cathedral Endowm | 1,290,077.90 | 68,058.34 | (291,750.00) | 11,571.91 | (3,432.27) | (691.05) | 8,968.05 | 147,340.69 | 1,230,143.57 |
| Holy Nativity | 248,086.35 | - | (37,500.00) | 2,287.40 | (716.29) | (144.10) | 1,762.78 | 29,458.65 | 243,234.79 |
| ECR - Building Fund | 205,119.14 | - | (13,000.00) | 2,043.19 | (592.24) | (119.14) | 1,484.81 | 24,306.89 | 219,242.65 |
| DIOCESAN ACCOUNTS | | | | | | | | | |
| E.D. Farmer Foundation | 773,801.19 | - | - | 7,707.82 | (2,234.18) | (449.47) | 5,601.36 | 91,696.50 | 876,123.22 |
| Endowment of the Episcopate | 2,022,181.87 | - | - | 20,142.93 | (5,838.59) | (1,174.58) | 14,638.08 | 239,631.33 | 2,289,581.04 |
| St. Paul Memorial Fund | 718,749.94 | - | (150,000.00) | 6,468.55 | (2,075.22) | (417.49) | 5,181.36 | 78,020.65 | 655,927.79 |
| Corporation of the Diocese | 2,928,907.50 | - | (300,000.00) | 27,630.35 | (8,215.92) | (1,653.31) | 20,957.74 | 336,870.16 | 3,004,496.52 |
| The Mausoleum Perpetual Care | 107,881.05 | - | - | 1,074.61 | (311.49) | (62.66) | 780.92 | 12,784.06 | 122,146.49 |
| Memorial Scholarship Fund | 593,091.24 | - | - | 5,907.77 | (1,712.41) | (344.49) | 4,293.24 | 70,282.13 | 671,517.48 |
| Ministry with the Aging, Inc. / B | 236,229.14 | - | - | 2,353.08 | (682.06) | (137.22) | 1,710.00 | 27,993.48 | 267,466.42 |
| Elizabeth Austin Miller Fund | 162,252.41 | - | - | 1,616.20 | (468.47) | (94.24) | 1,174.52 | 19,227.15 | 183,707.57 |
| Junker Fund | 114,296.32 | - | - | 1,138.51 | (330.01) | (66.39) | 827.36 | 13,544.27 | 129,410.06 |
| Price Fund | 103,826.72 | - | (2,985.00) | 1,009.79 | (295.63) | (59.48) | 732.05 | 12,224.98 | 114,453.43 |
| William B. Clayton Fund | 182,007.44 | - | - | 1,812.97 | (525.50) | (105.72) | 1,317.50 | 21,568.14 | 206,074.83 |
| Hiram and LaVerne McCurry Fu | 322,061.27 | - | - | 3,208.05 | (929.87) | (187.07) | 2,331.32 | 38,164.69 | 364,648.39 |
| Bishop Moore Endowment | 36,856.31 | - | - | 367.13 | (106.42) | (21.41) | 266.79 | 4,367.52 | 41,729.92 |
| Estate of Estelle Smith | 576,507.34 | - | (30,000.00) | 5,604.42 | (1,664.53) | (334.86) | 4,168.90 | 66,886.46 | 621,167.73 |
| Lawrence Blake Scholarship Tr | 712,560.00 | - | (39,016.57) | 6,918.08 | (2,057.35) | (413.89) | 5,152.45 | 82,578.98 | 765,721.70 |
| The Gathering | 41,608.36 | - | - | 414.46 | (120.13) | (24.17) | 301.21 | 4,930.64 | 47,110.37 |
| EPISCOPAL FOUNDATION ACCOUNTS | | | | | | | | | |
| The Episcopal Fund | 4,179,483.58 | 1,646.15 | (187,000.00) | 40,612.56 | (11,812.49) | (2,376.87) | 30,027.88 | 490,789.91 | 4,541,370.72 |
| The Julie and Louis Beecherl Tr | 520,978.67 | - | - | 5,189.46 | (1,504.21) | (302.61) | 3,771.22 | 61,736.69 | 589,869.22 |
| Beecherl Advised Fund | 246,319.03 | - | (10,000.00) | 2,398.22 | (697.44) | (140.34) | 1,770.13 | 28,946.33 | 268,595.93 |
| J. C. Brown Memorial Scholars | 292,879.50 | - | (5,811.00) | 2,890.60 | (845.62) | (170.12) | 2,119.25 | 34,429.55 | 325,492.16 |
| Bishop Stanton Advised Fund | 76,818.91 | - | - | 765.20 | (221.80) | (44.62) | 556.07 | 9,103.15 | 86,976.91 |
| AGENCY ACCOUNTS | 29,270,458.88 | 203,058.34 | (1,341,155.33) | 285,919.56 | (83,582.83) | (16,816.63) | 211,125.35 | 3,436,291.46 | 31,965,298.80 |
| PAL FOUNDATION ACCOUNTS | 5,316,479.69 | 1,646.15 | (202,811.00) | 51,856.04 | (15,081.56) | (3,034.56) | 38,244.55 | 625,005.63 | 5,812,304.94 |
| TOTAL | 34,586,938.57 | 204,704.49 | (1,543,966.33) | 337,775.60 | (98,664.39) | (19,851.19) | 249,369.90 | 4,061,297.09 | 37,777,603.74 |

