



Investment Committee Meeting Agenda
Wednesday, May 5, 2021 4:00 pm
Join Zoom Meeting
<https://us02web.zoom.us/j/88371384447>
Meeting ID: 883 7138 4447
Passcode: 548454

Call to order: Andy Welch

Minutes from the February 25, 2021, and March 3, 2021 Investment Committee meetings approved. (p. 1)

Investment Performance Review (separate packet) Geoff Hall

- Market recap and performance

Financial Statement Review – Jill Hurt

- Asset Allocation (p. 2)
- EFD Statements of Net Assets & Activities (p. 3-5)
- EFD 2021 Actual vs Budget (p. 6)
- EFD Client Activity Summary (p.7)

2021 EHFD Grant Calculation approval (p.8)

EHFD Financial Statement Review – Jill Hurt

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

Other Business

- Review of EFD Fees
- Presentation to St. Thomas the Apostle on May 12, 2021 at 1:00pm
- Future investment partner visits

Informational

Still waiting for St. James Episcopal School, Texarkana (~\$550k) and St. Augustine's (~\$350k) to deposit funds.

Adjourn

**Episcopal Foundation of Dallas
Investment and Finance Committee Meeting
Minutes
Thursday, February 25, 2021 and Tuesday, March 2, 2021**

Committee Members:

Present: Andy Welch (Committee Chairman), Scott Hancock, Ken Hanks, Pat Carrigan, Philip de Bruyn

Others Attending: Pam Jamieson, Executive Director

As follow ups to the February 10, 2021 regularly scheduled Investment and Finance Committee meeting, special meetings were held on February 25, 2021 and March 2, 2021 via electronic mail to discuss/approve the reallocation of the 6% Alternative REIT investment and to approve/recommend to the Board a new allocation between equities/fixed income and alternative investments.

During the Investment and Finance Committee Meeting on February 10, 2021, Geoff Hall, Vanguard Senior Investment Consultant recommended that EFD reallocate our 6% alternative investments allocation to equities and fixed income. He also provided three alternatives for reinvesting the funds. The committee asked Geoff to provide additional information.

Based on the receipt and review of this additional information, on February 25th Mr. Welch recommended that the committee approve a new allocation of investments to 75% equities and 25% fixed income from 70% equities, 24% fixed income and 6% alternatives (even though REITs are common stock we currently reflect REITs as alternative investments). Mr. Hanks seconded the motion but reminded the committee that this would require amending our Investment Policy Statement. All members voted by electronic vote to approve the motion. Mr. Welch will present the revised Investment Policy Statement to the Board for approval at its regularly scheduled meeting on March 2, 2021.

After a discussion on the three alternative investment options presented by Geoff Hall, and Mr. Hall's recommendation, Mr. Welch recommended that we reallocate the 6% alternatives allocation to the Vanguard Total Stock Market Index Fund (5%) and to Fixed Income, the Vanguard Total Bond Market Index Fund (1%). This will keep our Active and Passive weightings the same (56% passive and 44% active). The reallocation will be made in connection with the Board's approval of the revised Investment Policy Statement.

On March 2, 2021 a motion to shift the 5% allocation into the Vanguard Total Stock Market Index Fund and place the 1% Fixed Income into Vanguard Total Bond Index Fund (Domestic) was presented. All members voted by electronic vote to approve the reallocation.

Episcopal Foundation of Dallas

3/31/2021

Asset Category	Investment Policy	3/31/2021	
	Target	%	Total
US Equity	42%	48%	20,864,785
International Equity	28%	28%	12,211,444
Fixed Income	24%	19%	8,234,815
Real Estate	6%	6%	2,604,127
TOTALS	100%	100%	\$43,915,171

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 3/31/21	As of 3/31/20	As of 12/31/20
Assets				
Cash - Foundation operating		137,807	125,972	\$ 127,122
Cash - Vanguard Money Market	(1)	199,909	188,750	199,903
Administrative fees receivables		51,996	37,461	50,561
Accounts receivable (EHFD)			-	-
Contribution receivable			-	1,250
Investments - Foundation	(2)	7,160,449	4,998,536	6,845,724
Investments - Agency	(2)	36,754,722	27,244,611	37,031,212
Furniture and equipment, net	(3)	595	2,119	976
Oil and gas property	(4)	3,500	3,500	3,500
Deposits and prepaid expenses		4,101	3,741	4,101
Total assets		\$ 44,313,079	\$ 32,604,689	\$ 44,264,349
Liabilities and Net Assets				
Liabilities				
Payroll liabilities		2,607	2,386	\$ 5,395
Accounts payable			-	-
Grants payable			-	-
Due to Agency Funds		36,754,722	27,244,611	37,031,212
Total liabilities		36,757,329	27,246,997	37,036,607
Net Assets				
Without donor restrictions		7,554,000	5,355,942	7,225,992
With donor restrictions	(4)	1,750	1,750	1,750
Total net assets		7,555,750	5,357,692	7,227,742
Total liabilities and net assets		44,313,079	\$ 32,604,689	\$ 44,264,349

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 2021 grant program.
- (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.

