



Audit and Administration Committee Meeting

Agenda

May 9, 2022, 1:00 pm

<https://us02web.zoom.us/j/86413960382>

Meeting ID: 864 1396 0382

Passcode: 422725

Call to Order and Opening Prayer: Ken Hanks

- Introduction of the BKD Audit Senior Manager, Karen Garcia
- Presentation of December 2021 Audit Draft Report and Discussion (Separate report)
- Other Business
 - Q1 2022 EFD and EHFD Financials (p. 1-9)
 - Document Inventory (p. 10)
 - Insurance (p.11)
- Adjourn

**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		<u>(420,223)</u>	<u>324,823</u>	<u>701,409</u>
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 Fund	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

	Investment Policy	3/31/2022	
Asset Category	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	7,314,134	7,344,265	7,755,542
Total assets	\$ 7,490,374	\$ 7,676,676	\$ 7,929,228
Liabilities and Net Assets			
Liabilities			
Accounts payable		19,434	
Estimated excise tax liability	5,826	7,027	1,427
Total liabilities	\$ 5,826	\$ 26,461	\$ 1,427
Net Assets			
Total unrestricted net assets	7,484,549	7,650,215	7,927,801
Total liabilities and net assets	\$ 7,490,375	\$ 7,676,676	\$ 7,929,228

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><u>\$ 7,484,549</u></u>	<u><u>\$ 7,650,215</u></u>	<u><u>\$ 7,927,801</u></u>

(1) EHFD portion of legal fees

(2) EHFD portion of grant software

EPISCOPAL HEALTH FOUNDATION OF DALLAS
ACTUAL VS. BUDGET

		YTD as of 3/31/2022		
	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)

Inventory of Important Documents / Policies & Owners and Plan of Review				
	Owner	Frequency of Review	Last Reviewed	Next Review Due
Organizational Documents				
Articles of Incorporation EFD	Secretary	As needed		
Bylaws EFD	Secretary	3-5 years	Dec-16	2022
Articles of Incorporation EHFD	Secretary	As needed	Jul-18	
Bylaws EHFD	Secretary	3-5 years	Sep-18	2024
Organizational Directional Documents				
Mission, Vision, Values	Ex Cmtt	5 years	2017	2022
Spherical Brand Promise	Ex Cmtt	5 years	2017	2022
Strategic Plan	Ex Cmtt	3-4 years	Jul-05	2024
Committee Responsibilities	Indv. Cmmtt	First Qtr		
Annual Work Plans of Committees	by Cmtt	First Qtr	Mar-21	Mar-22
Annual Budget of Foundations	Ex Dir & Ctrlr	Fourth Qtr	Dec-21	Dec-22
Operating Policies				
Conflict of Interest	Gov Cmtt	First Qtr	Jan-21	Jan-22
Board Commitment Form	Gov Cmtt	First Qtr	Jan-21	Jan-22
Document Retention Policy	Audit Cmtt	5 years	May-18	2023
Executive Director Review Policy/Process	Audit Cmtt	Fourth Qtr	Aug-20	2023
Gift Acceptance Policy	Audit Cmtt	5 years	May-19	2024
Gifts in Honor of Trustee Service Guideline	Ex Cmtt	5 years	May-18	2023
Grant Policy - EFD	Grant Cmtt	5 years	Oct-19	2024
Grant Policy - EHFD	Grant Cmtt	5 years	Oct-19	2024
Investment Policy	Invest Cmtt	3 years	Feb-21	2024
Spending /Distribution Guideline	Invest Cmtt	2nd Qtr	Feb-20	Feb-23
Whistleblower Policy	Gov Cmtt	5 years	May-18	2023
Hiring Policy	Audit Cmtt	5 years	Aug-19	2024
Other Items				
Insurance Policies	Audit Cmtt	3 years	May-19	2022
Employee Handbook	Audit Cmtt	5 years	May-18	2023
Accounting Manual	Ex Dir & Ctrlr	Ongoing		
Investment Management Agreement	Ex Cmtt	5 years	May-19	2024
Donor-Advised Management Agreement	Ex Cmtt	5 years	May-19	2024
EFD Grant Agreement	Ex Dir & Ctrlr	5 years	May-19	2024
EHFD Grant Agreement	Ex Dir & Ctrlr	5 years	May-19	2024

EFD & EHFD Insurance Coverage Review

Carrier	Summary of Coverage	Prior Year Cost	2022 Quote	Renewal Date
Hartford - Business Owners	Business Owners Policy- essentially general liability: General Aggregate Limit \$2,000,000, Products/Completed Operations Aggregate Limit \$1,000,000, Personal & Advertising Injury Limit \$1,000,000, Each Occurrence Limit \$1,000,000, Damage to Premises Rented to You \$100,000, Medical Expense Limit \$10,000	\$ 838.00	\$ 925.00	23-Apr
Philadelphia - EFD D&O and E&O	Organization Management Indemnity Package: employment practices and directors and officers \$5,000,000	\$ 3,781.00	\$ 4,482.00	23-Apr
Philadelphia - EHFD D&O		\$ 3,054.00	\$ 3,459.00	23-Apr
Markel Investment Adviser Professional Liability	Investment Adviser Professional Liability \$1,000,000	\$ 4,836.00	\$ 5,803.00	22-Aug
Travellers - Crime	Crime Coverage: Employee Fidelity Bond Limit \$1,000,000, Funds Transfer Fraud Limit \$1,000,000; Computer Crimes Limit \$1,000,000	\$ 1,242.00	\$ 1,233.00	23-Apr
Church Insurance Agency Corp	Worker's Comp	\$ 300.00	\$ 300.00	23-Apr
Total:		\$ 14,051.00	\$ 16,202.00	