



Episcopal
Foundation
of Dallas

Investment Committee Meeting Agenda

Wednesday, May 4, 2022 4:00 pm

<https://us02web.zoom.us/j/88516148307>

Meeting ID: 885 1614 8307

Passcode: 963419

Call to order: Andy Welch

Minutes from the February 9, 2022 Investment Committee meeting approved. (p.1-2)

Investment Performance Review (separate packet) Geoff Hall

- Financial Market Review
- Portfolio Performance
- Fees and Expenses
- Economic & Market Outlook

Financial Statement Review

- Q1 2022 EFD Statements of Net Assets & Activities (p.3-4)
- EFD 2022 Actual vs Budget (p.5)
- Q1 2022 EFD Client Activity Summaries (p.6-7)
- Asset Allocation (p.8)

EHFD Financial Statement Review

- Q1 2022 EHFD Statements of Net Assets & Activities (p.9-10)
- EHFD 2022 Actual v Budget (p.11)

Other Business

- Potential partner Visit update
 - St. Andrews, McKinney – Met on April 27, 2022 and May 2, 2022
 - St. James, Dallas – Met on April 11, 2022 and will talk again in late May

Informational

Still waiting for St. James Episcopal School, Texarkana (~\$550k) and St. Augustine's (~\$332k) to deposit funds.

Adjourn

**Episcopal Foundation of Dallas
Investment and Finance Committee Meeting
Minutes
Wednesday, February 9, 2022 4:00 p.m.
VIA Zoom Meeting
DRAFT**

Committee Members:

Present: Andy Welch (Committee Chairman), Ken Hanks, Pat Carrigan, Scott Hancock, and Robbi Rice Dietrich

Others Attending: Pam Jamieson, Executive Director, Jill Hurt, Controller, Geoff Hall, Vanguard Senior Investment Consultant, and Sue Gray and John Stetter, incoming board members.

Andy Welch, Chairman, opened the Investment and Finance Committee meeting at 4:02 p.m. with a prayer. He welcomed Sue Gray and John Stetter to the committee and the board.

The minutes from the November 3, 2021 Investment Committee Meetings were approved as written.

Vanguard Senior Investment Consultant Geoff Hall reviewed the quarterly performance packet noting that the market value of all accounts on December 31, 2021 was \$52,654,732. The pooled portfolio was \$49,540,398, St. John's (50/50 allocation) was \$2,751,227, and St. Thomas (60/40 allocation) was \$363,207. The value of all portfolios on February 9, 2022 was \$51,773,488. The pooled portfolio continues to outpace the benchmarks for 3, 5 and since inception time periods.

Geoff reviewed the performance for both the equity and fixed income active managers and noted that Vanguard managers continue to perform better than the benchmarks and their peers for three of our four active managers. He also reviewed the financial markets and Vanguard's economic outlook. Key takeaways are 1) Vanguard expects the U.S. economic recovery to continue in 2022, though at a naturally slower pace. 2) The Fed's tapering program sets the stage for what Vanguard believes will be a late 2022 interest rate hike (Geoff felt Vanguard may be too conservative as they forecast just two 25bp rate hikes for 2022). 3) Vanguard foresees inflation persisting above 2% toward the end of 2022, and broad wage gains taking hold.

Given the two separate portfolios with different allocations and three reports being produced, the committee asked Geoff to prepare a report (or separate page on the EFD report) that combines all three portfolios in terms of portfolio fees and portfolio market values.

Controller, Jill Hurt reviewed the current EFD financial statement packet. EFD current assets were \$7,949,479 as of December 31, 2021. The financial statements were accepted as presented. The revised EFD 2022 Budget was reviewed and accepted to be sent to the full board for approval with a resolution that the Executive Director is allowed to work within the budget without needing additional approvals.

Jill Hurt also reviewed the EHFD Financial Statements. EHFD current assets were \$7,929,228 as of December 31, 2021. The Financial statements were accepted as presented. The EHFD revised 2022 Budget was reviewed and accepted to be sent to the full board for approval.

The 2022 EFD and EHFD updated grant calculations were part of the meeting packet. Half of the funds have been transferred to the respective money market accounts and the other half will be moved this quarter.

