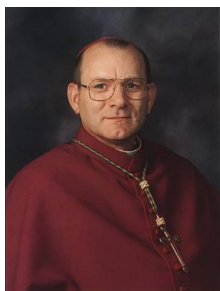


Catholic Community Foundation of Oregon

Annual Report 2009



My Dear People of God:

The Legacy of Faith Catholic Community Foundation of Oregon is one of the Diocesan resources that can assist in ensuring the long-term financial health of parishes, schools, and agencies in the Diocese through endowments and planned gifts.

The mission of the Foundation is to support religious, charitable, and educational programs of the Diocese, its parishes, schools, and ministries. Additionally, other Catholic charities that exist and operate outside of the Diocese may also receive support.

I believe the Diocese needed to establish endowments so gifts could provide financial assistance to parishes, schools, camps, retreats, social service ministries, etc. Today, the Foundation attracts a growing number of Catholics who want to share the blessings God has given them in a way that will make a lasting difference to the Church they love.

For generations to come the mission of our Foundation will continue to sustain and enhance the charitable, educational, and the spiritual ministries of our diocese. As the New Testament exhorts us in 1 Timothy 6:18-19 "Tell them to do good, to be rich in good works, to be generous, ready to share thus accumulating as treasure a good foundation for the future, so as to win the life that is true life."

Through the Foundation, you can be assured that your money is being invested wisely and will benefit our Church for many generations to come.

I invite you to read this annual report and to prayerfully consider becoming a part of the Foundation as a benefactor to one of our many great Catholic causes.

Asking every good grace and blessing of God upon you.

I am sincerely yours in Christ Jesus,

The Most Reverend Robert F. Vasa
Bishop of Baker



As you review this annual report for the Legacy of Faith Catholic Community Foundation of Oregon, I hope you will consider how you can make the Foundation a part of your charitable giving plans, both now and in the future.

Every donor and potential donor has a life story that is special and unique. Read about what St. Thomas Church in Redmond has done in establishing two endowment funds and how these funds will provide support to St. Thomas Academy and the continuing education of the parish's Catholic children.

The Foundation assets as of December, 31 2009, total in excess of \$1,698,000. Since the inception of the Foundation, assets under management include monies from endowment funds, donor advised funds, gift annuities, priest's retirement fund, and planned charitable gifts. These assets are managed by Nelson Capital, a subsidiary of Wells Fargo Bank, with

close oversight of the Foundation's Finance and Investment Committee.

For Catholics who wish to create a named-endowment fund, or wish to establish a life income plan or bequest, the Foundation is a most suitable giving opportunity. Through the Foundation, you can be generous to your home parish as well as diocesan programs. By creating a named-endowment fund with the Legacy of Faith Catholic Community Foundation of Oregon, you are making a lasting and permanent gift that will memorialize you or a loved one in perpetuity.

This year we have re-visited the *Frequently Asked Questions* regarding the Legacy of Faith Catholic Community Foundation of Oregon. It is my hope that it may prompt those who are uncertain about their personal legacy to call us and begin the process of making those charitable dreams a reality. May God Bless your Generosity!

John Schiemer, President and Executive Director

GRANT DISTRIBUTIONS

The Legacy of Faith Catholic Foundation of Oregon distributed \$9,432 in grants during the calendar year 2009 almost doubling 2008 grants. These grant distributions are from endowments and donor advised funds and are highlighted below:

Capital Campaigns:

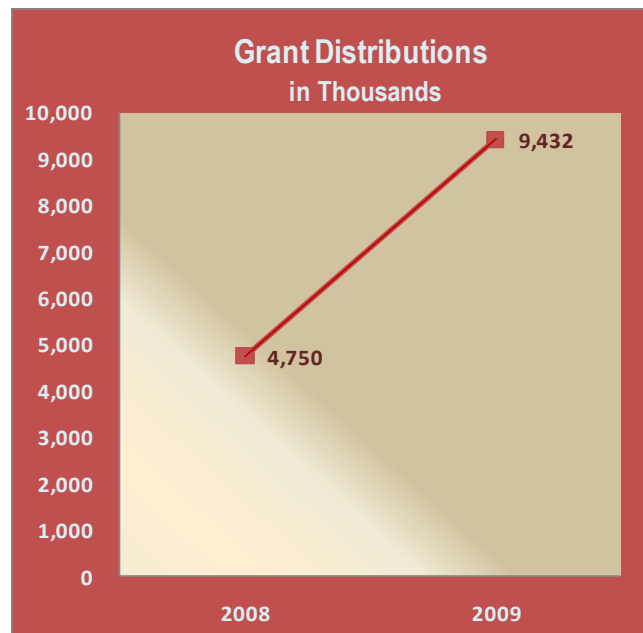
Diocesan Retreat Center	\$ 2,000
St. Francis-Bend Capital Campaign	\$ 6,000

