



**Investment Committee Meeting Agenda
Wednesday, November 13, 2019 4:00 pm
10000 N. Central Expressway, Suite 400, Dallas, Texas 75231**

Call to order: Rick Barry

Minutes from the August 14, 2019 Investment Committee meetings approved. (p.1)

Investment Performance Review (separate packet) Geoff Hall

- Market recap and performance
- Primecap and Windsor analysis

Financial Statement Review (p.2-8)

- Asset Allocation
- EFD Statements of Net Assets & Activities
- EFD 2019 Actual vs Budget
- EFD Client Activity Summaries
- EFD 2020 Budget Draft

Distribution from the Trustees Fund (p. 9)

EHFD Financial Statement Review (p.10-12)

- EHFD Statements of Net Assets & Activities
- EHFD 2020 Budget Draft

Other Business

Informational

Recent Investment Partner Meetings:

- Parish Episcopal 10/18/19
- St. John's Episcopal School 11/13/19

Outstanding RFP's:

- St. James Episcopal School, Texarkana – transferring funds (~\$550k) at the end of 2019
- St. Augustine's, Dallas - transferring funds (~\$265K)

Adjourn

**Episcopal Foundation of Dallas
Investment Committee Meeting
Minutes
Wednesday, August 14, 2019 4:00 pm
10000 N. Central Expressway, Suite 400, Dallas, Texas 75231**

Committee Members:

Present: Scott Hancock, Ken Hanks, Dan Wilson, Eugenia King, Philip de Bruyn, Rick Barry, Pat Carrigan,

Absent: Will Beecher, Andy Welch

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

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

Regular Business:

Minutes from the May 15, 2019 Investment Committee meeting were not reviewed as they were already approved at the June Board meeting.

Controller, Kathy McCabe reviewed the current EFD financial statement packet, noting that we have received interest income from the money market accounts and that we still have grants payable to Community Garden Kitchen in the amount of \$60,000.

The EHFD Financial Statement review was led by Kathy. EHFD current assets were \$6,601,537 as of June 30, 2019.

Kathy led a discussion on the liquidity guideline proposal which has dual goals of maintaining operating cash of approximately 180 days of expected operating expenses and money market funds sufficient to meet grant needs for the next 12 months. On a motion duly made, seconded and unanimously approved, the guideline will be presented to the board.

Geoff Hall joined the meeting by conference call and briefly reviewed the Vanguard packet. The Committee noted that the \$ 1.075 million reduction in Short-Term Investment Grade shares which occurred in May, in favor of Vanguard Total Bond Market Index Fund, improved the overall return for fixed income in the 2nd quarter. A lively discussion around the EFD portfolio and its volatility as compared to the S&P500 was had. Geoff will prepare an analysis and send in the next few weeks.

Executive Director, Pam Jamieson reviewed the upcoming investment partner visits which include St. Paul's Waxahachie on August 18, 2019 and Parish Episcopal on October 18, 2019.

With no further business, the meeting was adjourned at 4:55 p.m.

Episcopal Foundation of Dallas

11.05.2019

	Investment Policy	11.05.2019 Asset Allocation	
Asset Category	<i>Target</i>	%	Total
US Equity	42%	42%	16,296,130
International Equity	28%	29%	10,928,893
Fixed Income	24%	23%	8,941,937
Real Estate	6%	6%	2,226,887
TOTALS	100%	100%	\$38,393,846

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

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

	Notes	As of 9/30/19	As of 9/30/18	As of 12/31/18
Assets				
Cash - Foundation operating		\$ 107,228	\$ 139,856	\$ 139,093
Cash - Vanguard Money Market		107,642	-	-
Administrative fees receivables		43,388	45,491	40,247
Accounts receivable (EHFD)	(1)	10,755	10,700	11,276
Contribution receivable		-	-	1,500
Investments - Foundation	(2)	5,790,905	5,911,083	5,316,480
Investments - Agency	(2)	31,554,791	33,084,501	29,270,459
Furniture and equipment, net	(3)	2,949	1,633	1,429
Oil and gas property	(4)	3,500	3,500	3,500
Deposits and prepaid expenses		1,298	2,879	3,475
Total assets		\$ 37,622,456	\$ 39,199,643	\$ 34,787,459
Liabilities and Net Assets				
Liabilities				
Payroll liabilities		\$ 3,475	\$ 2,254	\$ 6,703
Accounts payable		-	11,000	35
Grants payable	(5)	68,000	62,000	30,000
Due to Agency Funds		31,554,791	33,084,501	29,270,459
Total liabilities		31,626,266	33,159,755	29,307,197
Net Assets				
Without donor restrictions		5,994,440	6,038,138	5,478,512
With donor restrictions	(4)	1,750	1,750	1,750
Total net assets		5,996,190	6,039,888	5,480,262
Total liabilities and net assets		\$ 37,622,456	\$ 39,199,643	\$ 34,787,459