Andy reviewed the Investment Partner visit document with the committee and noted that the Strategic Plan Dashboard includes the investment committee as collaborating partners on several implementation plans.

Information for the committee includes waiting on funds to transfer from St. James Day School, Texarkana and St. Augustine's.

With no further business, the meeting was adjourned at 5:05 p.m.

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

	As of 3/31/22	As of 3/31/21	As of 12/31/21
Assets			
Cash - Foundation operating	\$ 153,487	\$ 137,807	\$ 147,137
Cash - Vanguard Money Market	111,198	199,909	111,188
Administrative fees receivable	57,304	50,538	57,636
Accounts receivable (EHFD)			
Contribution receivable			1,100
Investments - Foundation	7,186,760	7,160,449	7,623,485
Investments - Agency	38,981,275	36,754,722	41,916,913
Investments-St. Johns (1)	2,594,926		2,751,227
Investments - St. Thomas (1)	339,283		363,208
Investment Clearing			-
Furniture and equipment, net		595	-
Oil and gas property (2)	3,500	3,500	3,500
Deposits and prepaid expenses	4,428	4,101	8,594
Total assets	\$ 49,432,162	\$ 44,311,621	\$ 52,983,988
Liabilities and Net Assets			
Liabilities			
Payroll liabilities	2,894	2,584	3,161
Accounts payable		-	-
Grants payable		-	-
Due to Agency Funds (3)	41,915,484	36,754,722	45,031,348
Total liabilities	41,918,378	36,757,306	45,034,509
Net Assets			
Without donor restrictions	7,512,034	7,552,565	7,947,729
With donor restrictions	1,750	1,750	1,750
Total net assets	7,513,784	7,554,315	7,949,479
Total liabilities and net assets	\$ 49,432,162	\$ 44,311,621	\$ 52,983,988

Notes to Statement of Net Assets:

- (1) New accounts set up in 2021 with different allocations than original investment account.
- (2) 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.
- (3) Total is Investment Fund Agency, St. Johns, and St. Thomas

**EPISCOPAL FOUNDATION OF DALLAS
STATEMENT OF ACTIVITIES**

	Quarter Ended 3/31/22	Quarter Ended 3/31/21	Year Ended 12/31/21
Operating Revenues and Expenses			
Administrative fee income-gross	\$ 73,731	\$ 50,561	\$ 218,236
Interest-money market account	10	5	2,064
Miscellaneous Income (EHFD)			10,000
Total operating revenue	<u>73,741</u>	<u>50,567</u>	<u>230,300</u>
Payroll and payroll taxes	(2) 37,927	31,425	154,672
Professional fees	(3) 7,119	1,518	31,635
Sponsorships	(4) 5,244		5,000
Office Operation	(5) 7,901	5,909	35,543
Total operating expenses	<u>58,190</u>	<u>38,852</u>	<u>226,851</u>
Increase in net assets from operations	<u>15,550</u>	<u>11,715</u>	<u>3,449</u>
Contributions income - Episcopal Fund	<u>1,000</u>		<u>6,800</u>
Net Investment Gains			
Interest & dividends	16,235	20,379	359,964
Realized gains	9,177	223,698	456,570
Unrealized gains (losses)	(441,836)	80,438	121,471
Less: Vanguard advisory fees	(1,869)	(1,818)	(7,757)
Less: Administrative fees on EFD funds	(10,481)	(7,889)	(31,689)
Total investment revenue	<u>(428,774)</u>	<u>314,808</u>	<u>898,560</u>
Grant Expense			
Foundation grants		200	200,900
Trustee fund grants	3,000	1,500	1,500
Advised fund grants	5,000		5,000
Total grant expense	<u>8,000</u>	<u>1,700</u>	<u>207,400</u>
Total Increase (Decrease) in net assets	(420,223)	324,823	701,409
Net assets at beginning of period	<u>7,934,007</u>	<u>7,229,492</u>	<u>7,248,070</u>
Net assets at end of period	<u>\$ 7,513,784</u>	<u>\$ 7,554,315</u>	<u>\$ 7,949,479</u>

Notes to Statement of Activities:

- (1) Reimburse for EHFD costs
- (2) Increase is due to additional payroll for Polly in relation to training of new grant software
- (3) Increase is due to audit being performed in March vs our typical May timeframe and for legal fees related to the EFD/EHFD merger
- (4) One Man's Treasure \$1,243.56, Empty Bowls \$3,000, Brotherhood of St. Andrews \$1,000
- (5) Increase is due to paying for new grant software

EPISCOPAL FOUNDATION OF DALLAS
STATEMENT of ACTUAL VS. BUDGET

	Notes	2022	YTD at 3/31/2022		
		Annual	Actual	Budget	Variance over (under) Budget
Operating Revenue and Expenses					
Revenue					
Administrative fee income - gross	(1)	\$ 228,800	\$ 73,731	\$ 57,200	\$ 16,531
Interest Income		2,100	10	525	(515)
Other Income (EHFD)		10,000		2,500	(2,500)
Operating Revenue		\$ 240,900	\$ 73,741	\$ 60,225	\$ 13,516
Expenses					
Payroll					
Executive Director		88,476	22,119	22,119	-
Grant Administrator		14,000	4,363	3,500	863
Controller		35,000	8,750	8,750	-
Bonuses				0	-
Employer's payroll taxes		10,517	2,695	2,629	66
Total Payroll Expenses		\$ 147,993	\$ 37,927	\$ 36,998	\$ 928
Professional Fees					
Audit		21,600	5,720	5,400	320
Tax return preparation		3,750	-	938	(938)
Website & Computer Tech		2,500	21	625	(604)
Legal Fees	(2)	5,000	1,378	1,250	128
Marketing		10,000	-	2,500	(2,500)
Development		750	-	188	(188)
Total Professional Fees		\$ 43,600	\$ 7,119	\$ 10,900	\$ (3,781)
Sponsorships		\$ 8,000	\$ 5,244	\$ 2,000	\$ 3,244
Office Expense					
Rent		9,150	2,184	2,288	(104)
Insurance-D&O/Liability		11,000	925	2,750	(1,825)
Telephone/Fax/Internet		600	150	150	-
Computer Expense	(3)	5,125	3,939	1,281	2,658
Development		500	-	125	(125)
Depreciation		2,500	-	625	(625)
Professional Development		2,000	545	500	45
Office Supplies		1,200	62	300	(238)
Marketing materials		500	-	125	(125)
Insurance-Worker's Comp		250	-	63	(63)
Property Taxes		100	-	25	(25)
Board Luncheon		1,000	-	250	(250)
Meetings		1,000	-	250	(250)
Convention		200	-	50	(50)
Memorials & special gifts		500	73	125	(52)
Miscellaneous		500	23	125	(102)
Special Events		0	-	0	-
Total Office Expense		\$ 36,125	\$ 7,901	\$ 9,031	\$ (1,131)
Operating Expense		\$ 235,718	\$ 58,190	\$ 58,930	\$ (739)
Operating Surplus (Deficit)		\$ 5,182	\$ 15,551	\$ 1,296	\$ 14,255

(1) Includes Pooled account, St. John's, and St. Thomas

(2) Costs associated to EFD/EHFD merger. EHFD paid back \$1668.75

(3) Increase is due to grant software paid for in Q1 2022. Cost was \$6662.50 EHFD paid for half

