



The Catholic Foundation  
ARCHDIOCESE OF SANTA FE

## BOARD OF TRUSTEES QUARTERLY MEETING

April 25, 2018

### Minutes

**Members Present:** John Heer, Dennis Garcia, Sheila Brown, Larry Cheek, Breanna Contreras, Rev. Edward Domme, Rev. Graham Golden, Jane HaHer-Izquierdo, Annette Hayden, Ron Hensley, Jim Higdon, Kathie Leyendecker, Laurie Meyer, Don Rigali, and Tony Strati

**Members Absent:** Warren Akerson, Peter Beaudette, Gifford Davis, Greg Edwards, Laura Grady, Tom Growney, Jim Hakeem, Scott Lardner, Gabe Portillo, and Stan Sluder

**Staff Present:** Ed Larrañaga, Dorothy Sheehi, Michele Benavidez, Lori Nemeth, and Martha Medina

#### I. Opening Prayer

The April 25, 2018 meeting at Our Lady of Guadalupe Parish opened at 10:10 am with remembrances of Jennifer Riordan. Father Mike Garcia offered the opening prayer.

#### II. Our Lady of Guadalupe Welcome

Father Mike Garcia gave a brief history of the church. He has been a priest for 3 years and has been pastor at Our Lady of Guadalupe for 2 years. It was established in 1598, the church built in 1867, and rebuilt in 1987. There are 5 mission churches under Our Lady of Guadalupe.

#### III. Review of January 24, 2018 Minutes

The Board reviewed the January 24, 2018 meeting minutes (attached); approved as presented.

#### IV. President's Report

##### A. Activity Update

Ed Larrañaga is almost done with his one-on-one meetings with trustees.

##### B. New \$ Update

Ed Larrañaga reported we have a new \$25K scholarship endowment fund in memory of Dr. John Coffey. We also have an offer on our Rio Rancho property that is going through the process.

#### V. Grant Committee

Sheila Brown reported that \$450K was allocated for grant distribution this year. The deadline to submit applications was April 18, and we received 89 small grants and 2 large grants. The grant committee will be meeting to assign reviewers and will meet again in June for the final review.

Michele Benavidez gave an update on programs. She will be doing site visits to St. Michael's High School and Samaritan House for their large grant applications. The deadline for CAT (Catholic Award for Teachers) submissions is Monday, April 30. There were 714 applications for scholarships, with 455 qualified for review by the Maloof committee. Applicants who are not awarded Maloof scholarships will be considered for our other scholarships. Regional Council meetings will be scheduled for grant review. Reminder that trustees are encouraged to attend the Catholic Symposium cocktail reception Tuesday, May 1st at 5:00pm at La Fonda in Santa Fe. The Grant Awards Luncheon is Thursday, September 20.

**VI. Community Outreach Committee**

Father Graham reported that the first meeting will be today after the Board meeting for anyone who would like to be involved.

**VII. Board Engagement Committee**

**A. Activity Update**

Ed Larrañaga reported in Scott Lardner's absence. The Catholic Symposium is May 1 through May 3. About 20 Catholic Foundation Presidents/Executive Directors will be attending, representing a wide variety of geographic areas and size of foundations. The cost of the cocktail reception will be offset by generous donations from the Board, and the cost of the Symposium will be offset by sponsorships from CBIS and Merrill Lynch. Trustees are welcome to attend any of the sessions of interest – the agenda is on the website. Also, Annette Hayden will be hosting a mission tour on Friday, May 4 for anyone who is interested.

**B. Training – Fund Types and Ways to Give**

Ed Larrañaga gave a presentation on The Catholic Foundation fund types (attached) so Trustees can be better informed to field questions from potential donors. This information is being made into a pamphlet for distribution.

**VIII. Budget and Audit Committee**

**Financial Report**

Dennis Garcia reported variances on the Comparative Operating Income statement for March (attached) are mainly due to timing and we are on budget. On the Balance Sheet (attached), \$700K of the endowment cash assets is pass-through money being held until the donor makes a decision. The pre-audit meeting is May 18, and Pulakos has been invited to present on tax laws at the July Board meeting.

