



The Catholic Foundation  
ARCHDIOCESE OF SANTA FE

**EXECUTIVE COMMITTEE MEETING**  
**March 21, 2018**

**Minutes**

**Members Present:** John Heer, Scott Lardner, Dennis Garcia, Sheila Brown, Jim Higdon (call-in), Greg Edwards, Stan Sluder, Tony Strati

**Members Absent:** Don Rigali

**Guests Present:** Larry Cheek

**Staff Present:** Ed Larrañaga, Dorothy Sheehi, Lori Nemeth

**I. Opening Prayer**

Ed Larrañaga opened the March 21, 2018 meeting of the Executive Committee with a prayer at 8:38 a.m.

**II. Review of February 28, 2018 Meeting Minutes**

The Committee reviewed the February 28, 2018 meeting minutes (attached). Minutes were approved by the Committee as presented.

**III. President's Report**

- A. Ed Larrañaga reported on new money activity. We have \$700K of pass-through money being held until the donor makes a decision. A long-standing donor has set up her 12<sup>th</sup> and largest Gift Annuity with \$105K. John Beal's payment on the Shirk real estate contract is late again; we may want to consider selling the contract.
- B. Ed gave a presentation on our funds in a flowchart format (attached).
- C. We had a brief discussion about setting up non-endowed donor advised funds.
- D. There are several Catholic organizations that have the potential to manage their funds at The Catholic Foundation. Benefits include better legal defense due to the separation, greater efficiency, and potentially better returns on their investment. Ed will discuss this possibility with the Archbishop at their next meeting, and invite Archbishop Wester to attend an Investment Committee meeting.

**IV. Budget & Audit Committee**

Dennis Garcia reported on the February financial statements (attached). There were no significant changes in the variances from January.

**V. Investment Committee**

Jim Higdon reported on investments. There was a 12.8% return on Endowment funds at the end of February. Our total invested funds have grown from \$30M to \$46M since Jim began serving on the Investment Committee. We received a letter from the Retired Priests Committee with several questions that will require a response. Jim noted that it is important to emphasize our Investment

Policy and how much we care about managing their money properly to ensure that priests have a solid long-term retirement plan. The Investment Committee will discuss the possibility of seeking a new advisor when CBIS changes their role. See the Combined Investment Report (attached) for current performance of our investments.

**VI. Real Estate Committee**

Ed Larrañaga gave an update on the Hager Property. The situation remains the same – Judy Ross continues to argue for a road to be built at an estimated additional cost of \$200K per parcel, and other group members are unsure about the economic feasibility. Research needs to be done on the legality of dissolving the Los Sueños Trail Extension escrow agreement.

**VII. Board Engagement Committee**

Scott Lardner and Ed Larrañaga reported on Board Engagement. Ed is mostly finished with his one-on-one meetings with Trustees. Agnes Padilla may be added to the list of prospective trustees.

**VIII. Grant Committee**

Sheila Brown reported that we received 23 large grant pre-proposals. The Grant Committee is narrowing this down to 5 organizations to submit a full proposal, and is hoping to be able to award more large grants this year. No matching grant applications were submitted. Small grant applications are due April 18.

**IX. 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 new trustees; *growing* knowledge for trustees through training; and *giving* money through the grants. John also suggested that next year we consider giving the CRT/GA surplus to fund programs like Amazing Parish for the general benefit of the Archdiocese.

**X. Other Business**

- Sheila Brown reported that the new Community Outreach Committee is getting organized, and already has 3 members in addition to chair Father Graham and staff members Michele Benavidez and Martha Medina.
- Stan Sluder and his wife Karen are moving forward on setting up the new “Sister Blandina” fund for Catholic school tuition to the children of Catholic school teachers.
- Ed Larrañaga reminded Trustees about the Catholic Symposium reception scheduled for Tuesday, April 1. We are asking for donations to sponsor the estimated \$1,500 to \$2,000 cost. Two corporate sponsors, CBIS and Merrill Lynch, have been secured at \$3,000 each to help offset the cost of the remainder of the Symposium.

