



The Catholic Foundation
ARCHDIOCESE OF SANTA FE

EXECUTIVE COMMITTEE MEETING
May 22, 2019

Minutes

Members Present: Scott Lardner, John Heer (call-in), Dennis Garcia, Greg Edwards, Fr. Graham Golden, Laurie Meyer (call-in), Stan Sluder, Laurie Roach – guest

Members Absent: Sheila Brown, Jim Higdon, Don Rigali, Tony Strati

Staff Present: Ed Larrañaga, Dorothy Sheehi, Lori Nemeth

I. Opening Prayer

Father Graham opened the May 22, 2019 meeting of the Executive Committee with a prayer at 8:37 a.m.

II. Review of March 27, 2019 Meeting Minutes

The Committee reviewed the March 27, 2019 meeting minutes (attached). Minutes were approved as presented.

III. President's Report

Ed Larrañaga reported that one of our major donors, Rev. Arthur Jakobiak, passed away. He had a gift annuity, an endowment fund, and a bequest with the Foundation. Ed attended the Catholic Foundation Symposium in Atlanta at the end of May. It was a very successful conference with plenty of good information. The comprehensive survey results from the foundations who attended will be made available to trustees.

IV. Budget & Audit Committee

A. Dennis Garcia reported on the April financial statements (attached). The unfavorable variance under professional fees is due to the unbudgeted bankruptcy lawyer bills.

B. Staff excused for Executive Session.

C. The 2020 Budget was ratified.

V. Investment Committee

Dorothy Sheehi reported in Jim Higdon's absence. The Investment Committee met on May 14 and approved two action items. The CBIS Small Cap Equity Index Fund will be liquidated and moved into the State Street Small Cap Fund, which has outperformed the CBIS Fund consistently. The Wells Fargo Operating account will be moved into an overnight sweep account to increase returns.

VI. Real Estate Committee

Stan Sluder reported that the Real Estate Committee met on May 21. No updates on the Hager property lawsuit. Greg and Ed will be meeting with Paul McDonald as a potential replacement for our Santa Fe realtor. We are working with other realtors to list our other properties. The Committee will be reviewing and making updates to the gift acceptance policy regarding real estate.

VII. Board Engagement Committee

Scott Lardner reported that he met with Ed Larrañaga last week. In addition to Agnes Padilla and Jerry Sais, 6 more prospective trustees are being considered for the board: Corky Baca, Noreen Copeland, Patrick Finley, Steve Neil, Jim Pendergast, and Becky Pino.

VIII. Grant Committee

Laurie Meyer reported we received 102 small grant requests totaling \$623 K, 5 large grant requests totaling \$115 K, and 1 matching grant request for \$14 K. Grants are being reviewed by committee members to submit their scores by May 31. The archbishop review meeting is June 6, the grant committee final selection meeting is June 12, and the awardees will then be approved by the Board. Site visits have been completed for the large grants. One of our donor advised funds will be changing to an unrestricted fund, which will give an additional \$9 K for the grant pool this year.

IX. Chairman's Report

No chairman's report.

X. Other Business

No other business.

XI. Closing Prayer

Father Graham closed the meeting with a prayer at 9:37 a.m.

The next Executive Committee Meeting is June 26.



The Catholic Foundation
ARCHDIOCESE OF SANTA FE

EXECUTIVE COMMITTEE MEETING

May 22, 2019

8:30am – 10:00am

Conference dial-in number: (605) 313-4812 Access Code: 240005#

Agenda

- I. Opening Prayer
- II. Review and Approval of March 27, 2019 Meeting Minutes
- III. President's Report
 - A. Activity Update – new donors
- IV. Budget & Audit Committee
 - A. Financial Report
 - B. Executive Session
 - C. Ratify 2020 Budget – Action Required
- V. Investment Committee
- VI. Real Estate Committee
- 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
March 27, 2019

Minutes

Members Present: John Heer, Dennis Garcia, Sheila Brown (call-in), Greg Edwards, Jim Higdon, Laurie Meyer (call-in), Don Rigali

Members Absent: Fr. Graham Golden, Scott Lardner, Stan Sluder, Tony Strati

Staff Present: Ed Larrañaga, Dorothy Sheehi, Lori Nemeth

I. Opening Prayer

Ed Larrañaga opened the March 27, 2019 meeting of the Executive Committee with a prayer at 8:35 a.m.