Notes to Statement of Net Assets:

- (1) Accounts receivable of \$10,755 represents the amount due from EHFD for administrative services provided by and invoices paid by EFD on behalf of EHFD.
- (2) See Client Activity Summary for a roll forward of investments.
- (3) The increase in Furniture and equipment represents the purchase of a new laptop computer and associated productivity software for the Controller.
- (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) Grants payable at 9/30/2019 includes \$60,000 for Community Garden Kitchen (\$30k approved in 2016 and \$30k approved in 2018). It is likely the \$60,000 will be disbursed to CGK by year-end. Funds to cover the grant are currently in the investment portfolio (Episcopal Fund).

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF ACTIVITIES**

	Notes	9-Months Ended 9/30/19	9-Months Ended 9/30/18	Year Ended 12/31/18
Operating Revenues and Expenses				
Administrative fee income-gross		\$ 153,750	\$ 159,829	\$ 208,204
Interest - money market account		1,784	-	-
Misc Income (EHFD)		8,000	10,700	11,017
Total operating revenue/support		163,534	170,529	219,221
 Payroll and payroll taxes		102,784	102,388	147,198
Professional fees		25,529	29,274	28,424
Sponsorships		7,500	2,000	2,000
Office operation		22,779	25,500	28,793
Total operating expenses	(1)	158,592	159,162	206,415
 Increase in net assets from operations		4,942	11,367	12,806
 Contributions Income - Episcopal Fund		107	99,155	110,495
 Net Investment Gains				
Interest & dividends		73,295	71,586	245,382
Realized gains		60,146	69,620	68,684
Unrealized gains		637,842	60,580	(692,704)
Less: Vanguard advisory fees		(4,620)	(4,681)	(6,281)
Less: Admin fees on EFD funds		(23,073)	(23,798)	(31,926)
Total net investment revenue		743,590	173,307	(416,845)
 Grant Expense				
Foundation grants		216,900	217,500	187,500
Trustee fund grants		-	4,000	4,000
Advised fund grants		15,811	21,253	33,506
Total grant expense		232,711	242,753	225,006
 Total Increase (decrease) in net assets		515,928	41,076	(518,550)
 Net assets at beginning of period		5,480,262	5,998,812	5,998,812
 Net assets at end of period		\$ 5,996,190	\$ 6,039,888	\$ 5,480,262

Notes to Statement of Activities:

(1) See Actual vs. Budget Report for additional detail.

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

	Notes	2019	YTD at 09/30/2019		
		Annual Budget	Actual	Budget	Variance over (under) Budget
Operating Revenue and Expenses					
Revenue					
Administrative fee income - gross		\$ 203,500	\$ 153,750	\$ 152,625	\$ 1,125
Other Income		11,000	9,890	10,500	(610)
Operating Revenue		\$ 214,500	\$ 163,640	\$ 163,125	\$ 515
Expenses					
Payroll					
Executive Director		75,000	56,250	56,250	-
Grant Administrator		11,000	12,100	11,000	1,100
Controller		37,500	27,181	28,125	(944)
Employers payroll taxes		9,450	7,253	7,450	(197)
Total Payroll Expenses		\$ 132,950	\$ 102,784	\$ 102,825	\$ (41)
Professional Fees					
Audit		20,500	20,156	20,500	(344)
Tax return preparation		3,200	3,432	3,200	232
Website & Computer Tech		3,000	1,941	2,250	(309)
Legal fees contingency		4,500	-	3,375	(3,375)
Marketing	(1)	2,000	-	1,500	(1,500)
Development	(1)	3,500	-	2,625	(2,625)
Total Professional Fees		\$ 36,700	\$ 25,529	\$ 33,450	\$ (7,921)
Sponsorships		\$ 8,000	\$ 7,500	\$ 8,000	\$ (500)
Office Expense					
Rent		7,200	6,285	5,400	885
Insurance-D&O/Liability	(2)	3,500	8,447	3,500	4,947
Telephone/Fax/Internet		600	450	450	-
Computer expense		2,000	1,388	1,700	(312)
Development	(1)	3,750	230	2,850	(2,620)
Depreciation		1,300	603	975	(372)
Professional development		1,500	1,230	1,275	(45)
Office supplies		1,500	1,248	1,125	123
Marketing materials	(1)	2,500	27	1,875	(1,848)
Insurance-Worker's Comp		350	274	350	(76)
Property taxes		50	-	-	-
Board luncheon		800	1,036	800	236
Meetings		2,000	537	1,500	(963)
Convention		200	50	200	(150)
Memorials & special gifts		500	608	375	233
Miscellaneous		500	366	375	(9)
Total Office Expense		\$ 28,250	\$ 22,779	\$ 22,750	\$ 29
Operating Expense		\$ 205,900	\$ 158,592	\$ 167,025	\$ (8,433)
Operating Surplus (Deficit)		\$ 8,600	\$ 5,048	\$ (3,900)	\$ 8,948