**XI. Closing Prayer**

Ed Larrañaga closed the meeting with a prayer at 10:06 a.m.

**The next Board Meeting will be held April 25, 2018 at 10:00 a.m. at Our Lady of Guadalupe in Peña Blanca.  
The next Executive Committee Meeting will be held May 23, 2018 at 8:30 a.m.**



**The Catholic Foundation**  
ARCHDIOCESE OF SANTA FE

**EXECUTIVE COMMITTEE MEETING**

**March 21, 2018**

**8:30am – 10:00am**

**Agenda**

- I. Opening Prayer
- II. Review and Approval of February 28, 2018 Meeting Minutes – no action required
- III. President's Report
  - A. Activity Update – new donors/Endowments
  - B. Fund Flowchart presentation
  - C. Non-Endowed Donor Advised discussion
  - D. Other Agency \$ discussion / Archbishop meeting
- IV. Budget & Audit Committee
  - A. Financial Report
- V. Investment Committee
- VI. Real Estate Committee
  - A. Hager update
- VII. Board Engagement Committee
- VIII. Grant Committee
- IX. Chairman's Report
- X. Other Business
- XI. Closing Prayer



The Catholic Foundation  
ARCHDIOCESE OF SANTA FE

**EXECUTIVE COMMITTEE MEETING**  
**February 28, 2018**

**Minutes**

**Members Present:** John Heer (call-in), Scott Lardner, Dennis Garcia, Sheila Brown, Jim Higdon, Don Rigali, Stan Sluder, Tony Strati

**Members Absent:** Greg Edwards

**Staff Present:** Ed Larrañaga, Dorothy Sheehi, Lori Nemeth

**I. Opening Prayer**

Ed Larrañaga opened the February 28, 2018 meeting of the Executive Committee with a prayer at 8:33 a.m.

**II. Review of December 20, 2017 Meeting Minutes**

The Committee reviewed the December 20, 2017 meeting minutes (attached). Minutes were approved by the Committee as presented.

**III. President's Report**

- A. Dorothy Sheehi reported on the distribution rate for 2018. For the Grant Projects (attached), an additional \$34,637.84 was allocated from the CRT/GA (Charitable Remainder Trust/Gift Annuity) Fund surplus. Note that for Foundation and Agency Projects (attached), there are some funds with special instructions for distributions.

**Motion: Jim Higdon moved to approve the 4% distribution rate, Tony Strati seconded, and the motion passed unanimously.**

- B. Dorothy presented a suggested update to the Distribution Policies (attached). Under Pass-Through Contributions 1. B., change to: "At the discretion of The Catholic Foundation, contributions may be held for thirty (30) days before disbursements are made."

**Motion: Scott Lardner moved to approve the change to the Distribution Policies, Sheila Brown seconded, and the motion passed unanimously.**

- C. Ed Larrañaga reported on plans for the upcoming Catholic Foundation Symposium we are hosting on May 1-3 at La Fonda in Santa Fe. Trustees are encouraged to attend the cocktail reception on Tuesday, May 1 from 5:30 – 6:30 p.m. at La Fonda. We are asking for the Board to help sponsor the reception. Trustees are also invited to attend Mass on Wednesday, May 2 11:00 a.m. at the Cathedral. The agenda for the Symposium is posted on our website under Upcoming Events if anyone is interested in joining discussion sessions.

**IV. Budget & Audit Committee**

Dennis Garcia reported on the January financial statements (attached). On the Comparative Operating Income Statement, administrative fees revenue is higher due to new endowment funds. Unfavorable

variance under software is due to Blackbaud database software upgrade. On the Balance Sheet, \$700K of the endowment cash assets is pass-through money being held until the donor makes a decision.