**IX. Investment Report**

Jim Higdon reported on the Investment Summary (attached). We currently have \$45.7M in investments. Our fiscal year 2017 returns are about 1% above the average for similar-sized foundations. The Investment Committee approved a new policy for allocating a percentage of the surplus from the CRT/GA fund to grants. The Committee reviewed the screening results for USCCB (U.S. Conference of Catholic Bishops) Catholic values in our equity funds. The target for funds not in alignment with these values was set at less than 5%, which we are currently meeting at 4.3%. CBIS (Christian Brothers Investment Services) is moving away from the role of investment advisor, concentrating on portfolio implementation rather than portfolio design. The price of crude oil is up at \$70/barrel, a boost for the New Mexico economy. The state ranks 35<sup>th</sup> in annual mean wage, and our Gini coefficient (a measure of income/wealth distribution among residents) is lower than the national average, which is good. Jim presented a graph which demonstrates volatility in the markets is normal.

**X. Chairman's Report**

John Heer commented on our "Gather, Grow, Give" tagline and how we are actively engaging in each element. We are *gathering* more money and a new committee; *growing* visibility and knowledge for trustees through training; and *giving* money through grants.

**XI. Other Business**

No other business.

**XII. Closing Prayer**

The meeting was closed at 11:40 am with a prayer by Father Graham.

The next Board meeting is scheduled for July 25, 2018, location to be announced.



The Catholic Foundation  
ARCHDIOCESE OF SANTA FE

**BOARD OF TRUSTEES QUARTERLY MEETING**

**April 25, 2018 10:00am-12:00noon**

**Nuestra Señora de Guadalupe Parish**

**816 Highway 22**

**Peña Blanca, NM 87041**

**Agenda**

- I. Opening Prayer ..... Rev. Michael Garcia
- II. Our Lady of Guadalupe Welcome..... Rev. Michael Garcia
- III. Approval of January 24, 2018 Minutes.....John Heer
- IV. President's Report..... Ed Larrañaga
  - A. Activity update
  - B. New \$ update
- V. Grant Committee..... Sheila Brown
  - A. Programs update..... Michele Benavidez
- VI. Community Outreach Committee..... Fr. Graham Golden
- VII. Board Engagement Committee..... Ed Larrañaga
  - A. Activity Update
  - B. "Fund Types and Ways to Give" Training
- VIII. Budget & Audit Committee..... Dennis Garcia
  - A. Financial Report
- IX. Investment Report..... Jim Higdon
  - A. Investment update
- X. Chairman's Report..... John Heer
- XI. Other Business
- XII. Closing Prayer..... Fr. Graham Golden



The Catholic Foundation  
ARCHDIOCESE OF SANTA FE

## BOARD OF TRUSTEES QUARTERLY MEETING

January 24, 2018

### Minutes

**Members Present:** John Heer, Scott Lardner, Sheila Brown, Peter Beaudette, Larry Cheek, Gifford Davis, Greg Edwards, Rev. Graham Golden, Jim Hakeem, Annette Hayden, Ron Hensley, Kathie Leyendecker, Laurie Meyer, Gabe Portillo, Don Rigali, Jennifer Riordan, and Tony Strati

**Members Absent:** Warren Akerson, Breanna Contreras, Rev. Edward Domme, Dennis Garcia, Laura Grady, Tom Growney, Jane HaHer-Izquierdo, Jim Higdon, and Stan Sluder

**Staff Present:** Ed Larrañaga, Dorothy Sheehi, Michele Benavidez, Jill Winburn, Lori Nemeth, and Martha Medina

#### I. Opening Prayer

The January 24, 2018 meeting at Immaculate Conception Parish opened at 10:10 am with a prayer by Ed Larrañaga.

#### II. Review of October 25, 2017 Minutes

The Board reviewed the October 25, 2017 meeting minutes (attached). The minutes were approved as presented.

#### III. Introduction of New Trustee

John Heer introduced Father Graham Golden as a new Trustee.

#### IV. President's Report

##### A. Activity Update

Ed Larrañaga will be scheduling one-on-one meetings with trustees soon.

##### B. New \$ Update

Ed Larrañaga reported that we have received \$651K this quarter, which includes \$100K for Endowment Funds, \$1 K for operations, and \$532K in pass-through money. Some of the pass-through money is for a large construction project at the St. John Bosco Seminary in Nigeria, which sends several priests to serve in the Archdiocese of Santa Fe. We are working on setting up paperwork for non-endowed donor advised funds, which would function similar to pass-through donations.

##### C. Strategic Plan

The revised Strategic Plan (attached) was presented to the Board for approval.

