



**Investment Committee Meeting Agenda
Wednesday, February 19, 2020 4:00 pm
8140 Walnut Hill Lane, Suite 830, Dallas, Texas 75231**

Call to order: Rick Barry

Welcome Jill Hurt!

Minutes from the November 11, 2019 Investment Committee meetings approved.

Investment Performance Review (separate packet) Geoff Hall

- Market recap and performance
- International allocation review

Financial Statement Review – Jill Hurt

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

EHFD Financial Statement Review – Jill Hurt

- EHFD Statements of Net Assets & Activities

Other Business

- Gift Acceptance Policy
- Church of the Transfiguration Capital Campaign Funds

Informational

- Still waiting for St. James Episcopal School, Texarkana (~\$550k) and St. Augustine's (~\$200k) to deposit funds.

Adjourn

**Episcopal Foundation of Dallas
Investment Committee Meeting
Minutes
Wednesday, November 13, 2019, 4:00 pm
10000 N. Central Expressway, Suite 400, Dallas, Texas 75231
DRAFT**

Committee Members:

Present: Rick Barry (Committee Chairman), Scott Hancock, Ken Hanks, Eugenia King, Pat Carrigan, Will Beecherl, and Andy Welch via telephone

Absent: Dan Wilson, Philip de Bruyn

Others Attending: Pam Jamieson, Executive Director, Geoff Hall, Senior Investment Consultant, Vanguard

Rick Barry, Chairman opened the Investment and Finance Committee meeting at 4:02 pm with a prayer.

Regular Business:

Minutes from the August 14, 2019 Investment Committee meeting were not reviewed as they were already approved at the September Board meeting.

Vanguard Senior Investment Consultant Geoff Hall reviewed the performance packet and also provided October results. Market value of the portfolio on October 31, 2019 was \$38,009,373, an increase of \$664,678 from September 30, 2019. Geoff reviewed the active-management data in the packet relating to PrimeCap and Windsor but made no recommendation for revisions to the current allocation. The committee decided not to take any action now but will review the two funds again in February. Following his presentation, Geoff Hall left the meeting.

Investment Committee Chair Rick Barry noted that at the last two Investment Partner visits, members of each board expressed concern about EFD's position in non-US equities. A lively discussion by the committee and Vanguard's overarching philosophy to diversify as broadly as possible and keep costs low led the committee to decide to ask for more information from Vanguard about our allocation to international equities. Rick will contact Geoff with that request.

Rick reviewed the current EFD financial statement packet. EFD current assets were \$5,996,190 as of September 30, 2019. Controller Kathy McCabe explained potential questions in the notes section. The financial statements were accepted as presented.

The committee reviewed the draft 2020 EFD Budget and with a motion duly made, seconded and unanimously carried recommended it for approval by the Board.

The committee reviewed the Spending/Distribution Policy and the current effective spending rate of each fund. By a motion duly made, seconded and unanimously approved it was agreed that we would not grant money from Trustees Fund for 2020.

The EHFD Financial Statement review was led by Rick. EHFD current assets were \$6,654,513 as of September 30, 2019. The Financial statements were accepted as presented.

The committee reviewed the draft 2020 EHFD Budget and with a motion duly made, seconded and unanimously carried recommended it for approval by the Board.

In other business, Executive Director Pam Jamieson noted that Kathy will be moving money into the money market accounts to comply with our liquidity guidelines. No concerns were noted.

Pam also let the committee know that St. James Episcopal School, Texarkana and St. Augustine's will be depositing funds (approximately \$550,000 and \$265,000 respectively) with EFD in December.

With no further business, the meeting adjourned at 5:12 p.m.

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

	Notes	As of 12/31/2019	As of 12/31/18
Assets			
Cash - Foundation operating		\$ 116,956	\$ 139,093
Cash - Vanguard Money Market	(1)	188,106	-
Administrative fees receivables		45,722	40,247
Accounts receivable (EHFD)	(2)	9,417	11,276
Contribution receivable		1,600	1,500
Investments - Foundation	(3)	6,049,859	5,316,480
Investments - Agency	(3)	33,252,403	29,270,459
Furniture and equipment, net	(4)	2,500	1,429
Oil and gas property	(5)	3,500	3,500
Deposits and prepaid expenses		4,387	3,475
Total assets		<u>\$ 39,674,450</u>	<u>\$ 34,787,459</u>
Liabilities and Net Assets			
Liabilities			
Payroll liabilities		\$ 6,415	\$ 6,703
Accounts payable		10,000	35
Grants payable	(6)	-	30,000
Due to Agency Funds		33,252,403	29,270,459
Total liabilities		<u>33,268,818</u>	<u>29,307,197</u>
Net Assets			
Without donor restrictions		6,403,882	5,478,512
With donor restrictions	(5)	1,750	1,750
Total net assets		<u>6,405,632</u>	<u>5,480,262</u>
Total liabilities and net assets		<u>\$ 39,674,450</u>	<u>\$ 34,787,459</u>