**V. Investment Committee**

Jim Higdon reported on the Investment Summary (attached). 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. Jim also presented graphs on margin debt, with past trends indicating a large drop is likely to occur soon. See the Combined Investment Report (attached) for current performance of our investments.

**VI. Real Estate Committee**

Ed Larrañaga gave an update on the Hager Property. He met recently with the Los Sueños Trail Extension group – Judy Ross, Steve Goates, and Nick Miller – who each have very different perspectives and priorities. Judy still would like a road to be built at an estimated additional cost per lot of \$200K. The other group members are unsure about the economic viability of this proposal.

**VII. Board Engagement Committee**

Scott Lardner and Ed Larrañaga reported on Board Engagement. Ed stated that his one-on-one meetings with Trustees are going well, and he is gathering feedback on preferred choices for training topics to be presented at Board meetings.

**VIII. Grant Committee**

Sheila Brown reported that Michele is finishing up grant workshops this week. The application deadline for large grant pre-proposals and matching grants is March 16; the deadline for regular grants is April 18. The Grant Committee is hoping to be able to award more large grants this year.

**IX. Chairman's Report**

No chairman's report.

**X. Other Business**

No other business.

**XI. Closing Prayer**

Ed Larrañaga closed the meeting with prayer at 9:43 a.m.

**The next Executive Committee Meeting will be held March 21, 2018 at 8:30 a.m.**

**THE CATHOLIC FOUNDATION**  
**COMPARATIVE OPERATING INCOME STATEMENT**  
**February 28, 2018**

	Annual Budget	Budget YTD	Actual YTD	Variance Fav/(Unfav)	
<b>REVENUE</b>					
Administrative Fees	500,000	333,300	354,758	21,458	(a)
Contributions - Cash	32,000	21,200	20,716	(484)	
Grant Awards Luncheon (net)	41,735	41,735	46,739	5,004	(b)
Other Income	-	-	-	-	
<b>Total Revenue</b>	<b>573,735</b>	<b>396,235</b>	<b>422,213</b>	<b>25,978</b>	
<b>EXPENSES</b>					
Salaries	347,760	231,970	230,716	1,254	(c)
Payroll Taxes	24,860	16,000	16,120	(120)	
Employee Benefits	40,725	27,985	27,639	346	
Marketing/Advertising	26,680	19,830	17,786	2,044	(c)
Community Awareness and Cultivation	5,600	3,600	1,500	2,100	(c)
Board Engagement Events	2,500	840	69	771	
Conferences and Seminars	3,500	700	776	(76)	
Development	9,250	6,050	5,889	161	
Equipment Maintenance/Repair	1,500	1,300	1,244	56	
General Office Supplies	3,000	2,000	2,031	(31)	
Banking Fees	600	400	88	312	
Miscellaneous	750	615	477	138	
Office Equipment	500	330	852	(522)	
Office Lease	33,850	22,496	22,496	-	
Postage and Handling	2,700	1,800	800	1,000	(c)
Professional Affiliations/Memberships	2,500	1,670	100	1,570	(d)
Professional Fees	22,050	21,310	20,800	510	
Program Expense	2,920	1,625	1,856	(231)	
Software Maintenance/Upgrades	17,940	14,740	16,472	(1,732)	(e)
Telephone/Fax	5,100	3,400	3,532	(132)	
Travel/Entertainment	3,000	2,000	2,554	(554)	
<b>Total Expenses</b>	<b>557,285</b>	<b>380,661</b>	<b>373,797</b>	<b>6,864</b>	
<b>Capital Expenses</b>	<b>11,000</b>	<b>11,000</b>	<b>3,093</b>	<b>7,907</b>	(c)
<b>NET INCOME (DEFICIT)</b>	<b>5,450</b>	<b>4,574</b>	<b>45,323</b>	<b>40,749</b>	

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

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

(c) Variance due to timing.

