



Investment Committee Meeting Agenda
Wednesday, May 13, 2020 4:00 pm
Join Zoom Meeting
<https://us02web.zoom.us/j/85693430969>
Meeting ID: 856 9343 0969
Password: 249185

Call to order: Andy Welch

Minutes from the February 19, 2020 Investment Committee meeting approved.

Approval of March 19, 2020 Investment Committee meeting. (p. 2)

Investment Performance Review (separate packet) Geoff Hall

- Market recap and performance
- International allocation review

Financial Statement Review – Jill Hurt

- Asset Allocation (p. 3)
- EFD Statements of Net Assets & Activities (p.4-5)
- EFD 2020 Actual vs Budget (p. 6)
- EFD Client Activity Summary (p. 7)
- 2020 EHFD Grant Calculation (p. 8)

EHFD Financial Statement Review – Jill Hurt

- EHFD Statements of Net Assets & Activities (p. 9-10)

Other Business

Review RFP for Church of the Transfiguration Endowment Funds (prior to sharing with full board)

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, February 19, 2020, 4:00 pm
8140 Walnut Hill Lane, Suite 830, Dallas, Texas 75231
DRAFT**

Committee Members:

Present: Rick Barry (Committee Chairman), Scott Hancock, Ken Hanks, Pat Carrigan, Dan Wilson, and Andy Welch

Absent: Philip de Bruyn, Eugenia King, Will Beecherl, Jill Hurt, Controller

Others Attending: Pam Jamieson, Executive Director, Geoff Hall, Senior Investment Consultant, and Chris Moore, Investment Analyst, Vanguard

Rick Barry, Chairman opened the Investment and Finance Committee meeting at 4:04 pm with a prayer.

Regular Business:

Minutes from the November 11, 2019 Investment Committee meeting were not reviewed as they were already approved at the December Board meeting.

Vanguard Senior Investment Consultant Geoff Hall reviewed the performance packet. Market value of the portfolio on December 31, 2019 was \$39,302,262 which is an increase of \$448,631 since September 31, 2019. Geoff commented on the strong performance of both the market and our portfolio for 2019 and a particularly good final quarter. Geoff and Chris reviewed the asset allocation study in the packet. It included varying allocations of total equities, as well as varying allocations of international equities within the totals, and the predicted performance of these allocations. The Vanguard analysis does not suggest a need to change our current allocation, nor did Geoff recommend one. Following their presentation, Geoff Hall and Chris Moore left the meeting.

Rick reviewed the current EFD financial statement packet. EFD current assets were \$6,405,632 as of December 31, 2019. The notes section was expanded and explained most variances. The financial statements were accepted as presented.

The EHFD Financial Statement review was led by Rick. EHFD current assets were \$6,769,464 as of December 31, 2019. The Financial statements were accepted as presented.

In other business, Executive Director Pam Jamieson discussed the possibility of investing capital campaign funds for The Church of the Transfiguration. These would be short-term funds and would not be rolled into the portfolio. Several ideas were discussed which included using our Vanguard brokerage account and the VCSH fund which yields about 3% as an option or setting up a money market depending on the desires of the church. On a motion duly made, seconded and unanimously approved, it was determined that we would agree to invest these funds and charge 10 bps not to exceed \$2500 per year. Pam and Scott Hancock will talk with Bill Evans, Transfiguration Endowment Chair, when he returns from vacation.

Pam briefly reviewed the grant calculation for 2020 which remained at 4.5%. The motion was duly made, seconded and unanimously approved.

With no further business, the meeting adjourned at 5:22 p.m.

**Episcopal Foundation of Dallas
Investment and Finance Committee Meeting
Minutes
Wednesday, March 19, 2020, 10:00 am
Conference Call 712-432-0220, 7524412#**

Committee Members:

Present: Andy Welch (Committee Chairman), Scott Hancock, Ken Hanks, Pat Carrigan, Dan Wilson, Philip de Bruyn, and Will Beecherl

Others Attending: Pam Jamieson, Executive Director and Jill Hurt, Controller

Andy Welch, Chairman, opened the Investment and Finance Committee meeting at 10:02 a.m. with a prayer.

In connection with a request from the Diocese for additional financial assistance as a result of COVID-19. A special meeting of the Investment and Finance Committee meeting was held to discuss the appropriateness of the EFD Grant Calculation based on the current volatility of the stock market. The current grant amount is 4.5% of the average of five years of the EFD fund balance at 12/31. Grant history was presented and is attached.

After reviewing the historical calculations and practices during the 2008 market down turn, the general consensus is that the EFD Grant Calculation remain at 4.5%.