II. Review of February 27, 2019 Meeting Minutes

The Committee reviewed the February 27, 2019 meeting minutes (attached). Minutes were approved as presented.

III. President's Report

- A.** Ed Larrañaga reported that he met with our lawyer, Paul Fish from Modrall Sperling, who will be representing The Catholic Foundation regarding the Archdiocese bankruptcy proceedings. Ed and Paul also spoke with the Archdiocese bankruptcy lawyers. We have been requested to post a notice of the June deadline for filing claims, which we are opting not to post.

Ed, Dorothy Sheehi, and Jill Winburn attended the St. Charles Legacy Planning Dinner on March 23, with about 70 people. Chad Worthen from Keleher & McLeod presented on Estate Planning and Mike Daley from Morgan Stanley presented on RMD's (Required Minimum Distributions). Immaculate Conception's legacy planning workshop is scheduled for May 23. We are working on expanding our base of Estate Planning lawyers to present at workshops.

- B.** Dennis Garcia and Dorothy Sheehi researched the origin and prior uses of the operating reserve cash fund shown on the Foundation's balance sheet, currently in the amount of approximately \$548,000. This is an accumulation of operating revenues in excess of expenses over several years. Originally the Grant Awards Luncheon revenue net of expenses was needed to help cover operating costs, but now managed assets have built up to the point where administrative fees cover most of our operating budget. Sheila Brown talked about the amount of financial need across the Archdiocese the Grant Committee has already seen this year in the grant applications, and how much it would help to have the extra money from the 2018 GAL added to the grant pool.

Greg Edwards moved that \$36 k net revenue from the 2018 Grant Awards Luncheon be added to the 2019 grant distribution pool for this year only. Don Rigali seconded. The motion passed unanimously.

- C.** See attachments for the Project Distributions for 2019, discussed at the February 27 meeting.

Dennis Garcia moved to approve the 4% rate of distribution. Greg Edwards seconded. The motion passed unanimously.

IV. Grant Committee

Sheila Brown reported we received more than the usual number of preproposals for large grants. Some of these were dismissed for not matching our mission, and the Grant Committee is reviewing and scoring to narrow down to 5 organizations to submit full proposals. The deadline for small grants is April 22. The grant workshops were well attended, and we expect many applications to be submitted this year.

V. Community Outreach Committee

No report.

VI. Board Engagement Committee

Ed Larrañaga reported in Scott Lardner's absence. Kathie Leyendecker is stepping down from the Board, moving to Florida at the beginning of April and getting married. We wish her the best! The following trustees will also be stepping down in October: Sheila Brown, Dennis Garcia, and John Heer. Larry Cheek has agreed to replace Dennis as Treasurer. The Board Engagement Committee is working on recruiting prospective new board members, including Agnes Padilla, Jerry Sais, and others.

VII. Real Estate Committee

Ed Larrañaga reported in Stan Sluder's absence. The Real Estate Committee will be meeting soon. In the Hager property lawsuit, our lawyer has filed more motions to dismiss which will be determined at a hearing on April 17th. We will need to find a replacement for our Santa Fe realtor Rick Bressan, who passed away unexpectedly in February. For the Lujan property, Ed met with two realtors from Colliers.

VIII. Budget & Audit Committee

Dennis Garcia reported on the February financial statements (attached). There are a few variances due to timing. The pre-audit meeting with Pulakos CPAs will be at The Foundation on May 10. Dennis and Dorothy are studying the prudent level of cash reserves which should be maintained by the Foundation. The Committee will formulate recommended uses for any funds accumulated in excess of the recommended reserve level.

IX. Investment Committee

Jim Higdon reported on the Investment Summary (attached). Our total investment returns are \$3 M higher at the end of February than at the end of December, which would have given us \$40 k more for distributions. Steven Moore has been appointed to the FED Board. Jim presented a graph from The Wall Street Journal that compares income to housing costs in different U.S. cities. Many businesses are moving to Texas from California because their employees can't afford the housing costs in CA.

X. Chairman's Report

No chairman's report.

XI. Other Business

No other business.

XII. Closing Prayer

Ed Larrañaga closed the meeting with a prayer at 9:38 a.m.

The next Board Meeting is April 24 and the next Executive Committee Meeting is May 22.