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF ACTIVITIES**

	Notes	Quarter-Ended 3/31/20	Quarter-Ended 3/31/20	Year Ended 12/31/20
Operating Revenues and Expenses				
Administrative fee income-gross	(1)	59,885	45,780	\$ 199,997
Interest - money market account	(2)	5	643	2,901
Misc Income (EHFD)				10,000
Total operating revenue/support		59,890	46,423	212,898
Payroll and payroll taxes		31,425	31,433	152,785
Professional fees	(3)	1,518	10,399	24,856
Sponsorships	(4)	-	3,000	3,000
Office operation	(5)	5,909	8,304	24,633
Total operating expenses		38,851	53,137	205,274
Increase in net assets from operations		21,039	(6,713)	7,624
Contributions Income - Episcopal Fund		-	5	107,305
Net Investment Gains				
Interest & dividends		20,379	18,448	245,853
Realized gains		223,698	17,760	150,336
Unrealized gains		80,438	(1,072,340)	552,974
Less: Vanguard advisory fees		(1,818)	(1,633)	(6,321)
Less: Admin fees on EFD funds	(6)	(9,347)	(8,319)	(29,591)
Total net investment revenue		313,350	(1,046,084)	913,251
Grant Expense				
Foundation grants		200	1,000	192,000
Trustee fund grants		1,500	-	2,000
Advised fund grants			327,000	18,500
Total grant expense		1,700	328,000	212,500
Total Increase (decrease) in net assets		332,688	(1,047,940)	815,680
Net assets at beginning of period		7,221,312	6,405,632	6,405,632
Net assets at end of period		\$ 7,554,000	\$ 5,357,692	\$ 7,221,312

Notes to Statement of Activities:

(1) Original transfer for Admin fee was \$50,561. Transfer balance of \$9,324 in April 2021

(2) See Note 1 on Statement of Net Assets

(3) 2020 Brochure Design for Planned Giving of \$10,000 and one time fee for K.McCabe for training

- (4) 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.**
- (5) See Actual vs. Budget Report for additional detail.**
- (6) The amount reflected is the total fees including the receivable related to the \$9,324 transfer made in April 2021**

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

	Notes	2021	YTD at 03/31/2021		
		Annual	Actual	Budget	Variance over (under) Budget
Operating Revenue and Expenses					
Revenue					
Administrative fee income - gross	(1)	\$ 209,000	\$ 59,885	\$ 52,250	\$ 7,635
Other Income (EHFD)		10,000	-	\$ 2,500	(2,500)
Operating Revenue		\$ 219,000	\$ 59,885	\$ 54,750	\$ 5,135
Expenses					
Payroll					
Executive Director		82,688	20,672	\$ 20,672	-
Grant Administrator		12,000	-	\$ 3,000	(3,000)
Controller		35,000	8,517	\$ 8,750	(233)
Bonuses		-	0	\$ -	-
Employer's payroll taxes		9,921	2,236	\$ 2,480	(245)
Total Payroll Expenses		\$ 139,609	\$ 31,425	\$ 34,902	\$ (3,478)
Professional Fees					
Audit	(2)	21,500	1,518	\$ 5,375	(3,857)
Tax return preparation	(2)	3,500	-	\$ 875	(875)
Website & Computer Tech		2,700	21	\$ 675	(654)
Legal Fees		500	-	\$ 125	(125)
Marketing		750	-	\$ 188	(188)
Development		750	-	\$ 188	(188)
Total Professional Fees		\$ 29,700	\$ 1,539	\$ 7,425	\$ (5,886)
Sponsorships					
		\$ 8,000	\$ -	\$ 2,000	\$ (2,000)
Office Expense					
Rent	(3)	8,600	2,084	\$ 2,150	(66)
Insurance-D&O/Liability		10,500	1,691	\$ 2,625	(934)
Telephone/Fax/Internet		600	150	\$ 150	(0)
Computer Expense		2,000	608	\$ 500	108
Development		500	-	\$ 125	(125)
Depreciation		1,500	508	\$ 375	133
Professional Development		1,500	450	\$ 375	75
Office Supplies		1,500	93	\$ 375	(282)
Marketing materials		500	-	\$ 125	(125)
Insurance-Worker's Comp		250	168	\$ 63	106
Property Taxes		100	52	\$ 25	27
Board Luncheon		1,000	-	\$ 250	(250)
Meetings		1,200	-	\$ 300	(300)
Convention		200	-	\$ 50	(50)
Memorials & special gifts		500	-	\$ 125	(125)
Miscellaneous		500	84	\$ 125	(41)
Special Events		9,000	-	\$ 2,250	(2,250)
Total Office Expense		\$ 39,950	\$ 5,887	\$ 9,988	\$ (4,100)
Operating Expense		\$ 217,259	\$ 38,851	\$ 54,315	\$ (15,463)
Operating Surplus (Deficit)		\$ 1,741	\$ 21,034	\$ 435	\$ 20,599