**Motion: Jennifer Riordan moved to approve the Strategic Plan, Greg Edwards seconded, and the motion was approved unanimously.**

#### V. Immaculate Conception Welcome

Rev. Warren Broussard gave a brief overview of the Immaculate Conception, established in 1883.

## **VI. Grant Committee**

Sheila Brown reported that the grant program is underway for this year. Trustees are encouraged to attend grant workshops, which are posted online.

### **A. Site Visits**

Michele Benavidez gave a presentation on 11 of the 15 site visits to grant-awarded programs this year. Many of these programs are run almost entirely with volunteers, and it is inspiring to see the level of dedication from the workers and their communities.

### **B. Regional Council Report**

Martha Medina reported on Regional Council activities. Three of her priorities are encouraging collaboration between organizations, doing community needs assessments, and focusing on outreach in rural areas. No grant workshop is scheduled in Clovis this year, so Martha will visit.

### **C. Community Outreach Committee**

Father Graham will be the chairperson of this new committee that will build on established relationships. See attached description, and let Graham know if you are interested in serving.

## **VII. Board Engagement Committee**

### **A. Activity Update**

Scott Lardner reported that the Board Engagement Committee met on Monday, January 22. Board members are encouraged to attend the following upcoming activities:

- Thursday, February 15th at 6pm – Legacy League Mass held at Nativity of the Blessed Virgin Mary, 9502 4th St NW in Albuquerque **UPDATE: Cancelled due to lack of RSVP**
- Tuesday, May 1<sup>st</sup> at 5:00pm – Catholic Foundation Symposium reception at La Fonda on the Plaza, 100 E San Francisco St in Santa Fe

The new term limit policy for trustees allows for the 3 year commitment to be renewed twice. After 9 years served, trustees must take 1 year off before being eligible for re-election. Some exceptions were made for current trustees.

Ideas are attached for short training sessions to be held at each Board meeting. Please rank the topics that interest you, and return to The Catholic Foundation.

### **B. Prospective Trustee Process**

Ed Larrañaga discussed the process for recruiting prospective trustees. Under the old schedule, Trustees were only brought on in October. This was changed to whenever they were available, to be sure we wouldn't lose people due to timing issues. The Bylaws state that a maximum of 35 Trustees can serve on the Board. You can submit nominations throughout for candidates the year, which are kept on a prospective list. This does not guarantee they will be selected to join, but they will be vetted and considered based on demographics.

## **VIII. Budget and Audit Committee**

### **Financial Report**

Dorothy Sheehi reported in Dennis Garcia's absence. Variances on the Comparative Operating Income statement for December (attached) are mainly due to timing. On the Balance Sheet (attached), cash has been separated into operations and endowment for greater clarity.

## **IX. Investment Report**

Dorothy Sheehi reported in Jim Higdon's absence. We currently have \$41M in Endowments, a 10% increase from last year. The Archdiocesan Retired Priests board voted to invest \$500K of their existing money in a 100% equity fund with CBIS, which has lower fees than AndCo. A report on USCCB values in

our investments will be prepared for the next Investment Committee meeting on February 20. The Committee will also discuss whether to keep the \$675K balance from the deceased CRT and gift annuity beneficiaries invested in the CRT portfolio or move it into the Endowment portfolio.

Gifford Davis have a brief analysis of the current investment market. Deregulation in the United States is currently having a positive effect, and the global market is stabilizing. There is a shallow recovery from the recession.

**X. Chairman's Report**

No Chairman's Report.

**XI. Other Business**

No other business.

**XII. Closing Prayer**

The meeting was closed at 11:40 am with a prayer by Father Graham.

The next Board meeting is scheduled for April 25, 2018, location to be announced.