Notes

- (1) Positive variance in Marketing and Development is the result of timing differences. It is anticipated that marketing and development dollars will be utilized by year-end to produce planned giving materials which will serve as a resource to Diocesan entities.
- (2) Insurance expense is over budget as a result of an increase in cost for D&O coverage and also adding a Professional Liability Policy that provides errors and omissions coverage. EFD's current insurance package is as follows:

Professional Liability	\$ 3,970
Directors & Officers Liability	2,419
Business Owners Coverage	816
Crime Coverage	1,242
\$	8,447

Episcopal Foundation Client Activity Summary YTD through 09/30/2019

	Market Value 12/31/2018	Deposits	Withdrawals	Net Deposits/ Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 09.30/2019
<u>ASSET MANAGERS</u>										
Proceeds from Class Actions				(5,117.90)				5,117.90	-	-
Vanguard	34,586,938.57			(2,069,238.01)	477,348.39	(150,608.60)	(30,156.71)	386,726.65	4,144,685.45	37,345,695.74
TOTAL	34,586,938.57	206,787.83	(2,281,143.74)	(2,074,355.91)	477,348.39	(150,608.60)	(30,156.71)	391,844.55	4,144,685.45	37,345,695.74
<u>AGENCY ACCOUNTS</u>										
Frank Hughes Estate	923,212.49	-	(37,921.00)	(37,921.00)	12,776.01	(4,048.56)	(810.61)	10,423.59	111,057.52	1,014,689.44
Amistad Mission	1,198,541.46	-	-	-	16,992.65	(5,326.42)	(1,066.36)	13,816.60	145,050.20	1,368,008.13
Episcopal Health Foundation	5,835,130.84	-	(528,030.00)	(528,030.00)	79,771.37	(25,055.68)	(5,017.41)	65,628.04	697,887.21	6,120,314.37
Alice L. Bomar Trust fund	33,180.35	-	(979.31)	(979.31)	459.27	(145.06)	(29.04)	373.40	3,974.54	36,834.15
Church of the Incarnation Pen	1,279,965.51	85,000.00	(8,164.06)	76,835.94	19,129.92	(5,909.56)	(1,182.80)	15,579.91	158,820.14	1,543,239.06
Our Merciful Saviour Episcopa	66,059.22	-	-	-	936.57	(293.57)	(58.77)	761.51	7,994.64	75,399.60
Annie Harris Norton Fund	3,877.51	-	-	-	54.98	(17.23)	(3.45)	44.70	469.25	4,425.76
St. Albans Scholarship Fund	10,640.92	-	-	-	150.86	(47.29)	(9.47)	122.67	1,287.79	12,145.48
St. John's Episcopal School	4,337,040.62	-	-	-	61,489.61	(19,274.20)	(3,858.74)	49,996.70	524,878.38	4,950,272.37
St. Mark's Irving	165,687.10	50,000.00	(70,000.00)	(20,000.00)	2,608.68	(837.91)	(167.63)	2,243.28	21,645.28	171,178.80
Sample Client	-	-	-	-	-	-	-	-	-	-
Parish Episcopal School Fund	3,043,767.82	-	-	-	43,153.87	(13,526.78)	(2,708.09)	35,088.05	368,363.63	3,474,138.50
Good Shepherd Episcopal Chu	51,802.57	-	-	-	734.46	(230.22)	(46.09)	597.18	6,269.25	59,127.15
Petrash Scholarship Fund	13,273.65	-	(500.00)	(500.00)	186.56	(58.98)	(11.81)	152.12	1,606.04	14,647.58
The Santiago Foundation	682,839.50	-	(8,500.00)	(8,500.00)	9,649.49	(3,022.91)	(605.22)	7,839.47	82,619.84	770,820.17
St. Augustine's Episcopal Chu	110,417.05	-	-	-	1,565.48	(490.70)	(98.23)	1,272.86	13,362.92	126,029.38
St. Matthew's Cathedral Revolv	138,920.78	-	(152,528.80)	(152,528.80)	896.34	(367.34)	(73.89)	821.02	13,054.49	722.60
St. Matthew's Cathedral Endov	1,290,077.90	70,141.68	(308,708.00)	(238,566.32)	16,118.68	(5,123.72)	(1,026.63)	13,607.75	150,017.34	1,225,105.00