Notes to Statement of Net Assets:

- (1) The Vanguard money market account was opened on 3/31/2019. Funds in the account represent the dollars needed to fund the 2020 grant program.
- (2) Accounts receivable of \$9,417 represents the amount due from EHFD for administrative services provided by EFD. Time spent developing the EHFD website and evaluating insurance coverage in 2018 caused higher expense that year.
- (3) See Client Activity Summary for a roll forward of investments.
- (4) The increase in Furniture and equipment represents the purchase of a new laptop computer and associated productivity software for the Controller.
- (5) 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.
- (6) Grants payable at 12/31/2018 represented \$30,000 approved for Community Garden Kitchen in 2016. That commitment along with a \$30,000 grant approved in a subsequent year was paid to Community Garden Kitchen in December 2019.

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF ACTIVITIES**

	Notes	Year Ended 12/31/19	Year Ended 12/31/18
Operating Revenues and Expenses			
Administrative fee income-gross		\$ 207,434	\$ 208,204
Interest - money market account	(1)	2,248	-
Misc Income (EHFD)		9,374	11,017
Total operating revenue/support		<u>219,056</u>	<u>219,221</u>
Payroll and payroll taxes		143,861	147,198
Professional fees		35,915	28,424
Sponsorships	(2)	7,500	2,000
Office operation		25,950	28,793
Total operating expenses	(3)	<u>213,226</u>	<u>206,415</u>
Increase in net assets from operations		<u>5,830</u>	<u>12,806</u>
Contributions Income - Episcopal Fund		<u>9,357</u>	<u>110,495</u>
Net Investment Gains			
Interest & dividends		229,319	245,382
Realized gains		82,891	68,684
Unrealized gains		870,736	(692,704)
Less: Vanguard advisory fees		(6,205)	(6,281)
Less: Admin fees on EFD funds		(31,036)	(31,926)
Total net investment revenue		<u>1,145,705</u>	<u>(416,845)</u>
Grant Expense			
Foundation grants		213,900	187,500
Trustee fund grants		-	4,000
Advised fund grants		21,622	33,506
Total grant expense		<u>235,522</u>	<u>225,006</u>
Total Increase (decrease) in net assets		925,370	(518,550)
Net assets at beginning of period		<u>5,480,262</u>	<u>5,998,812</u>
Net assets at end of period		<u>\$ 6,405,632</u>	<u>\$ 5,480,262</u>

Notes to Statement of Activities:

(1) See Note 1 on Statement of Net Assets

(2) Sponsorships 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. The sponsorship program launched in 2018 and expanded in 2019. The budget for 2020 is \$8,000

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

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

	Notes	YTD at 12/31/2019		
		Actual	Budget	Variance over (under) Budget
Operating Revenue and Expenses				
Revenue				
Administrative fee income - gross		\$ 207,434	\$ 203,500	\$ 3,934
Other Income		11,622	11,000	622
Operating Revenue		\$ 219,056	\$ 214,500	\$ 4,556
Expenses				
Payroll				
Executive Director		75,000	75,000	-
Grant Administrator		12,100	11,000	1,100
Controller	(1)	33,006	37,500	(4,494)
Bonuses	(1)	13,534	0	13,534
Employers payroll taxes		10,221	9,450	771
Total Payroll Expenses		\$ 143,861	\$ 132,950	\$ 10,911
Professional Fees				
Audit		20,156	20,500	(344)
Tax return preparation		3,432	3,200	232
Website & Computer Tech		2,327	3,000	(673)
Legal fees contingency		-	4,500	(4,500)
Marketing	(2)	10,000	2,000	8,000
Development	(2)	-	3,500	(3,500)
Total Professional Fees		\$ 35,915	\$ 36,700	\$ (785)
Sponsorships		\$ 7,500	\$ 8,000	\$ (500)
Office Expense				
Rent		7,577	7,200	377
Insurance-D&O/Liability	(3)	8,447	3,500	4,947
Telephone/Fax/Internet		600	600	-
Computer expense		1,420	2,000	(580)
Development	(2)	230	3,750	(3,520)
Depreciation		1,052	1,300	(248)
Professional development		1,230	1,500	(270)
Office supplies		1,518	1,500	18
Marketing materials	(2)	508	2,500	(1,992)
Insurance-Worker's Comp		274	350	(76)
Property taxes		48	50	(2)
Board luncheon		1,036	800	236
Meetings	(4)	806	2,000	(1,194)
Convention		50	200	(150)
Memorials & special gifts		608	500	108
Miscellaneous		546	500	46
Total Office Expense		\$ 25,950	\$ 28,250	\$ (2,300)
Operating Expense		\$ 213,226	\$ 205,900	\$ 7,326
Operating Surplus (Deficit)		\$ 5,830	\$ 8,600	\$ (2,770)