**THE CATHOLIC FOUNDATION**  
**COMPARATIVE OPERATING INCOME STATEMENT**  
**March 31, 2018**

	Annual Budget	Budget YTD	Actual YTD	Variance Fav/(Unfav)	
<b>REVENUE</b>					
Administrative Fees	500,000	375,000	401,055	26,055	(a)
Contributions - Cash	32,000	24,000	27,233	3,233	(b)
Grant Awards Luncheon (net)	41,735	41,735	46,739	5,004	(c)
Other Income	-	-	-	-	
<b>Total Revenue</b>	<b>573,735</b>	<b>440,735</b>	<b>475,027</b>	<b>34,292</b>	
<b>EXPENSES</b>					
Salaries	347,760	260,970	259,238	1,732	(b)
Payroll Taxes	24,860	18,220	18,313	(93)	
Employee Benefits	40,725	31,175	30,823	352	
Marketing/Advertising	26,680	21,330	19,777	1,553	(b)
Community Awareness and Cultivation	5,600	4,100	1,500	2,600	(b)
Board Engagement Events	2,500	1,880	69	1,811	
Conferences and Seminars	3,500	1,200	776	424	
Development	9,250	6,150	5,889	261	
Equipment Maintenance/Repair	1,500	1,350	1,244	106	
General Office Supplies	3,000	2,250	2,179	71	
Banking Fees	600	450	176	274	
Miscellaneous	750	685	497	188	
Office Equipment	500	375	852	(477)	
Office Lease	33,850	25,334	25,334	-	
Postage and Handling	2,700	2,025	1,084	941	(b)
Professional Affiliations/Memberships	2,500	1,875	100	1,775	(d)
Professional Fees	22,050	21,495	20,884	611	
Program Expense	2,920	1,950	1,974	(24)	
Software Maintenance/Upgrades	17,940	15,540	17,179	(1,639)	(e)
Telephone/Fax	5,100	3,825	4,029	(204)	
Travel/Entertainment	3,000	2,250	3,207	(957)	
<b>Total Expenses</b>	<b>557,285</b>	<b>424,429</b>	<b>415,124</b>	<b>9,305</b>	
<b>Capital Expenses</b>	<b>11,000</b>	<b>11,000</b>	<b>4,973</b>	<b>6,027</b>	(f)
<b>NET INCOME (DEFICIT)</b>	<b>5,450</b>	<b>5,306</b>	<b>54,930</b>	<b>49,624</b>	

(a) Variance due to fees from new endowment funds and 0.5% increase in CRT/GA fees effective November 2017.

(b) Variance due to timing.

(c) Favorable variance due to reduced costs, notably printing, mailing, decorations and photography.

(d) Favorable variance due to foregoing Council on Foundation associate membership.

(e) Unfavorable variance due to switching to Blackbaud NXT software (cloud computing).

(f) Part of the favorable variance is due to switching to cloud computing which required a less expensive server replacement.

**The Catholic Foundation**  
**Balance Sheet as of March 2018**  
with Comparative Totals for Prior Year

	<b>Current Year</b>	<b>Prior Year</b>
Assets		
Assets		
Cash and cash equivalents - operations	\$513,870.98	\$556,077.73
Cash and cash equivalents - endowment	\$657,451.29	\$159,700.39
Furniture and equipment, less accumulated depreciation	\$22,780.84	\$18,238.03
Other Assets	\$8,461.63	\$7,918.51
Total Assets	\$1,202,564.74	\$741,934.66
Investments		
Real estate	\$2,521,590.06	\$2,532,968.73
Marketable securities	\$45,039,615.29	\$42,523,399.30
Total Investments	\$47,561,205.35	\$45,056,368.03
Total Assets	\$48,763,770.09	\$45,798,302.69
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$51,847.38	\$49,110.38
Grants distributable	\$26,476.70	\$4,058,673.08
Charitable remainder annuity trusts and gift annuities	\$2,517,459.29	\$3,488,996.65
Agency obligations	\$17,234,023.14	\$15,711,360.18
Total Liabilities	\$19,829,806.51	\$23,308,140.29
Net assets:		
Unrestricted	\$8,895,512.20	\$7,264,033.66
Temporarily restricted	\$1,705,155.49	\$886,966.94
Permanently restricted	\$18,333,295.89	\$14,339,161.80
Total Net assets	\$28,933,963.58	\$22,490,162.40
Total Liabilities and Net Assets	\$48,763,770.09	\$45,798,302.69



**The Catholic Foundation**  
**Income Statement for July 1, 2017 - March 31, 2018**  
with Comparative Totals for Prior Year