Holy Nativity	248,086.35	-	(75,000.00)	(75,000.00)	3,072.14	(1,050.74)	(210.45)	2,616.84	29,971.62	207,485.76
ECR - Building Fund	205,119.14	-	(13,000.00)	(13,000.00)	2,859.73	(893.70)	(178.95)	2,315.33	24,795.02	221,016.57
<u>DIOCESAN ACCOUNTS</u>										
E.D. Farmer Foundation	773,801.19	-	(60,000.00)	(60,000.00)	10,776.96	(3,438.85)	(688.47)	8,812.49	93,601.43	822,864.75
Endowment of the Episcopate	2,022,181.87	-	-	-	28,670.06	(8,986.76)	(1,799.16)	23,311.37	244,728.99	2,308,106.37
St. Paul Memorial Fund	718,749.94	-	(150,000.00)	(150,000.00)	8,911.43	(2,977.12)	(596.42)	7,666.11	79,481.05	661,234.99
Corporation of the Diocese	2,928,907.50	-	(525,000.00)	(525,000.00)	38,497.01	(12,347.10)	(2,472.92)	32,159.63	343,483.36	2,803,227.48
The Mausoleum Perpetual Car	107,881.05	-	-	-	1,529.52	(479.44)	(95.98)	1,243.63	13,056.01	123,134.79
Memorial Scholarship Fund	593,091.24	-	-	-	8,408.71	(2,635.75)	(527.68)	6,837.05	71,777.23	676,950.80
Ministry with the Aging, Inc. / B	236,229.14	-	-	-	3,349.21	(1,049.83)	(210.18)	2,723.21	28,588.98	269,630.53
Elizabeth Austin Miller Fund	162,252.41	-	-	-	2,300.38	(721.07)	(144.35)	1,870.43	19,636.16	185,193.96
Junker Fund	114,296.32	-	-	-	1,620.47	(507.95)	(101.69)	1,317.58	13,832.40	130,457.13
Price Fund	103,826.72	-	(2,985.00)	(2,985.00)	1,436.05	(453.00)	(90.70)	1,165.62	12,479.81	115,379.50
William B. Clayton Fund	182,007.44	-	-	-	2,580.46	(808.85)	(161.94)	2,098.14	22,026.96	207,742.21
Hiram and LaVerne McCurry F	322,061.27	-	-	-	4,566.12	(1,431.26)	(286.54)	3,712.67	38,976.56	367,598.82
Bishop Moore Endowment	36,856.31	-	-	-	522.54	(163.80)	(32.79)	424.87	4,460.43	42,067.56
Estate of Estelle Smith	576,507.34	-	(30,000.00)	(30,000.00)	7,917.84	(2,518.64)	(504.31)	6,521.98	68,269.46	626,193.67
Lawrence Blake Scholarship T	712,560.00	-	(39,016.57)	(39,016.57)	9,769.87	(3,110.22)	(622.77)	8,053.12	84,283.83	771,917.26
The Gathering	41,608.36	-	-	-	589.91	(184.91)	(37.02)	479.68	5,035.53	47,491.55
<u>EPISCOPAL FOUNDATION ACCOUNTS</u>										
The Episcopal Fund	4,179,483.58	1,646.15	(255,000.00)	(253,353.85)	57,318.35	(18,056.88)	(3,615.76)	47,114.79	500,796.76	4,509,686.99
The Julie and Louis Beecherl T	520,978.67	-	-	-	7,386.31	(2,315.28)	(463.52)	6,005.73	63,050.00	594,641.91
Beecherl Advised Fund	246,319.03	-	(10,000.00)	(10,000.00)	3,398.56	(1,066.76)	(213.61)	2,787.61	29,544.36	270,769.19
J. C. Brown Memorial Scholars	292,879.50	-	(5,811.00)	(5,811.00)	4,102.83	(1,293.17)	(258.91)	3,352.27	35,154.24	328,125.76
Bishop Stanton Advised Fund	76,818.91	-	-	-	1,089.13	(341.39)	(68.35)	885.55	9,296.80	87,680.65
AGENCY ACCOUNTS	29,270,458.88	205,141.68	(2,010,332.74)	(1,805,191.06)	404,053.21	(127,535.12)	(25,536.56)	331,698.60	3,506,843.29	31,554,791.24
AL FOUNDATION ACCOUNTS	5,316,479.69	1,646.15	(270,811.00)	(269,164.85)	73,295.18	(23,073.48)	(4,620.15)	60,145.95	637,842.16	5,790,904.50
TOTAL	34,586,938.57	206,787.83	(2,281,143.74)	(2,074,355.91)	477,348.39	(150,608.60)	(30,156.71)	391,844.55	4,144,685.45	37,345,695.74