Notes

- (1) Variances in payroll resulted from the Controller working reduced hours during the search for a replacement and from bonuses awarded by the Board at the December meeting.
- (2) Dollars budgeted in various Marketing and Development categories were utilized to develop planned giving materials which will serve as a resource to Diocesan entities.
- (3) Insurance expense is over budget as a result of an increase in cost for D&O coverage and from adding a Professional Liability Policy that provides Errors and Omissions coverage. EFD's current insurance package is as follows:
 - Professional Liability
 - Directors & Officers Liability
 - Business Owners Coverage
 - Crime Coverage
- (4) EFD pays an hourly rate for conference room usage at the office. The variance in meetings expense was the result of hosting some committee meetings offsite and reducing length of meetings held at the office.

Episcopal Foundation Client Activity Summary - Fourth Quarter 2019

	Market Value 9/30/2019	Deposits	Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 12/31/2019
<u>ASSET MANAGERS</u>									
Vanguard - Old Platform	-			-	-	-	-	-	-
Proceeds from Class Actions				-	-		422.01		
Vanguard	37,345,695.74	7,650.00	(643,286.35)	1,006,613.91	(51,350.33)	(10,219.14)	146,131.93	1,500,604.39	39,302,262.16
TOTAL MANAGERS	37,345,695.74			1,006,613.91	(51,350.33)	(10,219.14)	146,553.94	1,500,604.39	39,302,262.16
<u>AGENCY ACCOUNTS</u>									
Frank Hughes Estate	1,014,689.44	-	(37,542.00)	26,663.48	(1,395.20)	(277.66)	3,879.08	40,122.86	1,046,140.00
Amistad Mission	1,368,008.13	-	-	37,275.72	(1,881.01)	(374.34)	5,395.00	55,042.59	1,463,466.09
Episcopal Health Foundation of Dallas	6,120,314.37	-	(108,200.00)	166,459.26	(8,415.43)	(1,674.74)	24,122.17	246,251.31	6,438,856.94
Alice L. Bomar Trust fund	36,834.15	-	(62.13)	1,002.04	(50.65)	(10.08)	145.06	1,480.88	39,339.27
Church of the Incarnation Pension Trust	1,543,239.06	-	(13,444.76)	41,710.91	(2,121.95)	(422.29)	6,070.12	62,089.76	1,637,120.85
Our Merciful Saviour Episcopal Church	75,399.60	-	(8,500.00)	1,839.85	(103.67)	(20.63)	287.28	3,031.64	71,934.07
Annie Harris Norton Fund	4,425.76	-	-	120.59	(6.09)	(1.21)	17.45	178.07	4,734.57
St. Albans Scholarship Fund	12,145.48	-	-	330.94	(16.70)	(3.32)	47.90	488.68	12,992.98
St. John's Episcopal School	4,950,272.37	-	-	134,885.86	(6,806.62)	(1,354.57)	19,522.35	199,177.03	5,295,696.42
St. Mark's Irving	171,178.80	-	(10,000.00)	4,401.95	(235.37)	(46.84)	642.43	6,700.03	172,641.00
St. James Day School	-	-	-	-	-	-	-	-	-
Parish Episcopal School Fund	3,474,138.50	-	-	94,663.91	(4,776.94)	(950.65)	13,700.93	139,783.94	3,716,559.69
Good Shepherd Episcopal Church	59,127.15	-	-	1,611.11	(81.30)	(16.18)	233.19	2,379.02	63,252.99
Petrash Scholarship Fund	14,647.58	-	-	399.12	(20.14)	(4.01)	57.77	589.36	15,669.68
The Santiago Foundation	770,820.17	-	(31,752.46)	21,003.45	(1,059.88)	(210.92)	3,039.88	31,014.39	792,854.63
St. Augustine's Episcopal Church	126,029.38	-	-	3,434.07	(173.29)	(34.49)	497.02	5,070.86	134,823.55
