



The Catholic Foundation
ARCHDIOCESE OF SANTA FE

EXECUTIVE COMMITTEE MEETING
May 23, 2018

Minutes

Members Present: Stan Sluder, Scott Lardner, Dennis Garcia, Fr. Graham Golden, Greg Edwards, Don Rigali

Members Absent: John Heer, Sheila Brown, Jim Higdon, Tony Strati

Guests Present: Tom Growney, Jim Hakeem, Ron Hensley

Staff Present: Ed Larrañaga, Lori Nemeth

I. Opening Prayer

Ed Larrañaga opened the May 23, 2018 meeting of the Executive Committee with a prayer at 8:33 a.m. Stan Sluder led the meeting in John Heer's absence.

II. Review of March 21, 2018 Meeting Minutes

The Committee reviewed the March 21, 2018 meeting minutes (attached). Minutes were approved by the Committee as presented.

III. President's Report

Ed Larrañaga reported on the Catholic Symposium we hosted at La Fonda in Santa Fe, May 1-3. It was a great success and we received excellent feedback from attendees. Ed met with Allen Sanchez from CHI St. Joseph's Children. CHI will continue to be our presenting sponsor at the Grant Awards Luncheon this year. Allen and Ed are trying to arrange a meeting between the Foundation, CHI, Catholic Charities, and Christus St. Vincent Hospital to develop new ideas on how to work together more effectively.

IV. Budget & Audit Committee

A. Dennis Garcia reported on the April financial statements (attached). There were no significant changes in the variances from March. On the Balance Sheet, the overage under Assets, Cash – endowment will begin to resolve because we donated \$570k of the \$700k we were holding for a pass-through donor. Our real estate investments will be analyzed and updated to reflect current value.

B. Staff was excused for an Executive Session to review the budget.

C. Ratify Fiscal Year 2019 Budget

Motion: Scott Lardner moved to approve the 2019 Budget, Greg Edwards seconded, and the motion passed unanimously.

V. Investment Committee

Ed Larrañaga and Greg Edwards reported in Jim Higdon's absence. American Realty Advisors gave a presentation on their American Core Fund at the Investment Committee meeting on May 15. The Committee voted on recommendations from Annette Bidart. Discussions regarding restructuring when

CBIS no longer acts as an investment advisor may be tabled until next year due to the fact that the search was conducted last summer.

VI. Real Estate Committee

- A. Ed Larrañaga gave an update on the Rio Rancho Property. We had an offer of \$73k, which we countered with \$100k. It is currently valued on our records at \$230k. The property is zoned as equestrian, but the county may rezone as residential soon.
- B. Ed also gave a brief update on the Hager Property. Greg Edwards would like to step down as chair of the Real Estate Sub-Committee.

VII. Board Engagement Committee

Scott Lardner and Ed Larrañaga reported on Board Engagement, which met in April. We would like to keep our Board size at about 25 members. The Committee discussed steps for future prospective searches, including succession planning, financial sponsorship, and community involvement. Waiting on a few final steps to bring Laurie Roach on as a new trustee. We would like to strategically encourage more involvement from rural areas. Pulakos will give a brief presentation on the new tax laws at the July Board meeting.

VIII. Community Outreach Committee

Father Graham reported that the first Community Outreach Committee meeting was held after the last Board meeting in April. The process is underway for getting organized and brainstorming ideas.

IX. Grant Committee

Lori Nemeth reported in Sheila Brown's absence. We received 89 small grant applications; the category breakdown was 1 other, 6 historic preservation, 8 Catholic education, 15 capital improvement, 18 faith formation, and 41 human services. More than \$592k was requested for small grants. We have \$448,923 available for grant distributions, including large grants. We received 2 large grant applications; St. Michael's High School in Santa Fe requesting \$25k and Samaritan House in Las Vegas requesting \$25k. Michele and Ed will meet with Archbishop Wester on June 5 to review grant priorities. Grant Committee members are currently reviewing and scoring grants, and will meet June 12 for the final grant review. We received 9 applications for the CAT award this year, and 6 nominees were chosen by our benefactor to receive an award.

X. Chairman's Report

No Chairman's Report.

XI. Other Business

There was some discussion about the St. Pius reorganization, switching to a President and Principal collaborative model. Father John Trambley comes highly recommended for his new role as President.

XII. Closing Prayer

Father Graham closed the meeting with a prayer at 9:30 a.m.