Episcopal Foundation Client Activity Summary - Third Quarter 2019

	Market Value 6/30/2019	Deposits	Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 9/30/2019
<u>ASSET MANAGERS</u>									
Vanguard	37,777,603.74			139,572.79	(51,944.21)	(10,305.52)	142,474.65	83,388.36	37,345,695.74
TOTAL MANAGERS	37,777,603.74	2,083.34	(737,177.41)	139,572.79	(51,944.21)	(10,305.52)	142,474.65	83,388.36	37,345,695.74
<u>AGENCY ACCOUNTS</u>									
Frank Hughes Estate	1,019,058.69	-	(12,542.00)	3,754.78	(1,401.21)	(277.99)	3,837.83	2,259.34	1,014,689.44
Amistad Mission	1,357,028.21	-	-	5,054.00	(1,865.91)	(370.19)	5,140.64	3,021.38	1,368,008.13
Episcopal Health Foundation Dallas	6,281,519.70	-	(212,030.00)	23,394.38	(8,637.09)	(1,713.56)	23,795.38	13,985.56	6,120,314.37
Alice L. Bomar Trust fund	36,656.84	-	(118.61)	136.14	(50.40)	(10.00)	138.65	81.53	36,834.15
Church of the Incarnation Pension Trust	1,530,852.71	-	-	5,701.38	(2,104.92)	(417.61)	5,799.11	3,408.39	1,543,239.06
Our Merciful Saviour Episcopal Church	74,794.42	-	-	278.56	(102.84)	(20.40)	283.33	166.53	75,399.60
Annie Harris Norton Fund	4,390.24	-	-	16.36	(6.04)	(1.20)	16.63	9.77	4,425.76
St. Albans Scholarship Fund	12,048.00	-	-	44.87	(16.57)	(3.29)	45.64	26.83	12,145.48
St. John's Episcopal School	4,910,540.49	-	-	18,288.42	(6,751.99)	(1,339.57)	18,601.90	10,933.12	4,950,272.37
St. Mark's Irving	209,869.19	-	(40,000.00)	659.15	(288.57)	(57.25)	723.87	272.41	171,178.80
Parish Episcopal School Fund	3,446,254.37	-	-	12,834.95	(4,738.60)	(940.12)	13,054.95	7,672.95	3,474,138.50
Good Shepherd Episcopal Church	58,652.58	-	-	218.45	(80.65)	(16.00)	222.19	130.58	59,127.15
Petrash Scholarship Fund	15,028.88	-	(500.00)	54.35	(20.66)	(4.10)	56.03	33.08	14,647.58
The Santiago Foundation	764,633.41	-	-	2,847.74	(1,051.37)	(208.59)	2,896.55	1,702.43	770,820.17
St. Augustine's Episcopal Church	125,017.84	-	-	465.61	(171.90)	(34.10)	473.59	278.34	126,029.38
St. Matthew's Cathedral Revolving Fund	65,049.26	-	(64,528.80)	164.64	(89.44)	(17.75)	199.90	(55.21)	722.60
St. Matthew's Cathedral Endowment Fun	1,230,143.57	2,083.34	(16,958.00)	4,546.77	(1,691.45)	(335.58)	4,639.70	2,676.65	1,225,105.00
Holy Nativity	243,234.79	-	(37,500.00)	784.74	(334.45)	(66.35)	854.06	512.97	207,485.76
ECR - Building Fund	219,242.65	-	-	816.54	(301.46)	(59.81)	830.52	488.13	221,016.57
<u>DIOCESAN ACCOUNTS</u>									