With no further business, the meeting adjourned at 10:22 a.m.

Episcopal Foundation of Dallas
Asset Allocation
5/7/2020

Asset Category	Investment Policy	05.7.20	
	Target	%	Total
US Equity	42%	42%	14,813,753
International Equity	28%	28%	9,895,871
Fixed Income	24%	24%	8,294,178
Real Estate	6%	6%	2,015,094
TOTALS	100%	100%	\$35,018,896

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 3/31/2020	As of 3/31/2019	As of 12/31/2019
Assets				
Cash - Foundation operating		125,972	\$ 151,155	\$ 116,956
Cash - Vanguard Money Market	(1)	188,750	187,036	188,106
Administrative fees receivables		37,461	43,336	45,722
Accounts receivable (EHFD)	(2)	-	-	9,417
Contribution receivable		-	-	1,600
Investments - Foundation	(3)	4,998,536	5,651,913	6,049,859
Investments - Agency	(3)	27,244,611	31,517,067	33,252,403
Furniture and equipment, net	(4)	2,119	1,225	2,500
Oil and gas property	(5)	3,500	3,500	3,500
Deposits and prepaid expenses		3,741	3,313	4,387
Total assets		\$ 32,604,689	\$ 37,558,545	\$ 39,674,450
Liabilities and Net Assets				
Liabilities				
Payroll liabilities		2,386	\$ 2,627	\$ 6,415
Accounts payable		-	1,071	10,000
Grants payable	(6)	-	60,000	-
Due to Agency Funds		27,244,611	31,517,067	33,252,403
Total liabilities		27,246,997	31,580,765	33,268,818
Net Assets				
Without donor restrictions		5,355,942	5,976,030	6,403,882
With donor restrictions	(5)	1,750	1,750	1,750
Total net assets		5,357,692	5,977,780	6,405,632
Total liabilities and net assets		32,604,689	\$ 37,558,545	\$ 39,674,450

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. This was received as of 3/31/2020.
- (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 12/31/2019 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	Quarter-Ended 3/31/2020	Quarter-Ended 3/31/2019	Year Ended 12/31/19
Operating Revenues and Expenses				
Administrative fee income-gross		45,780	50,646	\$ 207,434
Interest - money market account	(1)	643	36	2,248
Misc Income (EHFD)				9,374
Total operating revenue/support		<u>46,423</u>	<u>50,682</u>	<u>219,056</u>
Payroll and payroll taxes		31,433	31,044	143,861
Professional fees	(2)	5,149	162	35,915
Sponsorships	(3)	3,000	6,500	7,500
Office operation		8,304	6,353	25,950
Total operating expenses	(4)	<u>47,887</u>	<u>44,059</u>	<u>213,226</u>
Increase in net assets from operations		<u>(1,463)</u>	<u>6,623</u>	<u>5,830</u>
Contributions Income - Episcopal Fund				
		<u>5</u>	<u>100</u>	<u>9,357</u>
Net Investment Gains				
Interest & dividends		18,448	20,597	229,319
Realized gains		17,760	30,947	82,891
Unrealized gains		(1,072,340)	488,047	870,736
Less: Vanguard advisory fees		(1,633)	(1,486)	(6,205)
Less: Admin fees on EFD funds		(8,319)	(7,310)	(31,036)
Total net investment revenue		<u>(1,046,084)</u>	<u>530,795</u>	<u>1,145,705</u>
Grant Expense				
Foundation grants		1,000	30,000	213,900
Trustee fund grants			-	-
Advised fund grants		2,000	10,000	21,622
Total grant expense		<u>3,000</u>	<u>40,000</u>	<u>235,522</u>
Total Increase (decrease) in net assets		<u>(1,050,543)</u>	<u>497,518</u>	<u>925,370</u>
Net assets at beginning of period		<u>6,408,235</u>	<u>5,480,262</u>	<u>5,480,262</u>
Net assets at end of period		<u>\$ 5,357,692</u>	<u>\$ 5,977,780</u>	<u>\$ 6,405,632</u>

Notes to Statement of Activities:

(1) See Note 1 on Statement of Net Assets

(2) Brochure Design for Planned Giving of \$10,000 and one time fee for K.McCabe for training