The next Executive Committee Meeting will be held June 27, 2018 at 8:30 a.m.



The Catholic Foundation
ARCHDIOCESE OF SANTA FE

EXECUTIVE COMMITTEE MEETING

May 23, 2018

8:30am – 10:00am

Agenda

- I. Opening Prayer
- II. Review and Approval of March 21, 2018 Meeting Minutes – no action required
- III. President's Report
 - A. Activity Update – new donors/CHI meeting
- IV. Budget & Audit Committee
 - A. Financial Report
 - B. Executive Session
 - C. Ratify 2019 Budget – Action Required
- V. Investment Committee
- VI. Real Estate Committee
 - A. Hager update
- VII. Board Engagement Committee
- VIII. Community Outreach Committee
- IX. Grant Committee
- X. Chairman's Report
- XI. Other Business
- XII. Closing Prayer



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 12th 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
COMPARATIVE OPERATING INCOME STATEMENT
April 30, 2018

	Annual Budget	Budget YTD	Actual YTD	Variance Fav/(Unfav)	
REVENUE					
Administrative Fees	500,000	416,650	447,301	30,651	(a)
Contributions - Cash	32,000	26,600	28,195	1,595	(b)
Grant Awards Luncheon (net)	41,735	41,735	46,739	5,004	(c)
Other Income	-	-	-	-	
Total Revenue	573,735	484,985	522,235	37,250	
EXPENSES					
Salaries	347,760	289,720	287,705	2,015	(b)
Payroll Taxes	24,860	20,420	20,491	(71)	
Employee Benefits	40,725	34,350	34,005	345	
Marketing/Advertising	26,680	22,830	20,269	2,561	(b)
Community Awareness and Cultivation	5,600	4,600	1,500	3,100	(b)
Board Engagement Events	2,500	1,920	102	1,818	
Conferences and Seminars	3,500	1,200	1,007	193	
Development	9,250	6,850	5,889	961	
Equipment Maintenance/Repair	1,500	1,350	1,252	98	
General Office Supplies	3,000	2,500	2,651	(151)	
Banking Fees	600	500	176	324	
Miscellaneous	750	685	518	167	
Office Equipment	500	415	1,012	(597)	
Office Lease	33,850	28,172	28,172	-	
Postage and Handling	2,700	2,250	1,830	420	(b)
Professional Affiliations/Memberships	2,500	2,085	100	1,985	(d)
Professional Fees	22,050	21,680	20,967	713	
Program Expense	2,920	2,275	1,974	301	
Software Maintenance/Upgrades	17,940	16,340	17,877	(1,537)	(e)
Telephone/Fax	5,100	4,250	4,524	(274)	
Travel/Entertainment	3,000	2,500	3,341	(841)	
Total Expenses	557,285	466,892	455,362	11,530	
Capital Expenses	11,000	11,000	4,973	6,027	(f)
NET INCOME (DEFICIT)	5,450	7,093	61,900	54,807	

(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 April 2018
with Comparative Totals for Prior Year

	Current Year	Prior Year
Assets		
Assets		
Cash and cash equivalents - operations	\$521,118.23	\$454,473.32
Cash and cash equivalents - endowment	\$687,469.72	\$299,781.67
Furniture and equipment, less accumulated depreciation	\$22,780.84	\$18,238.03
Other Assets	\$8,461.63	\$12,350.31
Total Assets	\$1,239,830.42	\$784,843.33
Investments		
Real estate	\$2,516,258.18	\$2,532,968.73
Marketable securities	\$45,119,640.12	\$43,046,377.95
Total Investments	\$47,635,898.30	\$45,579,346.68
Total Assets	\$48,875,728.72	\$46,364,190.01
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$51,796.47	\$48,448.52
Grants distributable	\$26,476.70	\$4,059,432.48
Charitable remainder annuity trusts and gift annuities	\$2,504,273.10	\$3,477,177.68
Agency obligations	\$17,288,967.59	\$15,933,856.15
Total Liabilities	\$19,871,513.86	\$23,518,914.83
Net assets:		
Unrestricted	\$8,954,547.33	\$7,422,531.82
Temporarily restricted	\$1,690,449.84	\$1,015,561.65
Permanently restricted	\$18,359,217.69	\$14,407,181.71
Total Net assets	\$29,004,214.86	\$22,845,275.18
Total Liabilities and Net Assets	\$48,875,728.72	\$46,364,190.01