St. Matthew's Cathedral Revolving Fund	722.60	-	(100.00)	17.07	(0.99)	(0.20)	2.52	27.20	668.20
St. Matthew's Cathedral Endowment Fund	1,225,105.00	-	(10,374.00)	33,203.82	(1,684.52)	(335.23)	4,816.05	49,227.12	1,299,958.24
Holy Nativity	207,485.76	-	(47,500.00)	4,407.39	(285.29)	(56.78)	663.21	7,457.89	172,172.18
ECR - Building Fund	221,016.57	-	-	6,022.30	(303.90)	(60.48)	871.63	8,892.73	236,438.85
<u>DIOCESAN ACCOUNTS</u>									
E.D. Farmer Foundation	822,864.75	-	(50,000.00)	21,158.87	(1,131.44)	(225.17)	3,185.87	33,096.03	828,948.91
Endowment of the Episcopate	2,308,106.37	-	(100,000.00)	60,366.31	(3,173.65)	(631.58)	8,983.96	92,843.16	2,366,494.57
St. Paul Memorial Fund	661,234.99	-	(75,000.00)	16,123.41	(909.20)	(180.94)	2,518.83	26,586.55	630,373.64
Corporation of the Diocese	2,803,227.48	-	-	76,382.81	(3,854.44)	(767.06)	11,055.06	112,789.46	2,998,833.31
The Mausoleum Perpetual Care Fund	123,134.79	-	-	3,355.20	(169.31)	(33.69)	485.60	4,954.40	131,726.99
Memorial Scholarship Fund	676,950.80	-	-	18,445.68	(930.81)	(185.24)	2,669.69	27,237.50	724,187.62
Ministry with the Aging, Inc. / Bruton	269,630.53	-	-	7,346.94	(370.74)	(73.78)	1,063.33	10,848.74	288,445.02
Elizabeth Austin Miller Fund	185,193.96	-	-	5,046.20	(254.64)	(50.68)	730.36	7,451.39	198,116.59
Junker Fund	130,457.13	-	-	3,554.71	(179.38)	(35.70)	514.48	5,249.01	139,560.25
Price Fund	115,379.50	-	-	3,143.88	(158.65)	(31.57)	455.02	4,642.36	123,430.54
William B. Clayton Fund	207,742.21	-	-	5,660.60	(285.65)	(56.85)	819.28	8,358.62	222,238.21
Hiram and LaVerne McCurry Fund	367,598.82	-	-	10,016.40	(505.45)	(100.59)	1,449.70	14,790.55	393,249.43
Bishop Moore Endowment	42,067.56	-	-	1,146.26	(57.84)	(11.51)	165.90	1,692.61	45,002.98
Estate of Estelle Smith	626,193.67	-	-	17,062.62	(861.02)	(171.35)	2,469.51	25,195.26	669,888.69
Lawrence Blake Scholarship Trust	771,917.26	-	-	21,033.33	(1,061.39)	(211.22)	3,044.20	31,058.53	825,780.71
The Gathering	47,491.55	-	-	1,294.06	(65.30)	(13.00)	187.29	1,910.85	50,805.45
<u>EPISCOPAL FOUNDATION ACCOUNTS</u>									
The Episcopal Fund	4,509,686.99	7,650.00	(145,000.00)	121,265.44	(6,200.81)	(1,234.00)	17,711.05	181,452.44	4,685,331.11
The Julie and Louis Beecherl Trustee's Fur	594,641.91	-	-	16,202.89	(817.63)	(162.72)	2,345.09	23,925.75	636,135.29
Beecherl Advised Fund	270,769.19	-	-	7,377.97	(372.31)	(74.09)	1,067.83	10,894.55	289,663.14
J. C. Brown Memorial Scholarship Advised	328,125.76	-	(5,811.00)	8,788.36	(451.17)	(89.79)	1,275.06	13,093.39	344,930.61
Bishop Stanton Advised Fund	87,680.65	-	-	2,389.13	(120.56)	(23.99)	345.79	3,527.88	93,798.90
AGENCY ACCOUNTS	31,554,791.24	-	(492,475.35)	850,590.12	(43,387.85)	(8,634.55)	123,809.12	1,267,710.38	33,252,403.11
EPISCOPAL FOUNDATION ACCOUNTS	5,790,904.50	7,650.00	(150,811.00)	156,023.79	(7,962.48)	(1,584.59)	22,744.82	232,894.01	6,049,859.05
TOTAL	37,345,695.74	7,650.00	(643,286.35)	1,006,613.91	(51,350.33)	(10,219.14)	146,553.94	1,500,604.39	39,302,262.16