Episcopal Health Foundation of Dallas
Statement of Net Assets

| | As of 6/30/2019 | As of 6/30/2018 | As of 12/31/2018 |
|------------------------------------|----------------------------|----------------------------|----------------------------|
| Assets | | | |
| Cash - checking account | \$ 5,284 | \$ 4,284 | \$ 20,817 |
| Vanguard - money market (1) | 314,473 | - | - |
| Prepaid excise tax | 2,800 | 5,686 | 3,727 |
| Prepaid D&O insurance | 1,952 | 1,845 | 615 |
| Prepaid other | 95 | 160 | - |
| Investments at market value | 6,281,520 | 6,619,443 | 5,835,131 |
| Total assets | <u>\$ 6,606,124</u> | <u>\$ 6,631,418</u> | <u>\$ 5,860,290</u> |
| Liabilities and Net Assets | | | |
| Liabilities | | | |
| Accounts payable | \$ 2,600 | \$ 110 | \$ 11,277 |
| Estimated excise tax liability (2) | 1,987 | 5,937 | 6,562 |
| Total liabilities | <u>4,587</u> | <u>6,047</u> | <u>17,839</u> |
| Net Assets | | | |
| Total unrestricted net assets | <u>6,601,537</u> | <u>6,625,371</u> | <u>5,842,451</u> |
| Total liabilities and net assets | <u><u>\$ 6,606,124</u></u> | <u><u>\$ 6,631,418</u></u> | <u><u>\$ 5,860,290</u></u> |

Notes

- (1) The Vanguard money market account was established on 3/31/2019. Funds in the account represent the dollars needed to fund the 2019 grant program.
- (2) The Esitmated excise tax liability at 6/30/2018 was higher than the amount shown for the current year because the tax return had not been finalized as of 6/30/2018.

Episcopal Health Foundation of Dallas
Statement of Activities

| | 6-Months ended 6/30/2019 | 6-Months ended 6/30/2018 | Year Ended 12/31/2018 |
|--|--------------------------------|--------------------------------|-----------------------------|
| Investment income and expense | | | |
| Interest and dividends | \$ 58,850 | \$ 54,837 | \$ 273,476 |
| Realized gains on sales on securities | 41,833 | 66,396 | 78,273 |
| Unrealized gains on investments | 683,902 | (87,974) | (756,203) |
| Investment management fees | (19,722) | (21,671) | (43,271) |
| Net investment income | 764,863 | 11,588 | (447,725) |
| Grants and operating expenses | | | |
| Foundation grants | \$ - | \$ - | \$ 304,500 |
| Contract services | - | - | 10,973 |
| Excise tax expense | 1,572 | 1,991 | 6,170 |
| Accounting fees | 2,600 | - | 2,250 |
| Insurance - D&O | 1,266 | 1,287 | 2,517 |
| Computer & website | 300 | 380 | 474 |
| Meetings | - | - | 312 |
| Bank fees | 30 | 30 | 50 |
| Misc | 9 | 1 | 50 |
| Total grants and expenses | 5,777 | 3,689 | 327,296 |
| Increase (decrease) in net assets | 759,086 | 7,899 | (775,021) |
| Net assets at beginning of period | 5,842,451 | 6,617,472 | 6,617,472 |
| Net assets at end of period | \$ 6,601,537 | \$ 6,625,371 | \$ 5,842,451 |

Liquidity Guideline

The Episcopal Foundation of Dallas has a goal of maintaining operating cash less current liabilities at approximately 180 days operating expenses and maintaining cash in the money market account sufficient to fund grants for the next 12 months. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly.

For reference:

Average checking account balance in 2018: \$160,000

2019 Operating Budget \$205,900; 180 days approximates \$103,000

Money market balance at 6/30/2019: \$187,000

2019 Grant Budget: \$186,900