The Catholic Foundation
Income Statement for July 1, 2017 - April 30, 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	701,738	54,999	3,801,288	1,506,027	50,001	6,114,054	606,757
Investment income	569,145	489,333	0	592,664	0	1,651,142	1,111,354
Realized gain (loss) on investments	84,464	(27,753)	0	122,331	0	179,042	(406,326)
Unrealized gain (loss) on investments	347,807	489,389	0	509,413	0	1,346,609	3,065,582
Administrative fees	331,702	0	0	0	0	331,702	299,416
Administrative fees on agency obligations	115,599	0	0	0	0	115,599	114,482
Other income	77,075	0	0	0	0	77,075	74,190
Total Public support and revenues	2,227,530	1,005,968	3,801,288	2,730,436	50,001	9,815,223	4,865,456
Expenses							
Grants and distributions	22,878	11,484	0	679,293	0	713,655	100,192
Salaries	287,705	0	0	0	0	287,705	275,491
Professional fees	37,203	28,665	0	133,037	0	198,905	205,262
Rent and office lease	28,172	0	0	0	0	28,172	27,652
Employee benefits and payroll taxes	54,495	0	0	0	0	54,495	48,871
Printed materials	20,269	0	0	0	0	20,269	30,545
Promotion and public relations	37,826	0	0	0	0	37,826	37,242
Office expense	26,390	0	0	0	0	26,390	22,890
Telephone/fax	4,524	0	0	0	0	4,524	4,006
Postage	1,830	0	0	0	0	1,830	2,767
Conventions and seminars	1,007	0	0	0	0	1,007	275
Insurance	261	0	0	0	0	261	267
Administrative fee expense	0	331,702	0	0	0	331,702	299,416
Total Expenses	522,559	371,851	0	812,331	0	1,706,741	1,054,877
NET SURPLUS/(DEFICIT)	1,704,971	634,117	3,801,288	1,918,105	50,001	8,108,482	3,810,579

**THE CATHOLIC FOUNDATION
ARCHDIOCESE OF SANTA FE
OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2019**

	2019 Budget	2018 Budget	Variance Fav / (Unfav)
REVENUE			
Administrative Fees	530,000	500,000	30,000
Contributions - Other Cash	30,000	32,000	(2,000)
Grant Awards Luncheon (net)	43,170	41,735	1,435
Total Revenue	603,170	573,735	29,435
EXPENSES			
Salaries	355,540	347,760	(7,780)
Payroll Taxes	25,430	24,860	(570)
Employee Benefits ⁽¹⁾	53,910	40,725	(13,185)
Marketing / Advertising ⁽²⁾	29,650	26,680	(2,970)
Community Awareness and Cultivation	5,500	5,600	100
Board Engagement Events	2,500	2,500	0
Conferences and Seminars	3,500	3,500	0
Development	9,400	9,250	(150)
Equipment Maintenance/Repair	1,600	1,500	(100)
General Office Supplies	2,500	3,000	500
Banking Fees	600	600	0
Miscellaneous	770	750	(20)
Office Equipment	850	500	(350)
Office Lease	34,475	33,850	(625)
Postage and Handling ⁽³⁾	1,700	2,700	1,000
Prof'l Affiliations/Memberships ⁽⁴⁾	500	2,500	2,000
Professional Fees	22,500	22,050	(450)
Program Expense	3,145	2,920	(225)
Software Maintenance/Upgrades ⁽⁵⁾	20,450	17,940	(2,510)
Telephone/Fax ⁽⁶⁾	6,400	5,100	(1,300)
Travel / Entertainment ⁽³⁾	4,000	3,000	(1,000)
Total Expenses	584,920	557,285	(27,635)
Capital Expenses ⁽⁷⁾	3,800	11,000	7,200
NET INCOME	14,450	5,450	9,000

Notes:

- (1) Increase due to 25% increase in medical insurance premiums and additional staff member electing benefits.
- (2) Variance primarily due to increased website support and video costs.
- (3) Current year budget based on prior year actual.
- (4) Favorable variance due to foregoing Council on Foundation associate membership.
- (5) Variance due increased cost of Blackbaud NXT software.
- (6) Variance due to increased cost of internet speed upgrade.
- (7) Includes estimate for shelving build-out.

Date: 5/18/18