- (1) Original transfer for Admin fee was \$50,561. Transfer balance of \$9,324 in April 2021
(2) Only one payment has been made towards audit. Field work begins in May.
(3) New insurance coverage was paid out in April

Episcopal Foundation Client Activity Summary - First Quarter 2021

	Market Value 12/31/2020	Deposits	Withdrawals	Net Deposits/ Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Total Management Fees	Realized Gains/ (Losses)	Unrealized Gains/(Losses)	Capital Appreciation (Depreciation)	Market Value 3/31/2021
ASSET MANAGERS												
Proceeds from Class Actions	-			-	-	-	-	-	-	-	-	-
Vanguard	43,876,935.71			(1,817,678.57)	114,110.10	(50,561.14)	(11,525.39)	(62,086.53)	1,245,945.79	557,944.63	1,803,890.42	43,915,171.13
TOTAL MANAGERS	43,876,935.71			(1,817,678.57)	114,110.10	(50,561.14)	(11,525.39)	(62,086.53)	1,245,945.79	557,944.63	1,803,890.42	43,915,171.13
AGENCY ACCOUNTS												
Frank Hughes Estate	1,112,983.75	-	(34,513.50)	(34,513.50)	2,894.08	(1,282.54)	(292.21)	(1,574.75)	31,601.44	14,140.67	45,742.11	1,125,531.69
Amistad Mission	1,685,117.39	-	-	-	4,425.77	(1,941.83)	(447.46)	(2,389.29)	48,284.78	21,738.83	70,023.61	1,757,177.48
Episcopal Health Foundation of Dallas	7,043,083.96	-	-	-	18,497.90	(8,116.03)	(1,870.21)	(9,986.24)	201,810.11	90,859.19	292,669.30	7,344,264.92
Alice L. Bomar Trust fund	44,092.99	-	(973.32)	(973.32)	113.55	(50.81)	(11.45)	(62.26)	1,240.97	551.96	1,792.93	44,963.89
Church of the Incarnation Pension Trust	2,024,707.31	151,374.00	(23,233.92)	128,140.08	5,614.38	(2,333.15)	(571.65)	(2,904.80)	60,971.88	28,338.62	89,310.50	2,244,867.47
Our Merciful Saviour Episcopal Church	82,828.94	-	-	-	217.55	(95.45)	(21.99)	(117.44)	2,373.35	1,068.53	3,441.88	86,370.93
Annie Harris Norton Fund	5,451.66	-	-	-	14.31	(6.28)	(1.45)	(7.73)	156.21	70.33	226.54	5,684.78
St. Albans Scholarship Fund	14,960.84	-	-	-	39.29	(17.24)	(3.97)	(21.21)	428.68	193.00	621.68	15,600.60
St. John's Episcopal School	6,097,763.52	-	-	-	16,015.12	(7,026.70)	(1,619.19)	(8,645.89)	174,723.23	78,664.11	253,387.34	6,358,520.09
St. Mark's Irving	197,865.99	-	-	-	519.67	(228.01)	(52.54)	(280.55)	5,669.58	2,552.57	8,222.15	206,327.26
St. Peter's	274,793.52	-	-	-	721.72	(316.66)	(72.97)	(389.63)	7,873.84	3,544.97	11,418.81	286,544.42
Parish Episcopal School Fund	4,279,456.40	-	(1,892,500.00)	(1,892,500.00)	7,468.54	(4,931.39)	(979.08)	(5,910.47)	81,407.09	52,858.95	134,266.04	2,522,780.51
Good Shepherd Episcopal Church	72,833.09	-	-	-	191.29	(83.93)	(19.34)	(103.27)	2,086.94	939.58	3,026.52	75,947.63
Petrash Scholarship Fund	17,465.59	-	-	-	45.88	(20.13)	(4.64)	(24.77)	500.45	225.31	725.76	18,212.46
The Santiago Foundation	914,967.48	-	-	-	2,403.07	(1,054.35)	(242.96)	(1,297.31)	26,217.17	11,803.53	38,020.70	954,093.94
St. Augustine's Episcopal Church	155,243.43	-	-	-	407.73	(178.89)	(41.22)	(220.11)	4,448.29	2,002.72	6,451.01	161,882.06
St. Matthew's Cathedral Revolving Fund	769.41	-	-	-	2.02	(0.89)	(0.20)	(1.09)	22.05	9.93	31.98	802.32
St. Matthew's Cathedral Endowment Fund	1,414,300.36	3,125.01	(20,874.00)	(17,748.99)	3,692.69	(1,629.75)	(376.38)	(2,006.13)	40,263.31	18,395.11	58,658.42	1,456,896.35