Episcopal Foundation Client Activity Summary - First Quarter 2022

Account Number		Market Value 12/31/2021	Deposits	Withdrawals	Interest & Dividends	Adm Fees	Money Mgr Fees	Realized Gains/ (Losses)	Unrealized Gains/ (Losses)	Market Value 3/31/2022
	ASSET MANAGERS									
	Proceeds from Class Actions	-			-	-	-	-	-	-
	Vanguard	49,540,398.38	198,001.54	(780,956.42)	104,796.78	(65,955.54)	(12,183.19)	59,713.68	(2,875,779.66)	46,168,035.57
	TOTAL MANAGERS	49,540,398.38	198,001.54	(780,956.42)	104,796.78	(65,955.54)	(12,183.19)	59,713.68	(2,875,779.66)	46,168,035.57
	AGENCY ACCOUNTS									
1001	Frank Hughes Estate	1,185,136.80	-	(10,046.00)	2,508.01	(1,629.37)	(288.51)	1,416.74	(68,508.54)	1,108,589.13
1004	Amistad Mission	1,898,497.61	-	-	4,047.24	(2,610.12)	(466.27)	2,289.47	(110,114.06)	1,791,643.87
1008	Episcopal Health Foundation of Dallas	7,755,541.55	-	(5,000.00)	16,524.18	(10,662.60)	(1,903.49)	9,346.51	(449,711.73)	7,314,134.42
1010	Alice L. Bomar Trust fund	48,426.18	-	(1,566.19)	100.25	(66.58)	(11.48)	56.39	(2,771.69)	44,166.88
1011	Church of the Incarnation Pension Trust	2,425,409.83	117,356.00	(23,233.92)	5,343.75	(3,334.54)	(619.68)	3,041.69	(142,831.44)	2,381,131.69
1012	Our Merciful Saviour Episcopal Church	93,317.28	-	-	198.94	(128.30)	(22.92)	112.54	(5,412.47)	88,065.07
1015	Annie Harris Norton Fund	6,141.97	-	-	13.09	(8.44)	(1.51)	7.41	(356.24)	5,796.28
1016	St. Albans Scholarship Fund	16,855.31	-	-	35.93	(23.17)	(4.14)	20.32	(977.62)	15,906.63
1018	St. John's Episcopal School	4,078,402.00	-	-	8,694.40	(5,607.14)	(1,001.66)	4,918.31	(236,549.86)	3,848,856.05
1020	St. Mark's Irving	207,814.70	60,000.00	(15,000.00)	534.23	(285.71)	(51.04)	261.11	(11,959.00)	241,314.29
1025	St. Peter's	305,191.57	-	-	650.62	(419.59)	(74.96)	368.05	(17,701.31)	288,014.38
1027	Parish Episcopal School Fund	2,725,673.91	-	(669,000.00)	4,793.66	(3,747.36)	(669.43)	3,169.97	(159,143.26)	1,901,077.49
1030	Good Shepherd Episcopal Church	82,055.69	-	-	174.92	(112.81)	(20.15)	98.95	(4,759.28)	77,437.32
1031	Petrash Scholarship Fund	19,165.48	-	-	40.85	(26.35)	(4.71)	23.11	(1,111.61)	18,086.77
1033	The Santiago Foundation	1,030,826.49	-	-	2,197.54	(1,417.22)	(253.17)	1,243.11	(59,788.58)	972,808.17
1034	St. Augustine's Episcopal Church	148,854.40	-	-	317.33	(204.65)	(36.56)	179.50	(8,633.65)	140,476.37
1036	St. Matthew's Cathedral Revolving Fund	866.83	-	-	1.85	(1.19)	(0.21)	1.04	(50.28)	818.04
1037	St. Matthew's Cathedral Endowment Fund	4,273,211.46	-	(28,110.00)	9,079.28	(5,874.97)	(1,047.97)	5,143.56	(247,731.54)	4,004,669.82
1038	Holy Nativity	124,972.04	-	-	266.41	(171.82)	(30.69)	150.70	(7,248.46)	117,938.18
1040	ECR - Building Fund	344,013.00	-	-	733.38	(472.96)	(84.49)	414.86	(19,952.97)	324,650.82