Education

St Francis School-Bend tuition assistance	\$ 180
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Social Services

St. Vincent de Paul-Bend	\$ 1,252
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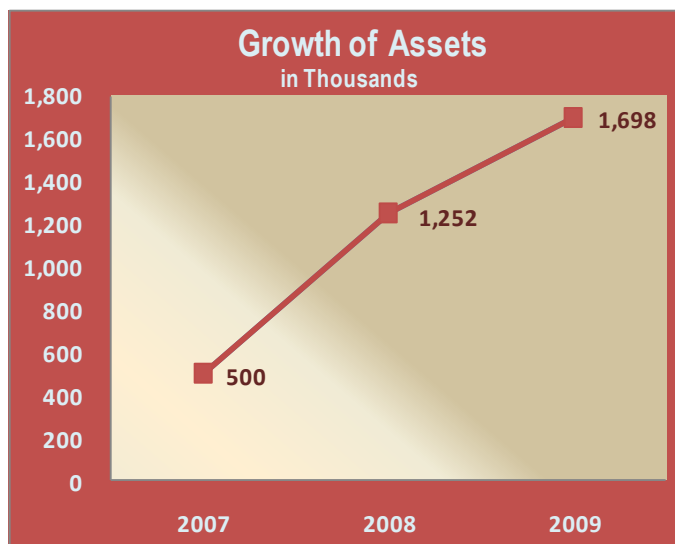
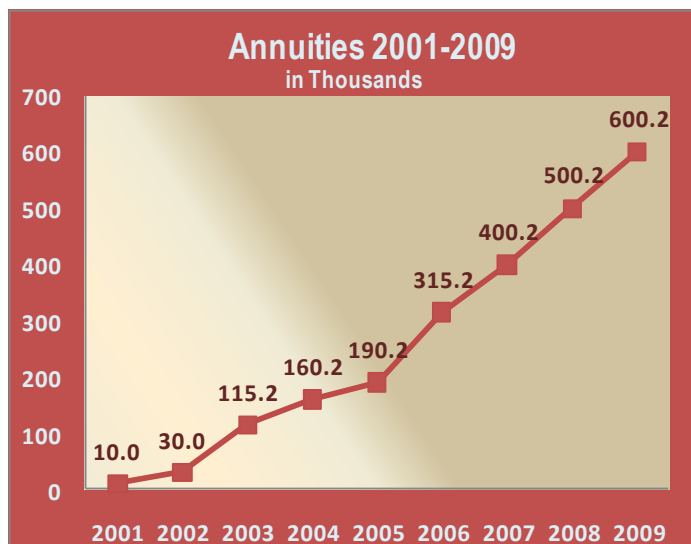


CHARITABLE GIFT ANNUITIES

The Foundation holds in trust the investments from our Charitable Gift Annuity program. This program began in 2001 and has grown to over \$600,000 during the last 8 years. Annuitants receive payments for life, and at the time of their gift determine which parish or program will benefit from the remainder or their original gift upon their passing. The annuity rates are set so that about 50% of the original gift is available for distribution.

GROWTH OF ASSETS

The growth of our Assets has been primarily the increase of named-endowments, donor advised funds, charitable gift annuities and the priest's retirement fund. The Foundation started with about \$500,000 in 2007 and has grown to almost \$1.7 million at the end of 2009. The fund earnings in 2009 were approximately 17%.



EXISTING FUNDS held at The Legacy of Faith Catholic Community Foundation of Oregon

ENDOWMENT FUNDS

To meet the goals of the Catholic Community, the Foundation offers and manages several different types of funds. Two are listed here below:

Designated Beneficiary Funds

Designated Beneficiary Endowment Funds are established for the benefit of one or more organizations, such as parishes, schools, and other Catholic organizations. Donors may make gifts to the Foundation and the earnings are distributed to the beneficiary organizations. Parishes are encouraged to consider this option to ensure the perpetual protection of parish intent.