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

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

# The Catholic Foundation

## Balance Sheet as of February 2018

with Comparative Totals for Prior Year

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Assets		
Cash and cash equivalents - operations	\$503,355.69	\$437,877.51
Cash and cash equivalents - endowment	\$715,164.92	\$281,371.59
Unconditional promises to give	\$0.00	\$15,342.01
Furniture and equipment, less accumulated depreciation	\$20,901.15	\$18,238.03
Other Assets	\$8,461.63	\$7,946.49
Total Assets	<u>\$1,247,883.39</u>	<u>\$760,775.63</u>
Investments		
Real estate	\$2,521,590.06	\$2,541,702.20
Marketable securities	\$45,342,939.61	\$42,212,826.28
Total Investments	<u>\$47,864,529.67</u>	<u>\$44,754,528.48</u>
Total Assets	<u><u>\$49,112,413.06</u></u>	<u><u>\$45,515,304.11</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$49,032.51	\$43,052.42
Grants distributable	\$26,476.70	\$4,056,236.26
Charitable remainder annuity trusts and gift annuities	\$2,525,605.29	\$3,497,900.64
Agency obligations	\$17,345,741.61	\$15,594,203.18
Total Liabilities	<u>\$19,946,856.11</u>	<u>\$23,191,392.50</u>
Net assets:		
Unrestricted	\$8,980,372.64	\$7,150,572.94
Temporarily restricted	\$1,852,088.42	\$824,924.03
Permanently restricted	\$18,333,095.89	\$14,348,414.64
Total Net assets	<u>\$29,165,556.95</u>	<u>\$22,323,911.61</u>
Total Liabilities and Net Assets	<u><u>\$49,112,413.06</u></u>	<u><u>\$45,515,304.11</u></u>

# The Catholic Foundation

## Income Statement for July 1, 2017 - February 28, 2018

with Comparative Totals for Prior Year

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Agency</u>	<u>Split Interest</u>	<u>Total</u>	<u>Prior Year</u>
Public support and revenues							
Contributions	696,576	54,999	3,775,167	1,478,327	50,001	6,055,070	472,044
Investment income	514,367	456,000	0	549,668	0	1,520,034	1,030,854
Realized gain (loss) on investments	117,060	16,899	0	155,483	0	289,441	(383,855)
Unrealized gain (loss) on investments	402,783	555,051	0	572,569	0	1,530,402	2,243,603
Administrative fees	261,632	0	0	0	0	261,632	238,380
Administrative fees on agency obligations	93,126	0	0	0	0	93,126	92,588
Other income	77,075	0	0	0	0	77,075	74,190
Total Public support and revenues	<u>2,162,617</u>	<u>1,082,949</u>	<u>3,775,167</u>	<u>2,756,048</u>	<u>50,001</u>	<u>9,826,780</u>	<u>3,767,803</u>
Expenses							
Grants and distributions	17,848	10,550	0	676,393	0	704,791	50,371
Salaries	230,716	0	0	0	0	230,716	220,796
Professional fees	32,685	15,011	0	104,775	0	152,472	163,061
Rent and office lease	22,496	0	0	0	0	22,496	22,080
Employee benefits and payroll taxes	43,759	0	0	0	0	43,759	39,257
Printed materials	17,786	0	0	0	0	17,786	30,513
Promotion and public relations	37,793	0	0	0	0	37,793	36,772
Office expense	23,369	0	0	0	0	23,369	20,894
Telephone/fax	3,532	0	0	0	0	3,532	3,218
Postage	800	0	0	0	0	800	2,559
Conventions and seminars	776	0	0	0	0	776	275
Insurance	261	0	0	0	0	261	267
Administrative fee expense	0	261,632	0	0	0	261,632	238,590
Total Expenses	<u>431,821</u>	<u>287,193</u>	<u>0</u>	<u>781,168</u>	<u>0</u>	<u>1,500,182</u>	<u>828,654</u>
<b>NET SURPLUS/(DEFICIT)</b>	<b><u>1,730,796</u></b>	<b><u>795,755</u></b>	<b><u>3,775,167</u></b>	<b><u>1,974,879</u></b>	<b><u>50,001</u></b>	<b><u>8,326,598</u></b>	<b><u>2,939,150</u></b>