1041	St. Luke Restricted	1,402,834.61	9,596.60	-	3,006.11	-	(345.88)	1,698.82	(81,481.11)	1,335,309.15
1042	St. Luke McLaurin Fund	164,200.81	-	-	350.46	-	(40.39)	198.30	(9,528.93)	155,180.25
	DIOCESAN ACCOUNTS									
2002	E.D. Farmer Foundation	2,771,666.37	-	-	5,908.67	(3,810.59)	(680.72)	3,342.46	(160,758.39)	2,615,667.80
2003	Endowment of the Episcopate	2,865,303.95	-	-	6,108.30	(3,939.33)	(703.72)	3,455.38	(166,189.43)	2,704,035.15
2006	St. Paul Memorial Fund	663,609.87	-	-	1,414.69	(912.36)	(162.98)	800.28	(38,489.79)	626,259.71
2009	Corporation of the Diocese	3,280,732.45	-	-	6,993.91	(4,510.47)	(805.75)	3,956.37	(190,284.55)	3,096,081.96
2013	The Mausoleum Perpetual Care Fund	151,462.90	-	-	322.90	(208.24)	(37.20)	182.65	(8,784.95)	142,938.06
2014	Memorial Scholarship Fund	795,967.87	-	-	1,696.86	(1,094.33)	(195.49)	959.89	(46,166.64)	751,168.16
2017	Ministry with the Aging, Inc. / Bruton	0.00	-	-	-	-	-	-	-	0.00
2019	Elizabeth Austin Miller Fund	240,604.40	-	-	512.92	(330.79)	(59.09)	290.15	(13,955.20)	227,062.39
2020	Junker Fund	181,046.07	-	-	385.96	(248.91)	(44.46)	218.33	(10,500.79)	170,856.20
2021	Price Fund	151,936.53	-	(10,000.00)	323.91	(208.89)	(37.32)	183.23	(8,812.41)	133,385.05
2023	William B. Clayton Fund	288,300.97	-	-	614.60	(396.37)	(70.81)	347.67	(16,721.64)	272,074.42
2024	Hiram and LaVerne McCurry Fund	449,667.22	-	-	958.61	(618.22)	(110.44)	542.27	(26,080.97)	424,358.47
2026	Bishop Moore Endowment	58,380.65	-	-	124.46	(80.26)	(14.34)	70.41	(3,386.12)	55,094.80
2028	Estate of Estelle Smith	638,813.82	-	-	1,361.83	(878.26)	(156.89)	770.37	(37,051.60)	602,859.27
2035	Lawrence Blake Scholarship Trust	976,102.63	-	-	2,080.87	(1,341.98)	(239.73)	1,177.12	(56,614.56)	921,164.35
2036	The Gathering	65,907.91	-	-	140.50	(90.61)	(16.19)	79.49	(3,822.70)	62,198.40
	EPISCOPAL FOUNDATION ACCOUNTS									
3041	The Episcopal Fund	5,888,566.07	11,048.94	(11,000.31)	12,550.64	(8,095.80)	(1,443.94)	7,091.67	(341,319.70)	5,557,397.57
3042	The Julie and Louis Beecherl Trustee's Fund	821,933.99	-	(3,000.00)	1,747.65	(1,130.03)	(201.87)	990.68	(47,677.41)	772,663.01
3044	Beecherl Advised Fund	375,768.73	-	-	801.06	(516.62)	(92.29)	453.15	(21,794.83)	354,619.20
3045	J. C. Brown Memorial Scholarship Advised Fu	427,604.86	-	-	911.58	(587.89)	(105.02)	515.66	(24,801.35)	403,537.84
3046	Bishop Stanton Advised Fund	109,611.60	-	(5,000.00)	224.46	(150.70)	(25.65)	125.98	(6,243.00)	98,542.69
	AGENCY ACCOUNTS	40,349,877.71	186,952.60	(761,956.11)	85,204.85	(55,474.50)	(9,928.17)	48,639.41	(2,342,933.33)	38,981,275.26
	EPISCOPAL FOUNDATION ACCOUNTS	7,623,485.25	11,048.94	(19,000.31)	16,235.39	(10,481.04)	(1,868.77)	9,177.14	(441,836.29)	7,186,760.31
	TOTAL	47,973,362.96	198,001.54	(780,956.42)	101,440.24	(65,955.54)	(11,796.94)	57,816.55	(2,784,769.62)	46,168,035.57