Episcopal Foundation Client Activity Summary YTD through 12/31/2019

	Market Value 12/31/2018	Deposits	Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 12/31/2019
<u>ASSET MANAGERS</u>									
Proceeds from Class Actions							5,539.91	-	-
Vanguard	34,586,938.57			1,483,962.30	(201,958.93)	(40,375.85)	532,858.58	5,645,289.84	39,302,262.16
TOTAL	34,586,938.57	214,437.83	(2,924,430.09)	1,483,962.30	(201,958.93)	(40,375.85)	538,398.49	5,645,289.84	39,302,262.16
<u>AGENCY ACCOUNTS</u>									
Frank Hughes Estate	923,212.49	-	(75,463.00)	39,439.49	(5,443.76)	(1,088.27)	14,302.67	151,180.38	1,046,140.00
Amistad Mission	1,198,541.46	-	-	54,268.37	(7,207.43)	(1,440.70)	19,211.60	200,092.79	1,463,466.09
Episcopal Health Foundation	5,835,130.84	-	(636,230.00)	246,230.63	(33,471.11)	(6,692.15)	89,750.21	944,138.52	6,438,856.94
Alice L. Bomar Trust fund	33,180.35	-	(1,041.44)	1,461.31	(195.71)	(39.12)	518.46	5,455.42	39,339.27
Church of the Incarnation Pen	1,279,965.51	85,000.00	(21,608.82)	60,840.83	(8,031.51)	(1,605.09)	21,650.03	220,909.90	1,637,120.85
Our Merciful Saviour Episco	66,059.22	-	(8,500.00)	2,776.42	(397.24)	(79.40)	1,048.79	11,026.28	71,934.07
Annie Harris Norton Fund	3,877.51	-	-	175.57	(23.32)	(4.66)	62.15	647.32	4,734.57
St. Albans Scholarship Fund	10,640.92	-	-	481.80	(63.99)	(12.79)	170.57	1,776.47	12,992.98
St. John's Episcopal School	4,337,040.62	-	-	196,375.47	(26,080.82)	(5,213.31)	69,519.05	724,055.41	5,295,696.42
St. Mark's Irving	165,687.10	50,000.00	(80,000.00)	7,010.63	(1,073.28)	(214.47)	2,885.71	28,345.31	172,641.00
St. James Day School	-	-	-	-	-	-	-	-	-
Parish Episcopal School Fund	3,043,767.82	-	-	137,817.78	(18,303.72)	(3,658.74)	48,788.98	508,147.57	3,716,559.69
Good Shepherd Episcopal Chu	51,802.57	-	-	2,345.57	(311.52)	(62.27)	830.37	8,648.27	63,252.99
Petrash Scholarship Fund	13,273.65	-	(500.00)	585.68	(79.12)	(15.82)	209.89	2,195.40	15,669.68
The Santiago Foundation	682,839.50	-	(40,252.46)	30,652.94	(4,082.79)	(816.14)	10,879.35	113,634.23	792,854.63
St. Augustine's Episcopal Chu	110,417.05	-	-	4,999.55	(663.99)	(132.72)	1,769.88	18,433.78	134,823.55
St. Matthew's Cathedral Revol	138,920.78	-	(152,628.80)	913.41	(368.33)	(74.09)	823.54	13,081.69	668.20
St. Matthew's Cathedral Endov	1,290,077.90	70,141.68	(319,082.00)	49,322.50	(6,808.24)	(1,361.86)	18,423.80	199,244.46	1,299,958.24
Holy Nativity	248,086.35	-	(122,500.00)	7,479.53	(1,336.03)	(267.23)	3,280.05	37,429.51	172,172.18
ECR - Building Fund	205,119.14	-	(13,000.00)	8,882.03	(1,197.60)	(239.43)	3,186.96	33,687.75	236,438.85
<u>DIOCESAN ACCOUNTS</u>									
E.D. Farmer Foundation	773,801.19	-	(110,000.00)	31,935.83	(4,570.29)	(913.64)	11,998.36	126,697.46	828,948.91
Endowment of the Episcopate	2,022,181.87	-	(100,000.00)	89,036.37	(12,160.41)	(2,430.74)	32,295.33	337,572.15	2,366,494.57
St. Paul Memorial Fund	718,749.94	-	(225,000.00)	25,034.84	(3,886.32)	(777.36)	10,184.94	106,067.60	630,373.64
Corporation of the Diocese	2,928,907.50	-	(525,000.00)	114,879.82	(16,201.54)	(3,239.98)	43,214.69	456,272.82	2,998,833.31
The Mausoleum Perpetual Car	107,881.05	-	-	4,884.72	(648.75)	(129.67)	1,729.23	18,010.41	131,726.99
Memorial Scholarship Fund	593,091.24	-	-	26,854.39	(3,566.56)	(712.92)	9,506.74	99,014.73	724,187.62
Ministry with the Aging, Inc. /	236,229.14	-	-	10,696.15	(1,420.57)	(283.96)	3,786.54	39,437.72	288,445.02
Elizabeth Austin Miller Fund	162,252.41	-	-	7,346.58	(975.71)	(195.03)	2,600.79	27,087.55	198,116.59
Junker Fund	114,296.32	-	-	5,175.18	(687.33)	(137.39)	1,832.06	19,081.41	139,560.25
Price Fund	103,826.72	-	(2,985.00)	4,579.93	(611.65)	(122.27)	1,620.64	17,122.17	123,430.54
William B. Clayton Fund	182,007.44	-	-	8,241.06	(1,094.50)	(218.79)	2,917.42	30,385.58	222,238.21
Hiram and LaVerne McCurry F	322,061.27	-	-	14,582.52	(1,936.71)	(387.13)	5,162.37	53,767.11	393,249.43
Bishop Moore Endowment	36,856.31	-	-	1,668.80	(221.64)	(44.30)	590.77	6,153.04	45,002.98
Estate of Estelle Smith	576,507.34	-	(30,000.00)	24,980.46	(3,379.66)	(675.66)	8,991.49	93,464.72	669,888.69
Lawrence Blake Scholarship T	712,560.00	-	(39,016.57)	30,803.20	(4,171.61)	(833.99)	11,097.32	115,342.36	825,780.71
The Gathering	41,608.36	-	-	1,883.97	(250.21)	(50.02)	666.97	6,946.38	50,805.45
<u>EPISCOPAL FOUNDATION ACCOUNTS</u>									
The Episcopal Fund	4,179,483.58	9,296.15	(400,000.00)	178,583.79	(24,257.69)	(4,849.76)	64,825.84	682,249.20	4,685,331.11
The Julie and Louis Beecherl	520,978.67	-	-	23,589.20	(3,132.91)	(626.24)	8,350.82	86,975.75	636,135.29
Beecherl Advised Fund	246,319.03	-	(10,000.00)	10,776.53	(1,439.07)	(287.70)	3,855.44	40,438.91	289,663.14
J. C. Brown Memorial Scholars	292,879.50	-	(11,622.00)	12,891.19	(1,744.34)	(348.70)	4,627.33	48,247.63	344,930.61
Bishop Stanton Advised Fund	76,818.91	-	-	3,478.26	(461.95)	(92.34)	1,231.34	12,824.68	93,798.90
AGENCY ACCOUNTS	29,270,458.88	205,141.68	(2,502,808.09)	1,254,643.33	(170,922.97)	(34,171.11)	455,507.72	4,774,553.67	33,252,403.11
AL FOUNDATION ACCOUNTS	5,316,479.69	9,296.15	(421,622.00)	229,318.97	(31,035.96)	(6,204.74)	82,890.77	870,736.17	6,049,859.05
TOTAL	34,586,938.57	214,437.83	(2,924,430.09)	1,483,962.30	(201,958.93)	(40,375.85)	538,398.49	5,645,289.84	39,302,262.16