(3) 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

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

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

	2020	YTD at 03/31/2020		
	Annual	Actual	Budget	Variance over (under) Budget
Operating Revenue and Expenses				
Revenue				
Administrative fee income - gross	\$ 209,000	\$ 45,780	\$ 52,250	\$ (6,470)
Other Income (EHFD)	10,000	648	\$ 2,500	(1,852)
Operating Revenue	\$ 219,000	\$ 46,428	\$ 54,750	\$ (8,322)
Expenses				
Payroll				
Executive Director	78,750	19,688	\$ 19,688	-
Grant Administrator	12,000	-	\$ 3,000	(3,000)
Controller	35,000	9,512	\$ 8,750	762
Employers Payroll Taxes	9,600	2,234	\$ 2,400	(166)
Total Payroll Expenses	\$ 135,350	\$ 31,433	\$ 33,838	\$ (2,404)
Professional Fees				
Audit	21,500	4,750	\$ 5,375	(625)
Tax return preparation	3,400	-	\$ 850	(850)
Website & Computer Tech	2,500	21	\$ 625	(604)
Legal Fees	500	-	\$ 125	(125)
Marketing	1,500	-	\$ 375	(375)
Development	1,500	378	\$ 375	3
Total Professional Fees	\$ 30,900	\$ 5,149	\$ 7,725	\$ (2,576)
Sponsorships	\$ 8,000	\$ 3,000	\$ 2,000	\$ 1,000
Office Expense				
Rent	8,500	2,583	\$ 2,125	458
Insurance-D&O/Liability	8,500	2,844	\$ 2,125	719
Telephone/Fax/Internet	600	150	\$ 150	(0)
Computer Expense	2,000	528	\$ 500	28
Development	500	-	\$ 125	(125)
Depreciation	1,300	381	\$ 325	56
Professional Development	1,500	450	\$ 375	75
Office Supplies	2,000	48	\$ 500	(453)
Marketing materials	500	35	\$ 125	(90)
Insurance-Worker's Comp	300	91	\$ 75	16
Property Taxes	100	-	\$ 25	(25)
Board Luncheon	1,000	-	\$ 250	(250)
Meetings	1,200	-	\$ 300	(300)
Convention	200	-	\$ 50	(50)
Memorials & special gifts	500	92	\$ 125	(33)
Miscellaneous	500	1,103	\$ 125	978
Special Events	14,000		\$ 3,500	
Total Office Expense	\$ 43,200	\$ 8,304	\$ 12,800	\$ 1,004
Operating Expense	\$ 217,450	\$ 47,887	\$ 56,363	\$ (3,976)
Operating Surplus (Deficit)	\$ 1,550	\$ (1,459)	\$ (1,613)	\$ (4,346)