Holy Nativity	110,925.91	-	-	-	291.34	(127.82)	(29.46)	(157.28)	3,178.44	1,431.00	4,609.44	115,669.41
ECR - Building Fund	272,249.00	-	-	-	715.03	(313.72)	(72.29)	(386.01)	7,800.93	3,512.14	11,313.07	283,891.09
DIOCESAN ACCOUNTS												
E.D. Farmer Foundation	1,211,630.41	-	-	-	3,182.22	(1,396.21)	(321.73)	(1,717.94)	34,717.64	15,630.61	50,348.25	1,263,442.94
Endowment of the Episcopate	2,629,915.31	-	-	-	6,907.19	(3,030.56)	(698.34)	(3,728.90)	75,356.70	33,927.18	109,283.88	2,742,377.48
St. Paul Memorial Fund	725,847.78	-	-	-	1,906.36	(836.42)	(192.74)	(1,029.16)	20,798.20	9,363.78	30,161.98	756,886.96
Corporation of the Diocese	2,911,996.98	-	-	-	7,648.04	(3,355.61)	(773.25)	(4,128.86)	83,439.36	37,566.16	121,005.52	3,036,521.68
The Mausoleum Perpetual Care Fund	134,439.35	-	-	-	353.09	(154.92)	(35.70)	(190.62)	3,852.18	1,734.33	5,586.51	140,188.33
Memorial Scholarship Fund	733,870.43	-	-	-	1,927.43	(845.67)	(194.87)	(1,040.54)	21,028.07	9,467.28	30,495.35	765,252.67
Ministry with the Aging, Inc. / Bruton	0.00	-	-	-	-	-	-	-	-	-	-	0.00
Elizabeth Austin Miller Fund	218,122.62	-	-	-	572.87	(251.35)	(57.92)	(309.27)	6,250.02	2,813.89	9,063.91	227,450.13
Junker Fund	160,697.55	-	-	-	422.05	(185.18)	(42.67)	(227.85)	4,604.57	2,073.07	6,677.64	167,569.39
Price Fund	142,124.90	-	-	-	373.28	(163.78)	(37.74)	(201.52)	4,072.40	1,833.48	5,905.88	148,202.54
William B. Clayton Fund	255,897.61	-	-	-	672.09	(294.88)	(67.95)	(362.83)	7,332.40	3,301.20	10,633.60	266,840.47
Hiram and LaVerne McCurry Fund	412,809.56	-	-	-	1,084.20	(475.70)	(109.62)	(585.32)	11,828.50	5,325.44	17,153.94	430,462.38
Bishop Moore Endowment	51,818.97	-	-	-	136.10	(59.71)	(13.76)	(73.47)	1,484.81	668.49	2,153.30	54,034.90
Estate of Estelle Smith	658,230.73	-	-	-	1,728.77	(758.51)	(174.79)	(933.30)	18,860.71	8,491.49	27,352.20	686,378.40
Lawrence Blake Scholarship Trust	903,448.74	-	-	-	2,372.81	(1,041.08)	(239.90)	(1,280.98)	25,887.12	11,654.93	37,542.05	942,082.62
The Gathering	58,500.24	-	-	-	153.64	(67.41)	(15.53)	(82.94)	1,676.25	754.69	2,430.94	61,001.88
EPISCOPAL FOUNDATION ACCOUNTS												
The Episcopal Fund	5,298,214.49	3,000.00	(82.84)	2,917.16	16,320.54	(6,105.34)	(1,407.28)	(7,512.62)	179,423.76	60,454.57	239,878.33	5,549,817.90
The Julie and Louis Beecherl Trustee's Fund	732,482.04	1,000.00	(4,000.00)	(3,000.00)	1,917.91	(844.07)	(194.50)	(1,038.57)	20,920.85	9,468.74	30,389.59	760,750.97
Beecherl Advised Fund	333,534.48	-	-	-	875.98	(384.35)	(88.57)	(472.92)	9,556.98	4,302.76	13,859.74	347,797.28
J. C. Brown Memorial Scholarship Advised Fu	379,544.53	-	-	-	996.84	(437.36)	(100.78)	(538.14)	10,875.34	4,896.31	15,771.65	395,774.88
Bishop Stanton Advised Fund	101,948.45	-	-	-	267.76	(117.48)	(27.07)	(144.55)	2,921.19	1,315.18	4,236.37	106,308.03
AGENCY ACCOUNTS	37,031,211.72	154,499.01	(1,972,094.74)	(1,817,595.73)	93,731.07	(42,672.56)	(9,707.17)	(52,379.73)	1,022,247.67	477,507.07	1,499,754.74	36,754,722.07
EPISCOPAL FOUNDATION ACCOUNTS	6,845,723.99	4,000.00	(4,082.84)	(82.84)	20,379.03	(7,888.60)	(1,818.20)	(9,706.80)	223,698.12	80,437.56	304,135.68	7,160,449.06
TOTAL	43,876,935.71	158,499.01	(1,976,177.58)	(1,817,678.57)	114,110.10	(50,561.16)	(11,525.37)	(62,086.53)	1,245,945.79	557,944.63	1,803,890.42	43,915,171.13