Episcopal Health Foundation of Dallas
Statement of Net Assets

	As of 12/31/2019	As of 12/31/2018
Assets		
North Dallas Bank - checking account	\$ 11,279	\$ 20,817
Vanguard - money market (1)	312,383	-
Prepaid excise tax (2)	6,200	3,727
Prepaid D&O insurance	651	615
Other	95	-
Investments at market value	6,438,857	5,835,131
Total assets	<u>\$ 6,769,464</u>	<u>\$ 5,860,290</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable (3)	\$ 9,417	\$ 11,277
Estimated excise tax liability	6,422	6,562
Total liabilities	<u>15,839</u>	<u>17,839</u>
Net Assets		
Total unrestricted net assets	<u>6,753,625</u>	<u>5,842,451</u>
Total liabilities and net assets	<u>\$ 6,769,464</u>	<u>\$ 5,860,290</u>

Notes

- (1) The Vanguard money market account was opened on 3/31/2019. Funds in the account represent the dollars needed to fund the 2020 grant program.
- (2) Excise tax for 2018 was substantially higher than 2017 creating a larger safeharbor hurdle for 2019.
- (3) Accounts payable of \$9,417 represents the amount due to EFD for administrative services provided to EHFD. Time spent developing the EHFD website and evaluating insurance coverage in 2018 caused higher expense that year.