**The Catholic Foundation Archdiocese of Santa Fe**  
**Endowment Fund - Combined Investment Report**  
**February 28, 2018**

Fund		\$	%	Target %
<b>Total Fund</b>		<b>41,856,058</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Total International Equity</b>		<b>8,205,501</b>	<b>19.60%</b>	<b>20.0%</b>
<b>Total Emerging Market Equity</b>		<b>2,001,752</b>	<b>4.78%</b>	
DFA Emerging Mkts Social Core Equity	DFESX	946,430	2.26%	
American Century Emerging Markets	AMKIX	1,055,322	2.52%	
<b>Total Developed International Market Equity</b>		<b>6,203,749</b>	<b>14.82%</b>	
Victory Trivalent International Small Cap	MYSIX	1,171,368	2.80%	
Invesco International Growth	AIYX	1,356,691	3.24%	
Harbor International	HAINX	1,257,308	3.00%	
Dodge & Cox International Stock	DODFX	1,500,803	3.59%	
CUIT International Equity Class A	CBIS	917,579	2.19%	
<b>Total Domestic Equity</b>		<b>16,451,323</b>	<b>39.30%</b>	<b>37.5%</b>
Brown Capital Mgmt Small Capital	BCSIX	1,012,193	2.42%	
American Beacon Small Cap Value	ABSYX	832,427	1.99%	
State Street Inst. Small-Cap Equity	SIVIX	804,566	1.92%	
Vanguard Mid Cap Growth	VMGRX	1,465,212	3.49%	
Vanguard Selected Value	VASVX	1,327,205	3.17%	
T Rowe Price New America Growth	PRWAX	1,417,416	3.39%	
Vanguard US Growth	VWUAX	2,315,470	5.53%	
TIAA-CREF Social Choice Equity	TISCX	2,991,471	7.15%	
Principal Equity Income	PEIIX	1,488,374	3.55%	
CUIT Core Equity Index Class A	CBIS	2,263,027	5.41%	
CUIT Small Cap Equity Index Class A	CBIS	533,962	1.28%	
<b>Total Real Estate</b>		<b>1,825,768</b>	<b>4.36%</b>	<b>5.0%</b>
American Core Realty (as of 12/31/17)		1,569,471	3.75%	
Cohen & Steers Realty Shares	CSRSX	256,297	0.61%	
<b>Total Alternative</b>		<b>3,437,738</b>	<b>8.21%</b>	<b>10.0%</b>
GCM Grosvenor		1,838,547	4.39%	
Principal Real Asset Fund	PDRDX	1,599,191	3.82%	
<b>Total Fixed Income</b>		<b>10,859,100</b>	<b>25.94%</b>	<b>25.0%</b>
Principal High Yield	PHYTX	1,804,045	4.31%	
Loomis Sayles Global Bond	LSGBX	1,425,937	3.41%	
Western Asset Core Bond	WACSX	2,840,400	6.79%	
Dodge & Cox Income Fund	DODIX	2,809,663	6.71%	
CUIT Intermediate Diversified Bond Class A	CBIS	986,107	2.35%	
CUIT Opportunistic Bond Class A	CBIS	992,948	2.37%	
<b>Total Cash</b>		<b>1,076,628</b>	<b>2.57%</b>	<b>2.5%</b>
Cash and Schwab Government Money Market	SWGXX	372,085	0.89%	
Wells Fargo Checking		704,543	1.68%	

Investment Advisor		\$	%	QTR Return	1 Yr Return
<b>Total Fund</b>		<b>41,856,058</b>	<b>100.00%</b>		
AndCo Consulting		36,162,435	86.39%	1.39%	12.80%
Christian Brothers Investment Services	CBIS	5,693,623	13.60%	0.83%	N/A