Episcopal Foundation Client Activity Summary - First Quarter 2020

	Market Value 12/31/2019	Deposits	Withdrawals	Net Deposits/ Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 3/31/2020
<u>ASSET MANAGERS</u>										
Proceeds from Class Actions	-			-	-	-	-	-	-	-
Vanguard	39,302,262.16			(290,133.53)	119,286.45	(54,040.61)	(10,610.45)	115,051.54	(6,938,668.92)	32,243,146.64
TOTAL MANAGERS	39,302,262.16			(290,133.53)	119,286.45	(54,040.61)	(10,610.45)	115,051.54	(6,938,668.92)	32,243,146.64
<u>AGENCY ACCOUNTS</u>										
Frank Hughes Estate	1,046,140.00	-	(12,542.00)	(12,542.00)	3,157.70	(1,438.44)	(282.43)	3,036.28	(183,343.73)	854,727.38
Amistad Mission	1,463,466.09	-	-	-	4,463.79	(2,012.27)	(395.09)	4,296.59	(259,451.14)	1,210,367.97
Episcopal Health Foundation of Dallas	6,438,856.94	-	(20,602.00)	(20,602.00)	19,594.15	(8,853.43)	(1,738.30)	18,863.88	(1,138,858.45)	5,307,262.79
Alice L. Bomar Trust fund	39,339.27	-	(841.11)	(841.11)	117.77	(54.09)	(10.62)	113.15	(6,832.00)	31,832.37
Church of the Incarnation Pension Trust	1,637,120.85	133,931.33	(11,709.84)	122,221.49	5,347.84	(2,251.04)	(441.97)	5,181.09	(312,893.29)	1,454,284.97
Our Merciful Saviour Episcopal Church	71,934.07	-	-	-	219.41	(98.91)	(19.42)	211.20	(12,752.86)	59,493.49
Annie Harris Norton Fund	4,734.57	-	-	-	14.44	(6.51)	(1.28)	13.90	(839.36)	3,915.76
St. Albans Scholarship Fund	12,992.98	-	-	-	39.63	(17.87)	(3.51)	38.14	(2,303.47)	10,745.90
St. John's Episcopal School	5,295,696.42	-	-	-	16,152.68	(7,281.58)	(1,429.68)	15,547.63	(938,849.56)	4,379,835.91
St. Mark's Irving	172,641.00	50,000.00	(10,000.00)	40,000.00	644.53	(237.38)	(46.61)	581.75	(36,638.96)	176,944.33
Blank										
Parish Episcopal School Fund	3,716,559.69	-	-	-	11,336.06	(5,110.27)	(1,003.36)	10,911.45	(658,891.70)	3,073,801.87
Good Shepherd Episcopal Church	63,252.99	-	-	-	192.93	(86.97)	(17.08)	185.71	(11,213.83)	52,313.75
Petrash Scholarship Fund	15,669.68	-	-	-	47.79	(21.55)	(4.23)	46.00	(2,778.01)	12,959.68
The Santiago Foundation	792,854.63	1,743.47	-	1,743.47	2,422.95	(1,090.18)	(214.05)	2,332.62	(140,856.46)	657,192.98
St. Augustine's Episcopal Church	134,823.55	-	-	-	411.23	(185.38)	(36.40)	395.83	(23,902.24)	111,506.59
St. Matthew's Cathedral Revolving Fund	668.20	-	-	-	2.04	(0.92)	(0.18)	1.96	(118.47)	552.63
St. Matthew's Cathedral Endowment Fund	1,299,958.24	-	(14,874.00)	(14,874.00)	3,947.77	(1,787.44)	(350.95)	3,801.70	(229,461.45)	1,061,233.87
Holy Nativity	172,172.18	-	(75,000.00)	(75,000.00)	326.71	(236.74)	(46.48)	295.67	(17,836.68)	79,674.66
ECR - Building Fund	236,438.85	-	-	-	721.18	(325.10)	(63.83)	694.16	(41,917.16)	195,548.10
<u>DIOCESAN ACCOUNTS</u>										
E.D. Farmer Foundation	828,948.91	-	-	-	2,528.42	(1,139.80)	(223.79)	2,433.70	(146,960.52)	685,586.92
Endowment of the Episcopate	2,366,494.57	-	-	-	7,218.17	(3,253.93)	(638.88)	6,947.79	(419,544.89)	1,957,222.83
St. Paul Memorial Fund	630,373.64	-	-	-	1,922.74	(866.76)	(170.18)	1,850.71	(111,756.03)	521,354.12
Corporation of the Diocese	2,998,833.31	-	(325,000.00)	(325,000.00)	8,380.26	(4,123.40)	(809.60)	8,317.46	(492,439.73)	2,193,158.30
The Mausoleum Perpetual Care Fund	131,726.99	-	-	-	401.78	(181.12)	(35.56)	386.74	(23,353.27)	108,945.56
Memorial Scholarship Fund	724,187.62	-	-	-	2,208.87	(995.76)	(195.51)	2,126.14	(128,387.88)	598,943.48
Ministry with the Aging, Inc. / Bruton	288,445.02	-	-	-	879.80	(396.61)	(77.87)	846.85	(51,137.09)	238,560.10
Elizabeth Austin Miller Fund	198,116.59	-	-	-	604.28	(272.41)	(53.49)	581.66	(35,123.18)	163,853.45
Junker Fund	139,560.25	-	-	-	425.68	(191.90)	(37.68)	409.73	(24,741.99)	115,424.09
Price Fund	123,430.54	-	-	-	376.49	(169.72)	(33.32)	362.38	(21,882.43)	102,083.94
William B. Clayton Fund	222,238.21	-	-	-	677.86	(305.58)	(60.00)	652.47	(39,399.58)	183,803.38
Hiram and LaVerne McCurry Fund	393,249.43	-	-	-	1,199.48	(540.72)	(106.17)	1,154.54	(69,717.38)	325,239.18
Bishop Moore Endowment	45,002.98	-	-	-	137.27	(61.88)	(12.15)	132.12	(7,978.38)	37,219.96
Estate of Estelle Smith	669,888.69	-	-	-	2,043.26	(921.10)	(180.85)	1,966.73	(118,761.47)	554,035.26
Lawrence Blake Scholarship Trust	825,780.71	-	-	-	2,518.76	(1,135.45)	(222.94)	2,424.41	(146,398.85)	682,966.64
The Gathering	50,805.45	-	-	-	154.97	(69.86)	(13.72)	149.16	(9,007.07)	42,018.93
<u>EPISCOPAL FOUNDATION ACCOUNTS</u>										
The Episcopal Fund	4,685,331.11	1,604.62	(4,844.00)	(3,239.38)	14,290.47	(6,442.31)	(1,264.89)	13,757.12	(830,670.80)	3,871,761.32
The Julie and Louis BeecherI Trustee's Fund	636,135.29	-	-	-	1,940.31	(874.69)	(171.74)	1,867.62	(112,777.48)	526,119.31
BeecherI Advised Fund	289,663.14	-	-	-	883.51	(398.29)	(78.20)	850.42	(51,353.04)	239,567.54
J. C. Brown Memorial Scholarship Advised F	344,930.61	-	-	-	1,052.08	(474.28)	(93.12)	1,012.69	(61,151.16)	285,276.82
Bishop Stanton Advised Fund	93,798.90	-	(2,000.00)	-	281.39	(128.97)	(25.32)	272.39	(16,387.88)	77,810.51
AGENCY ACCOUNTS	33,252,403.11	185,674.80	(470,568.95)	(284,894.15)	100,838.69	(45,722.07)	(8,977.18)	97,291.30	(5,866,328.56)	27,244,611.14
EPISCOPAL FOUNDATION ACCOUNTS	6,049,859.05	1,604.62	(6,844.00)	(3,239.38)	18,447.76	(8,318.54)	(1,633.27)	17,760.24	(1,072,340.36)	5,000,535.50
TOTAL	39,302,262.16	187,279.42	(477,412.95)	(288,133.53)	119,286.45	(54,040.61)	(10,610.45)	115,051.54	(6,938,668.92)	32,245,146.64