THE CATHOLIC FOUNDATION of the ARCHDIOCESE OF SANTA FE
COMPARATIVE OPERATING INCOME STATEMENT
April 30, 2019

	Annual Budget	Budget YTD	Actual YTD	Variance Fav/(Unfav)	
REVENUE					
Administrative Fees	530,000	441,880	466,677	24,797	(a)
Contributions - Cash	30,000	25,000	21,069	(3,931)	(b)
Grant Awards Luncheon (net)	43,170	43,170	36,017	(7,153)	(c)
Total Revenue	603,170	510,050	523,763	13,713	
EXPENSES					
Salaries	355,540	296,385	294,859	1,526	(b)
Payroll Taxes	25,430	20,900	20,853	47	
Employee Benefits	53,910	45,365	45,021	344	
Marketing/Advertising	29,650	27,110	20,379	6,731	(d)
Community Awareness and Cultivation	5,500	5,100	4,520	580	
Board Engagement Events	2,500	1,920	-	1,920	(b)
Conferences and Seminars	3,500	1,500	1,271	229	
Development	9,400	7,000	7,741	(741)	
Equipment Maintenance/Repair	1,600	1,350	1,040	310	
General Office Supplies	2,500	2,090	2,014	76	
Banking Fees	600	500	70	430	
Miscellaneous	770	657	949	(292)	
Office Equipment	850	800	391	409	
Office Lease	34,475	28,692	28,692	-	
Postage and Handling	1,700	1,700	1,447	253	
Professional Affiliations/Memberships	500	375	100	275	
Professional Fees	22,500	21,995	26,598	(4,603)	(e)
Program Expense	3,145	2,545	2,222	323	
Software Maintenance/Upgrades	20,450	18,820	18,800	20	
Telephone/Fax	6,400	5,340	4,697	643	
Travel/Entertainment	4,000	3,340	3,361	(21)	
Total Expenses	584,920	493,484	485,025	8,459	
Capital Expenses	3,800	3,800	2,671	1,129	(f)
NET SURPLUS	14,450	12,766	36,067	23,301	

(a) Variance primarily due to two large unbudgeted endowments established last year.

(b) Variance due to timing.

(c) Variance due to fewer corporate sponsorships than budgeted.

(d) Variance mainly due to timing and also savings on annual report design and printing.

(e) Variance due to unbudgeted legal bills related to ASF bankruptcy.

(e) Variance due to savings on shelving build out.

The Catholic Foundation
Balance Sheet as of April 2019
with Comparative Totals for Prior Year

	Current Year	Prior Year
Assets		
Assets		
Cash and cash equivalents - operations	\$565,943.12	\$521,118.23
Cash and cash equivalents - endowment	\$292,817.20	\$687,469.72
Furniture and equipment, less accumulated depreciation	\$27,943.40	\$22,780.84
Other Assets	\$6,284.90	\$8,461.63
Total Assets	\$892,988.62	\$1,239,830.42
Investments		
Real estate	\$2,493,369.21	\$2,516,258.18
Marketable securities	\$46,028,962.29	\$45,119,640.12
Total Investments	\$48,522,331.50	\$47,635,898.30
Total Assets	\$49,415,320.12	\$48,875,728.72
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$62,266.06	\$51,796.47
Grants distributable	\$291,687.44	\$26,476.70
Charitable remainder annuity trusts and gift annuities	\$2,425,125.11	\$2,504,273.10
Agency obligations	\$16,482,901.63	\$17,288,967.59
Total Liabilities	\$19,261,980.24	\$19,871,513.86
Net assets:		
Unrestricted	\$9,387,801.06	\$8,954,547.33
Temporarily restricted	\$1,206,702.91	\$1,690,449.84
Permanently restricted	\$19,558,835.91	\$18,359,217.69
Total Net assets	\$30,153,339.88	\$29,004,214.86
Total Liabilities and Net Assets	\$49,415,320.12	\$48,875,728.72

The Catholic Foundation
Income Statement for July 1, 2018 - April 30, 2019
with Comparative Totals for Prior Year