Episcopal Health Foundation of Dallas
Statement of Activities

	Year Ended 12/31/2019	Year Ended 12/31/2018
Investment income and expense		
Interest and dividends	\$ 250,613	\$ 273,476
Realized gains on sales on securities	89,750	78,273
Unrealized gains on investments	944,139	(756,203)
Investment management fees	(40,163)	(43,271)
	<u>1,244,339</u>	<u>(447,725)</u>
Grants and operating expenses		
Foundation grants	\$ 312,030	\$ 304,500
Contract services	9,362	10,973
Excise tax expense	6,007	6,170
Accounting fees	2,600	2,250
Insurance - D&O	2,567	2,517
Computer & website	349	474
Meetings	121	312
Misc	129	100
	<u>333,165</u>	<u>327,296</u>
Increase (decrease) in net assets	911,174	(775,021)
Net assets at beginning of period	<u>5,842,451</u>	<u>6,617,472</u>
Net assets at end of period	<u>\$ 6,753,625</u>	<u>\$ 5,842,451</u>

Episcopal Foundation of Dallas

Gift Acceptance Policy

Confidentiality

All information concerning donors or prospective donors including names and addresses, names of beneficiaries, the amount of gifts, nature and worth of estates, etc., shall be held in strict confidence by the Foundation and its personnel. Exceptions can be made only if donors grant permission to use selective material for purposes of referral, testimonial or example at the discretion of authorized representatives of the Foundation.

Legal Counsel

Prospective donors shall be advised to consult their attorney or accountant in all matters related to the tax implications and estate planning aspects of deferred gift arrangements. The Foundation shall consult with legal counsel in all matters pertaining to its deferred gift program and shall execute no agreement, contract, trust or other legal document with any donor without the services of legal counsel.

Restrictions

Donors may restrict the use of their gifts to a particular purpose or area of support provided that such restrictions are provided in written form and signed by the donor at the time of the gift; that restrictions comply with Internal Revenue code as it applies to the tax-exempt status of the Episcopal Foundation of Dallas; and that restrictions are compatible with the mission of the Foundation and are board approved. Gifts that are unrestricted by the donor may be designated for a particular program, project or fund.

Gifts of U.S Funds and Marketable Securities

The Episcopal Foundation of Dallas may accept unrestricted gifts of U.S. funds received via wire from a U.S. bank or financial institution or a check drawn on a U.S. bank or financial institution clearing through a U.S. Bank at any time. The Foundation does not accept currency.

The Episcopal Foundation of Dallas may accept gifts of marketable securities such as publicly traded stocks, mutual funds, municipal and corporate bonds, government agency bonds and bonds, bills and notes issued by the US Treasury. [The Investment and Finance Committee has determined that all ~~These~~ securities will be liquidated as soon as is practical determined by the Investment Committee](#) and placed in the appropriate account to the extent specified by the donor and/or designated by the board.

Gifts of Real Estate

Real estate gifts include residences, rental property, land, farms, ranches, leasehold interests and commercial properties. Gifts of real estate will be accepted by the Foundation upon board approval and sold. Prior to the acceptance of any real estate gift by the Foundation, the donor must provide (including but not limited to the following):

1. A written appraisal of the property by a qualified, independent, professional appraiser, the cost of which will be borne by the donor;
2. A title policy for the property or title examination;
3. An environmental study; and,
4. A description of any liens against the property.

Donors of property gifts must seek their own legal and tax counsel in regard to all property gifts. The Foundation reserves the right to refuse gifts of property when it is determined that the donor has not complied with IRS appraisal requirements or that the advice of an independent counsel is not being obtained.

Donors of property gifts will receive an acknowledgment of the gifts only when complete transfer has occurred.

Gifts of Personal Property

Gifts of personal property, such as jewelry, art, collectibles and similar items may be accepted and disposed of upon board approval. Prior to such acceptance, the Executive Director must obtain the following:

1. A bona fide appraisal or documentation of fair market value;
2. A written statement from a broker regarding the marketability of such gift;
3. A written statement from the donor regarding the donor's wishes regarding the sale of such gift.