E.D. Farmer Foundation	876,123.22	-	(60,000.00)	3,069.14	(1,204.67)	(239.00)	3,211.13	1,904.93	822,864.75
Endowment of the Episcopate	2,289,581.04	-	-	8,527.13	(3,148.17)	(624.58)	8,673.29	5,097.66	2,308,106.37
St. Paul Memorial Fund	655,927.79	-	-	2,442.88	(901.90)	(178.93)	2,484.75	1,460.40	661,234.99
Corporation of the Diocese	3,004,496.52	-	(225,000.00)	10,866.66	(4,131.18)	(819.61)	11,201.89	6,613.20	2,803,227.48
The Mausoleum Perpetual Care Fund	122,146.49	-	-	454.91	(167.95)	(33.32)	462.71	271.95	123,134.79
Memorial Scholarship Fund	671,517.48	-	-	2,500.94	(923.34)	(183.19)	2,543.81	1,495.10	676,950.80
Ministry with the Aging, Inc. / Bruton	267,466.42	-	-	996.13	(367.77)	(72.96)	1,013.21	595.50	269,630.53
Elizabeth Austin Miller Fund	183,707.57	-	-	684.18	(252.60)	(50.11)	695.91	409.01	185,193.96
Junker Fund	129,410.06	-	-	481.96	(177.94)	(35.30)	490.22	288.13	130,457.13
Price Fund	114,453.43	-	-	426.26	(157.37)	(31.22)	433.57	254.83	115,379.50
William B. Clayton Fund	206,074.83	-	-	767.49	(283.35)	(56.22)	780.64	458.82	207,742.21
Hiram and LaVerne McCurry Fund	364,648.39	-	-	1,358.07	(501.39)	(99.47)	1,381.35	811.87	367,598.82
Bishop Moore Endowment	41,729.92	-	-	155.41	(57.38)	(11.38)	158.08	92.91	42,067.56
Estate of Estelle Smith	621,167.73	-	-	2,313.42	(854.11)	(169.45)	2,353.08	1,383.00	626,193.67
Lawrence Blake Scholarship Trust	765,721.70	-	-	2,851.79	(1,052.87)	(208.88)	2,900.67	1,704.85	771,917.26
The Gathering	47,110.37	-	-	175.45	(64.78)	(12.85)	178.47	104.89	47,491.55
<u>EPISCOPAL FOUNDATION ACCOUNTS</u>									
The Episcopal Fund	4,541,370.72	-	(68,000.00)	16,705.79	(6,244.39)	(1,238.89)	17,086.91	10,006.85	4,509,686.99
The Julie and Louis Beecherl Trustee's F	589,869.22	-	-	2,196.85	(811.07)	(160.91)	2,234.51	1,313.31	594,641.91
Beecherl Advised Fund	268,595.93	-	-	1,000.34	(369.32)	(73.27)	1,017.48	598.03	270,769.19
J. C. Brown Memorial Scholarship Fund	325,492.16	-	-	1,212.23	(447.55)	(88.79)	1,233.02	724.69	328,125.76
Bishop Stanton Advised Fund	86,976.91	-	-	323.93	(119.59)	(23.73)	329.48	193.65	87,680.65
AGENCY ACCOUNTS	31,965,298.80	2,083.34	(669,177.41)	118,133.65	(43,952.29)	(8,719.93)	120,573.25	70,551.83	31,554,791.24
EPISCOPAL FOUNDATION ACCOUNTS	5,812,304.94	-	(68,000.00)	21,439.14	(7,991.92)	(1,585.59)	21,901.40	12,836.53	5,790,904.50
TOTAL	37,777,603.74	2,083.34	(737,177.41)	139,572.79	(51,944.21)	(10,305.52)	142,474.65	83,388.36	37,345,695.74