	Unrestricted	Temporarily Restricted	Permanently Restricted	Agency	Split Interest	Total	Prior Year
Public support and revenues							
Contributions	21,069	60,481	1,283,469	254,435	9,895	1,629,348	6,114,054
Investment income	680,256	556,944	0	633,097	0	1,870,298	1,651,142
Realized gain (loss) on investments	562,129	392,125	0	573,263	0	1,527,517	179,042
Unrealized gain (loss) on investments	(565,998)	(525,285)	0	(525,689)	0	(1,616,972)	1,346,609
Administrative fees	350,645	0	0	0	0	350,645	331,702
Administrative fees on agency obligations	116,032	0	0	0	0	116,032	115,599
Other income	68,275	0	0	0	0	68,275	77,075
Total Public support and revenues	1,232,408	484,265	1,283,469	935,106	9,895	3,945,142	9,815,223
Expenses							
Grants and distributions	13,177	60,797	0	229,129	0	303,103	713,655
Salaries	294,859	0	0	0	0	294,859	287,705
Professional fees	45,103	24,929	0	135,991	0	206,024	198,905
Rent and office lease	28,692	0	0	0	0	28,692	28,172
Employee benefits and payroll taxes	65,874	0	0	0	0	65,874	54,495
Printed materials	20,379	0	0	0	0	20,379	20,269
Promotion and public relations	44,519	0	0	0	0	44,519	37,826
Office expense	26,290	0	0	0	0	26,290	26,390
Telephone/fax	4,697	0	0	0	0	4,697	4,524
Postage	1,447	0	0	0	0	1,447	1,830
Conventions and seminars	1,271	0	0	0	0	1,271	1,007
Insurance	263	0	0	0	0	263	261
Administrative fee expense	0	350,645	0	0	0	350,645	331,702
Total Expenses	546,573	436,371	0	365,120	0	1,348,065	1,706,741
NET SURPLUS/(DEFICIT)	685,836	47,893	1,283,469	569,985	9,895	2,597,078	8,108,482

**THE CATHOLIC FOUNDATION
ARCHDIOCESE OF SANTA FE
OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2020**

	2020 Budget	2019 Budget	Variance Fav / (Unfav)
REVENUE			
Administrative Fees ⁽¹⁾	560,000	530,000	30,000
Contributions - Other Cash ⁽²⁾	25,000	30,000	(5,000)
Grant Awards Luncheon (net) ⁽³⁾	33,355	43,170	(9,815)
Total Revenue	618,355	603,170	15,185
EXPENSES			
Salaries ⁽⁴⁾	371,570	355,540	(16,030)
Payroll Taxes	26,780	25,430	(1,350)
Employee Benefits	56,145	53,910	(2,235)
Marketing / Advertising ⁽⁵⁾	27,855	29,650	1,795
Community Awareness and Cultivation	6,400	5,500	(900)
Board Engagement Events	2,500	2,500	-
Conferences and Seminars ⁽⁶⁾	4,570	3,500	(1,070)
Development	9,000	9,400	400
Equipment Maintenance/Repair	1,600	1,600	-
General Office Supplies	2,600	2,500	(100)
Investment (Banking) Fees	300	600	300
Legal Fees ⁽⁷⁾	10,000	-	(10,000)
Miscellaneous	875	770	(105)
Office Equipment	500	850	350
Office Lease	35,100	34,475	(625)
Postage and Handling	1,800	1,700	(100)
Professional Affiliations/Memberships	500	500	-
Professional Fees ⁽⁸⁾	23,580	22,500	(1,080)
Program Expense	3,630	3,145	(485)
Software Maintenance/Upgrades	20,550	20,450	(100)
Telephone/Fax	6,400	6,400	-
Travel / Entertainment	4,000	4,000	-
Total Expenses	616,255	584,920	(31,335)
Capital Expenses	-	3,800	3,800
NET SURPLUS / (DEFICIT)	2,100	14,450	(12,350)

Notes:

- (1) Admin fees based on existing funds as of March 2019.
- (2) Actual contributions for FYE 2019 through April 2019 are \$21k.
- (3) 2018 Actual Grants Awards Luncheon income net of expenses was \$36k
- (4) Variance due to annual increase for staff salaries and additional hours for part-time staff.
- (5) Variance primarily due to lower marketing collateral costs.
- (6) Includes FACTS Elevate conference in Chicago.
- (7) Legal fees related to ASF bankruptcy.
- (8) Variance due to increased auditing, payroll processing and bookkeeping fees.

Date: 5/10/19