Gifts of Life Insurance

The Episcopal Foundation of Dallas may accept gifts of life insurance through the following mechanisms:

- The donor may name the Foundation as the beneficiary of an existing life insurance policy. The donor will be asked to provide the Foundation with a copy of the policy and the beneficiary designation, with the understanding that the designation may be changed or revoked at any time by the donor.
- The donor may make a pledge and/or cash contribution to the Foundation with the proceeds of the gift to be restricted for the sole purpose of purchasing or maintaining life insurance at the direction of the donor. Provision must be included for future premium payments at the time of the gift.
- The donor may make a gift of insurance through the transfer of ownership of an existing paid up policy. The Foundation will become the owner and beneficiary of the policy and the beneficiary may not be changed at a later date by the donor.

Gifts of Mineral Assets

Gifts of producing oil and gas royalty interests may be accepted and disposed of subject to board approval.

Gifts of Closely Held Securities

Gifts of closely held securities will be accepted on a case-by-case basis upon board approval. The Executive Director must ascertain that such a transfer and subsequent sale does not violate any portion of the Internal Revenue code, regulations or rulings, or any state or federal law and does not jeopardize the tax-exempt status of the Foundation.

Deferred Gifts

Deferred gifts are those in which the property is irrevocably transferred to the Foundation but income from the property or a life estate in the property is retained by the donor. Charitable remainder trusts, pooled income gifts, life estates and other such gifts must be approved by the board prior to acceptance by the Foundation.

If the donor retains a life estate in a personal residence, farm or ranch, an agreement shall be executed between the Foundation and the donor which states that the donor shall be responsible for all upkeep, taxes, insurance and other expenses required for the maintenance of the property until such time as the property is transferred to the Foundation.

Gifts-in-Kind

Gifts-in-kind are tangible gifts other than cash, marketable or privately held securities, or real property. Gifts-in-kind of an undetermined value will be recorded at one dollar (\$1.00) and acknowledged as received with no value stated.

The gift value of a gift-in-kind is determined by the cost or fair market value of the materials on the date that ownership (possession) is transferred to the Foundation. Evidence of fair market value can be: (1) a canceled invoice for the purchase of the product by the donor; (2) a voided invoice from the donor to the Foundation, or a third-party appraisal.

The fair market value of a gift-in-kind does not include a profit margin or markup by the donor. Essentially, gifts-in-kind are made "at cost." Donor recognition will be based upon the value of the gift-in-kind as documented and recorded in the campaign records.

Service

Gifts of service are contributions of actual, billable service directly related to the business or profession of the provider. Gifts of services will be recognized at the level of actual expenses invoiced but not paid. Evidence of a gift of service will be a voided or canceled invoice stating the date, type of service rendered, quantity cost, total cost and amount to be contributed or forgiven.

Pledges

Payment of commitments to the Foundation may take the form of one or a combination of the following: cash, marketable securities, or real property that can be expected to be converted to cash within a reasonable time period. Commitments will be publicly recognized and/or commemorated consistent with the donor's wishes and the guidelines approved by the Foundation. Requests by donors for anonymity will be honored. Gifts will not be accepted where there is no charitable intent on the part of the donor. No verbal pledges will be recognized as having been made. Either a signed pledge or letter of intent must be in the organization's possession before a pledge is recorded. The normal pledge payment period for gifts to the Foundation will be one to three years. With Board approval, exceptions can be made for planned gifts. Donor recognition will be based upon the full payment of pledge commitments.

**" Board approval/approval of the board" as used in this document shall mean approval by a majority of the members present at a regular or called meeting of the board of directors, as provided for in the bylaws, at which a quorum of the board is present and provided that written notice of such meeting and the agenda items is provided to board members at least five days prior to said meeting. When approval at a regularly scheduled quarterly meeting of the Board cannot be obtained in a timely manner, the executive committee of the Board, in accordance with the preceding policies, may accept a gift on the Board's behalf, or may authorize the Executive Director to accept a gift.

EPISCOPAL FOUNDATION OF DALLAS
Calculation of Amounts Available for 2020 Grants
Based on Spending Guideline

	Fair Market Value	
	Episcopal Fund	Trustees Fund
December 31, 2015	3,944,841	364,744
December 31, 2016	4,032,695	392,663
December 31, 2017	4,583,242	567,848
December 31, 2018	4,179,484	520,979
November 30, 2019	4,634,988	619,600
Total FMV 5 Year Period	21,375,249	2,465,834

5-Year Average of Fair Market Value of Unrestricted Funds

FMV 5 Yr Total Divided by 5	4,275,050	493,167
At 4.5%:	192,377	22,193

Effective Spending Rate