**EPISCOPAL FOUNDATION OF DALLAS
2020 PROPOSED BUDGET**

	Budget 2019	Projection 2019	Proposed Budget 2020	Increase (Decrease)	Notes for 2020
Administrative Fee Income	\$203,500	\$203,500	\$203,000	\$ (500)	\$37m x .0055
Other income (EHFD reimbursement)	11,000	9,000	10,000	(1,000)	
TOTAL REVENUE	\$214,500	\$212,500	\$213,000	(1,500)	
Executive Director	75,000	75,000	75,000	-	ED at 30 hours
Grant Administrator	11,000	12,100	12,000	1,000	
Controller	37,500	35,000	35,000	(2,500)	Controller at 20 hours
Employers payroll tax	9,450	9,340	9,200	(250)	7.65%
TOTAL COMPENSATION EXPENSE	132,950	131,440	131,200	(1,750)	
Audit	20,500	20,156	21,500	1,000	
Tax return preparation	3,200	3,432	3,400	200	
Website & computer technology	3,000	2,200	2,500	(500)	
Legal fees	4,500	-	1,500	(3,000)	Oil & gas lease review
Marketing	2,000	2,000	1,500	(500)	
Development	3,500	3,500	1,500	(2,000)	
TOTAL PROFESSIONAL FEES	36,700	31,288	31,900	(4,800)	
Sponsorships	8,000	7,500	8,000	-	
Rent	7,200	7,600	8,500	1,300	\$646/month thru 3/31; then \$720
Insurance-D&O/Liability	3,500	8,447	8,500	5,000	
Telephone	600	600	600	-	\$50/month
Computer expense	2,000	1,600	2,000	-	Data sharing \$500; payroll service \$500; email hosting \$200; security \$100; web hosting \$300; \$50 misc; Quickbooks \$250
Development	3,750	3,750	500	(3,250)	
Depreciation	1,300	1,000	1,300	-	
Professional development	1,500	1,200	1,500	-	\$600 NFP conferences; \$450 PSW; \$450 other ed
Office supplies	1,500	1,500	2,000	500	Includes new color printer, stamps and misc office exp
Marketing materials	2,500	2,500	500	(2,000)	Marketing materials other than planned giving
Insurance-worker's comp	350	275	300	(50)	
Property taxes	50	50	100	50	
Board luncheon	800	1,000	1,000	200	25 attendees @ \$40/person inclusive
Meetings	2,000	1,000	1,200	(800)	Snacks, grant lunch, Conference rooms (10@\$100)
Convention	200	100	200	-	
Memorials & special gifts	500	608	500	-	
Miscellaneous	500	138	500	-	
Special Events	-	-	6,500	6,500	70th Anniversary Celebration/Educational Program
TOTAL OFFICE EXPENSE	28,250	31,368	35,700	7,450	
TOTAL OPERATING EXPENSE	205,900	201,596	206,800	900	
OPERATING SURPLUS (DEFICIT)	8,600	10,904	6,200	(2,400)	

EPISCOPAL FOUNDATION OF DALLAS
Calculation of Amounts Available for 2019 Grants
Based on Board Spending Policy

Fair Market Value of Unrestricted Funds

	Episcopal Fund	<i>Trustees Fund</i>	<i>Other Funds</i>		
			<i>Beecherl Advised Fund</i>	<i>JC Brown Scholarship Fund</i>	<i>Stanton Advised Fund</i>
December 31, 2014	4,041,937	358,756	236,534	290,888	88,962
December 31, 2015	3,944,841	364,744	228,600	283,980	83,752
December 31, 2016	4,032,695	392,663	244,969	290,839	89,749
December 31, 2017	4,583,242	567,848	277,135	330,482	89,967
December 31, 2018	4,179,484	520,979	246,319	292,880	76,819
Total FMV 5 Year Period	20,782,198	2,204,990	1,233,557	1,489,069	429,249

Average Fair Market Value of Unrestricted Funds for Past Five Years

FMV 5 Yr Total Divided by 5	4,156,440	440,998	246,711	297,814	85,850
At 4.5%:	187,040	19,845	11,102	13,402	4,292
Less: Net Loss*	N/A	N/A	N/A	N/A	N/A
Net Available for Grants	<u>187,040</u>	<u>19,845</u>	<u>11,102</u>	<u>13,402</u>	<u>4,292</u>
Effective Spending Rate	4.08%	5.05%	4.53%	4.61%	4.78%

Spending/Distribution Policy

Episcopal Foundation of Dallas determines the amount to be used in its annual granting process by using an approach known as "Total Return Spending," a commonly accepted method for institutions such as the Foundation to determine distributable amounts. The total return of a portfolio is the combination of interest, dividends and other current net earnings, plus capital appreciation or less capital depreciation for the period. The total return concept will not only distribute current income from investments but may, over time, also utilize a portion of capital appreciation as part of the distribution rate.