Episcopal Health Foundation
2021 Grant Caluation V1

		<u>Market Value</u>	
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	
2020	Q1	5,307,263	
2020	Q2	6,161,514	
2020	Q3	6,532,146	
12-Quarter Average		\$ 6,251,090	
Available Grants at 5%		<table border="1"><tr><td>\$ 312,554</td></tr></table>	\$ 312,554
\$ 312,554			

Episcopal Health Foundation of Dallas
Statement of Net Assets

	As of 3/31/2021	As of 3/31/2020	As of 12/31/2020
Assets			
North Dallas Bank - checking account	\$ 17,358	\$ 11,808	\$ 17,729
Vanguard - money market (1)	312,569	313,449	312,561
Prepaid excise tax (2)	2,390	6,200	2,390
Prepaid D&O insurance (3)		3,252	652
Other	95	95	95
Investments at market value	7,344,265	5,307,263	7,043,084
Total assets	\$ 7,676,676	\$ 5,642,067	\$ 7,376,510
Liabilities and Net Assets			
Liabilities			
Accounts payable (3)	\$ 19,434	\$ -	\$ 19,434
Estimated excise tax liability	7,027	7,010	7,027
Total liabilities	26,461	7,010	26,461
Net Assets			
Total unrestricted net assets	7,650,215	5,635,057	7,350,049
Total liabilities and net assets	\$ 7,676,676	\$ 5,642,067	\$ 7,376,510

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) This is the credit amount showing as a carryforward on our taxes. EHFD will use the credit on 2020 taxes
- (3) Accounts payable of \$19,434 represents the amount of outstanding grants payable

Episcopal Health Foundation of Dallas
Statement of Activities

	Quarter Ended 3/31/2021	Quarter Ended 3/31/2020	Year Ended 12/31/2020
Investment income and expense			
Interest and dividends	\$ 18,506	\$ 20,661	\$ 258,320
Realized gains on sales on securities	201,810	18,864	159,290
Unrealized gains on investments	90,859	(1,138,858)	571,429
Investment management fees	(9,986)	(10,592)	(40,290)
	<u>301,189</u>	<u>(1,109,925)</u>	<u>948,749</u>
Net investment income			
Grants and operating expenses			
Foundation grants		\$ 8,000	\$ 332,000
Contract services		-	10,000
Excise tax expense		588	4,415
Accounting fees		-	2,678
Insurance - D&O	652	-	2,601
Computer & website	320		349
Meetings		-	
Misc	52	56	283
	<u>1,024</u>	<u>8,644</u>	<u>352,326</u>
Total grants and expenses			
Increase (decrease) in net assets	300,166	(1,118,569)	596,423
Net assets at beginning of period	7,350,049	6,753,626	6,753,626
Net assets at end of period	<u>\$ 7,650,215</u>	<u>\$ 5,635,057</u>	<u>\$ 7,350,049</u>