	Unrestricted	Temporarily Restricted	Permanently Restricted	Agency	Split Interest	Total	Prior Year
<b>Public support and revenues</b>							
Contributions	699,724	54,999	3,775,367	1,478,427	50,001	6,058,518	468,929
Investment income	541,590	479,399	0	579,022	0	1,600,012	1,094,878
Realized gain (loss) on investments	84,464	(16,004)	0	122,331	0	190,791	(399,984)
Unrealized gain (loss) on investments	320,743	464,726	0	482,790	0	1,268,259	2,532,787
Administrative fees	296,692	0	0	0	0	296,692	268,577
Administrative fees on agency obligations	104,363	0	0	0	0	104,363	103,980
Other income	77,075	0	0	0	0	77,075	74,190
<b>Total Public support and revenues</b>	<b>2,124,651</b>	<b>983,120</b>	<b>3,775,367</b>	<b>2,662,571</b>	<b>50,001</b>	<b>9,595,709</b>	<b>4,143,357</b>
<b>Expenses</b>							
Grants and distributions	20,529	11,463	0	679,293	0	711,285	54,955
Salaries	259,238	0	0	0	0	259,238	248,499
Professional fees	35,860	26,143	0	120,117	0	182,119	181,699
Rent and office lease	25,334	0	0	0	0	25,334	24,866
Employee benefits and payroll taxes	49,136	0	0	0	0	49,136	44,111
Printed materials	19,777	0	0	0	0	19,777	30,902
Promotion and public relations	37,793	0	0	0	0	37,793	37,092
Office expense	24,898	0	0	0	0	24,898	21,279
Telephone/fax	4,029	0	0	0	0	4,029	3,611
Postage	1,084	0	0	0	0	1,084	2,567
Conventions and seminars	776	0	0	0	0	776	275
Insurance	261	0	0	0	0	261	267
Administrative fee expense	0	296,692	0	0	0	296,692	268,787
<b>Total Expenses</b>	<b>478,715</b>	<b>334,298</b>	<b>0</b>	<b>799,410</b>	<b>0</b>	<b>1,612,423</b>	<b>918,911</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>1,645,936</b>	<b>648,822</b>	<b>3,775,367</b>	<b>1,863,161</b>	<b>50,001</b>	<b>7,983,286</b>	<b>3,224,446</b>

THE CATHOLIC FOUNDATION  
of THE ARCHDIOCESE OF SANTA FE

INVESTMENT SUMMARY April 25, 2018

Return on Foundation's Portfolio

Total investment portfolio at March 31, 2018 (excluding land) was \$45.7M.

Endowment Fund (AndCo \$36.0M): +11.3% 12mos—1.8% above index, +7.0% annualized prior 5 yrs—0.3%pts below index. (CBIS \$5.6M): -0.7% 3mos—on index.

CRT/GA Fund (\$3.4M): +12.9% 12mos—2.5%pts above index, +7.6% annualized prior 5 yrs—0.4% above index.

Intermediate Fund (\$0.7M): +10.1% 12mos—1.9%pts above index, +5.8% annualized prior 5 yrs—0.3%pts below index.

CFASF returns about 1% above average for similar sized foundations in fiscal 2017 and about on average over 5 years. (NABUCO)

Actions of Investment Committee (last 2/20, next 5/15)

Approved new policy for allocating grant funding out of CRT/GA Fund.

Reallocated \$1.3M from Harbor International to CBIS International Equity due to weak Harbor performance.

Reviewed MSCI screening of all equity funds for Catholic values. 4.3% of total Endowment Fund not in alignment with USCCB; mainly pharmaceutical companies held by managers of international funds. Committee set target at less than 5%.

Investment Environment

Equity markets down 2% YTD; up about 8-10% for CFASF fiscal '18.

Crude at \$70/bbl. 10yr treasury 3%+.

NM 35<sup>th</sup> in annual mean wage at \$44.8K Gini coef 4.6 below national average.

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Nasdaq  
7007.35 -121.25(-1.70%)

DJIA  
24024.13 -424.56(-1.74%)

## S&P 500 PR

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<b>Last Value</b>	<b>Day Change</b>	<b>Open Value</b>	<b>High</b>	<b>Low</b>
2,634.56	35.73   -1.34%	2,680.80	2683.55	2617.32
As of Tue 04/24/2018 4:38 PM EST   USD		<b>Last Close</b>	<b>Volume</b>	<b>Avg Vol.</b>
		2,670.29	2,413,969,096	2,360,947

### Index Value SPX

04/24/2008 - 04/23/2018 Zoom: 1D 5D 1M 3M YTD 1Y 3Y 5Y **10Y** Maximum

SPI:SPX:+1,290.36|+93.51%



### Index Series Description



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