The objective of the calculation is to allow the Foundation to be as generous and as consistent as possible while conserving its assets. Rather than being driven by Foundation earnings in the previous year, the amount allowed for grants is determined by the average of the fair market value of the portfolio over the past five years, less operating expenses for the Foundation. This method has the advantage of smoothing out and minimizing market fluctuations from year to year.

The amount to be distributed each year is equal to an agreed-upon percentage (five percent) approved by the Board of Trustees. The spending percentage does not fluctuate each year.

Episcopal Health Foundation of Dallas
Statement of Net Assets

	As of 9/30/2019	As of 9/30/2018	As of 12/31/2018
Assets			
North Dallas Bank - checking account	\$ 101,317	\$ 311,087	\$ 20,817
Cash in Transit (1)	\$ 212,030	-	-
Vanguard - money market	215,456	-	-
Prepaid excise tax	4,000	3,132	3,727
Prepaid D&O insurance	1,301	1,230	615
Other	95	159	-
Investments at market value	6,120,314	6,499,584	5,835,131
Total assets	\$ 6,654,513	\$ 6,815,192	\$ 5,860,290
Liabilities and Net Assets			
Liabilities			
Grants payable	\$ 312,030	\$ 304,500	\$ -
Accounts payable	8,055	10,709	11,277
Estimated excise tax liability	2,724	2,983	6,562
Total liabilities	322,809	318,192	17,839
Net Assets			
Total unrestricted net assets	6,331,704	6,497,000	5,842,451
Total liabilities and net assets	\$ 6,654,513	\$ 6,815,192	\$ 5,860,290

Notes

- (1) Cash for funding grants was transferred from the investment portfolio at the end of the quarter but not deposited until 10/1.

Episcopal Health Foundation of Dallas
Statement of Activities

	9-Months Ended 9/30/2019	9-Months Ended 9/30/2018	Year Ended 12/31/2018
Investment income and expense			
Interest and dividends	\$ 83,227	\$ 81,961	\$ 273,476
Realized gains on sales on securities	65,628	79,305	78,273
Unrealized gains on investments	697,887	73,038	(756,203)
Investment management fees	(30,073)	(32,576)	(43,271)
Net investment income	816,669	201,728	(447,725)
Grants and operating expenses			
Foundation grants	\$ 312,030	\$ 304,500	\$ 304,500
Contract services	8,000	10,397	10,973
Excise tax expense	2,309	2,591	6,170
Accounting fees	2,600	2,000	2,250
Insurance - D&O	1,916	1,902	2,517
Computer & website	320	380	474
Meetings	121	320	312
Misc	120	110	100
Total grants and expenses	327,416	322,200	327,296
Increase (decrease) in net assets	489,253	(120,472)	(775,021)
Net assets at beginning of period	5,842,451	6,617,472	6,617,472
Net assets at end of period	\$ 6,331,704	\$ 6,497,000	\$ 5,842,451

**EPISCOPAL HEALTH FOUNDATION of DALLAS
2020 PROPOSED BUDGET**

		Budget 2019	PROJECTION 2019	Proposed Budget 2020	Increase (Decrease)	Notes
Administration Reimb to EFD	(1)	\$ 11,000	\$ 9,000	\$ 10,000	\$ (1,000)	
Tax Return Preparation		2,800	2,600	2,800	-	
Excise tax	(2)	3,800	6,000	6,000	2,200	
Insurance - D&O		2,500	2,500	2,500	-	\$5M in coverage
Memorials & Gifts		100	-	100	-	
Computer		400	350	400	-	Web hosting and web support
Office supplies & Postage		150	100	150	-	
Meetings		350	150	300	(50)	Includes cost of meeting room
Bank fees		250	35	-	(250)	
Misc.		100	-	100	-	
Total Operating Expense		\$ 21,450	\$ 20,735	\$ 22,350	\$ 900	

NOTES

- (1) Administration Reimbursement to EFD represents actual Episcopal Foundation Dallas staff hours and identifiable expenses attributed to work performed for the benefit of EHFD.
- (2) Vanguard mutual funds distribute capital gains in late December which in 2018 gave rise to an unexpectedly large increase in excise tax.