Episcopal Health Foundation of Dallas
 Calculation of Amount Available for 2020 Grants

		<u>Market Value</u>
2016	Q1	5,810,767
2016	Q2	5,867,623
2016	Q3	6,137,413
2016	Q4	5,872,425
2017	Q1	6,179,651
2017	Q2	6,405,201
2017	Q3	6,481,315
2017	Q4	6,612,856
2018	Q1	6,564,545
2018	Q2	6,619,443
2018	Q3	6,499,584
2018	Q4	5,835,131
2019	Q1	6,105,669
2019	Q2	6,281,520
2019	Q3	6,120,314
2019	Q4	6,438,857
12-Quarter Average		\$ 6,239,520
Available Grants at 5%		\$ 311,976

Episcopal Health Foundation of Dallas
Statement of Net Assets

	As of 3/31/2020	As of 3/31/2019	As of 12/31/2019
Assets			
North Dallas Bank - checking account	\$ 11,808	\$ 6,914	\$ 11,279
Vanguard - money market (1)	313,449	312,000	312,383
Prepaid excise tax (2)	6,200	3,632	6,200
Prepaid D&O insurance	3,253	2,602	651
Other	95	95	95
Investments at market value	5,307,263	6,105,669	6,438,857
Total assets	\$ 5,642,067	\$ 6,430,912	\$ 6,769,464
Liabilities and Net Assets			
Liabilities			
Accounts payable (3)	\$ -	\$ -	\$ 9,417
Estimated excise tax liability	7,010	7,502	6,422
Total liabilities	7,010	7,502	15,839
Net Assets			
Total unrestricted net assets	5,635,057	6,423,410	6,753,625
Total liabilities and net assets	\$ 5,642,067	\$ 6,430,912	\$ 6,769,464

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 2020 was substantially higher than 2019 creating a larger safeharbor hurdle for 2020.
- (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. This has been paid as of 3/31/2020.

Episcopal Health Foundation of Dallas
Statement of Activities

	Quarter Ended 3/31/2020	Quarter Ended 3/31/2019	Year Ended 12/31/2019
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Investment income and expense			
Interest and dividends	\$ 20,661	\$ 22,599	\$ 250,613
Realized gains on sales on securities	18,864	33,951	89,750
Unrealized gains on investments	(1,138,858)	535,642	944,139
Investment management fees	(10,592)	(9,654)	(40,163)
Net investment income	<u>(1,109,925)</u>	<u>582,538</u>	<u>1,244,339</u>
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Grants and operating expenses			
Foundation grants	8,000	-	\$ 312,030
Contract services	-	-	9,362
Excise tax expense	588	940	6,007
Accounting fees	-	-	2,600
Insurance - D&O	-	615	2,567
Computer & website	-	-	349
Meetings	-	-	121
Misc	55	24	129
Total grants and expenses	<u>8,643</u>	<u>1,579</u>	<u>333,165</u>
Increase (decrease) in net assets	(1,118,568)	580,959	911,174
Net assets at beginning of period	6,753,625	5,842,451	5,842,451
Net assets at end of period	<u>\$ 5,635,057</u>	<u>\$ 6,423,410</u>	<u>\$ 6,753,625</u>