*The estimated return is calculated as ((end of period mkt value +- net deposit or withdrawal during quarter) /beginning of period market value)-1.

Difference is March St Luke deposit reported as in transit.

			Month End 12/31/2021		Net Deposits/ Withdrawals	Interest & Dividends	Adm. Fees	Money Mgr Fees	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Earnings Net of Fees	Market Value 3/31/2022
Account Number	Donor	Ending Ownership Balance	Beginning Ownership Percent	Deposits	Withdrawals	Interest & Dividends	Adm. Fees	Money Mgr Fees	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Earnings Net of Fees	Ending Ownership Balance
1018 B	St. John's Episcopal School (50/50)	2,751,227.21	100.00%			8,140.02	(3,782.94)	(676.59)	690.89	(160,672.40)	(156,301.02)	2,594,926.19
1045	St. Thomas the Apostle (60/40)	363,207.78	100.00%		(4,166.00)	951.21		(89.33)	942.63	(21,563.59)	(19,759.08)	339,282.70
Total Alternative Asset Allocations		3,114,434.99										2,934,208.89

Episcopal Foundation of Dallas

3/31/2022

Asset Category	Investment Policy	3/31/2022	
	Target	%	Total
Equity	75%	75%	34,838,070
Fixed Income	25%	25%	11,326,840
TOTALS	100%	100%	46,164,910

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

**Episcopal Health Foundation of Dallas
Statement of Net Assets**

	As of 3/31/2022	As of 3/31/2021	As of 12/31/2021
Assets			
North Dallas Bank - checking account	\$ 10,065	\$ 17,358	\$ 2,796
Vanguard - money market (1)	166,176	312,569	166,161
Prepaid excise tax		2,390	4,390
Prepaid D&O insurance		-	339
Other		95	-
Investments at market value	<u>7,314,134</u>	<u>7,344,265</u>	<u>7,755,542</u>
Total assets	<u>\$ 7,490,374</u>	<u>\$ 7,676,676</u>	<u>\$ 7,929,228</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable		19,434	
Estimated excise tax liability	<u>5,826</u>	<u>7,027</u>	<u>1,427</u>
Total liabilities	<u>\$ 5,826</u>	<u>\$ 26,461</u>	<u>\$ 1,427</u>
Net Assets			
Total unrestricted net assets	<u>7,484,549</u>	<u>7,650,215</u>	<u>7,927,801</u>
Total liabilities and net assets	<u>\$ 7,490,375</u>	<u>\$ 7,676,676</u>	<u>\$ 7,929,228</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 2022 grant program.

Episcopal Health Foundation of Dallas
Statement of Activities

	Quarter Ended 3/31/2022	Quarter Ended 3/31/2021	Year Ended 12/31/2021
Investment income and expense			
Interest and dividends	\$ 16,539	\$ 18,506	\$ 366,584
Realized gains on sales on securities	9,347	201,810	440,692
Unrealized gains on investments	(449,712)	90,859	133,215
Investment management fees	(12,566)	(9,986)	(48,833)
	<u>\$ (436,392)</u>	<u>\$ 301,189</u>	<u>\$ 891,658</u>
Net investment income			
Grants and operating expenses			
Foundation grants		\$ -	\$ 316,500
Contract services		-	10,000
Excise tax expense	5,826	-	2,014
Accounting fees		-	2,860
Legal Fees	(1) 1,669		
Insurance - D&O	339	652	3,461
Computer & website	(2) 3,164	320	349
Meetings	-	-	123
Misc	-	52	33
Total grants and expenses	<u>\$ 10,998</u>	<u>\$ 1,024</u>	<u>\$ 335,341</u>
Increase (decrease) in net assets	(447,390)	300,166	556,318
Net assets at beginning of period	7,931,939	7,350,049	7,371,483
Net assets at end of period	<u>\$ 7,484,549</u>	<u>\$ 7,650,215</u>	<u>\$ 7,927,801</u>

(1) EHFD portion of legal fees

(2) EHFD portion of grant software

**EPISCOPAL HEALTH FOUNDATION OF DALLAS
ACTUAL VS. BUDGET**

		<i>YTD as of 3/31/2022</i>		
	Notes	Actual	Budget	over (under) Budget
Contract Services			10,000	(10,000)
Tax Return Preparation			2,950	(2,950)
Excise tax		5,826	5,500	326
Insurance - D&O		339	3,000	(2,661)
Computer		3,164	3,500	(337)
Legal Fees		1,669	5,000	(3,331)
Office Supplies			100	(100)
Meetings			150	(150)
Memorials \$ Gifts		-	100	(100)
Misc.			100	(100)
Total Office Expense		10,998	30,400	(6,453)