- ♦ Jensen Memorial Fund
St. Vincent de Paul—Social Services
- ♦ Columbian Charity Fund
St. Francis School—Tuition Assistance
- ♦ Bishop Robert Vasa Discretionary Fund
- ♦ Diocesan Properties Maintenance Fund
- ♦ Frank & Harriet Krupicka-Bequest from Will
- ♦ Jim & Elaine Perko-Bequests from Will
- ♦ Sustaining Administrative Endowment Fund

New for 2009:

- ♦ Barbara Etter-Bequest from Will
- ♦ Yvonne Light Scholarship Fund
St. Thomas Academy—Tuition Assistance
- ♦ St. Thomas Education Fund
Parishioner Catholic Education Assistance

Donor Advised Funds

A Donor Advised Fund is an appropriate choice for donors who want to perpetuate their charitable giving, recommend the recipients of those gifts, and enjoy the associated tax benefits. In this giving option, the donor recommends to the Board of Directors which charitable organizations are to benefit from the distribution of the fund's earnings. Donor Advised Funds are an attractive alternative to establishing a private foundation because of the lower administrative costs and preferential tax treatment. The Foundation currently has two Donor Advised Funds

- ♦ Matt Deppmeier Donor Advised Fund
- ♦ Joseph & Leona Vasa Memorial Fund

OTHER TYPES OF FUNDS

Charitable Gift Annuities

Charitable Gift Annuities are very flexible. A donor makes a gift, and receives income for life. The amount of income varies with age and whether or not the annuity is for a single person or a married couple. Charitable Gift Annuities can have immediate or deferred payments, and have tax good benefits. The donor also determines where any remaining funds will be directed once they are deceased.

The Foundation has 20 annuity contracts that have been established since 2001. At the time of writing a contract for an annuity, the annuitant(s) selects Catholic organizations that may receive any remaining funds from the annuity when they are deceased. Some of those that have been selected are: Priest's Health and Retirement Fund, Diocesan Property Maintenance Fund, Camps, Retreats, St. Pius X Church, Klamath Falls, The Seminary Fund, Sacred Heart Parish, Athena, etc.

Administrative Fund

The Administrative Fund is a permanent endowment that has been established to help offset the expenses involved in the professional management of the Foundation. It was originally funded by the Board of Directors either with cash or in-kind donations. Gifts to this fund help cover the services offered by the Foundation. These services include accounting, administration, communication, fund distribution, investments and constituent relations. The total fund expenses in 2009 were \$12,076 and the ending fund balance was \$23,189.

Priest's Health & Retirement Fund

Early in 2008, the Priest's retirement fund was transferred to the Foundation from Massachusetts Mutual. The Foundation manages the assets, as agent, for the Priest's Retirement Committee.

“In 2009 St. Thomas Catholic Church in Redmond set up two endowment funds with the Legacy of Faith Catholic Community Foundation of Oregon. The parish did this for several reasons. The most important reason was the ease of administration. We would not have to worry about monthly reports and investment strategies and we would not have to worry about state reporting laws.” *Fr. Todd Unger*

Yvonne Light Scholarship Fund

The Yvonne Light Scholarship was started several years ago by Yvonne’s husband, Les, in memory of his wife. The purpose of the scholarship is to fund tuition assistance for students of St. Thomas Academy in Redmond. Originally the scholarship funds were placed in a special account within the Academy. During the last year it was decided that the money and further donations to this scholarship fund could be better administered if they were moved to the Legacy of Faith Foundation. That being done, the Foundation and the Academy set down a percentage of the total endowment to be awarded each year. Close to \$650 was awarded for the school year 2010-2011.

St. Thomas Education Fund

The St. Thomas Education Fund, started as a scholarship fund over ten years ago at St. Thomas for members of St. Thomas Parish to attend any Catholic educational institution, from Kindergarten to University. The scholarship fund was first registered with the State of Oregon as a non-profit. Managing this fund was found to be complicated with annual forms and reports with the State and IRS. The Foundation provided St. Thomas Parish with administration of the funds and a safe place to let the investment grow. Each year, 3% of the fund is given out as scholarships. Should the fund drop below \$100,000, the awards are temporarily stopped until the fund has increased its capital. This year nearly \$3,900 was awarded to four parish family members to attend Catholic schools.

Frequently Asked Questions

How is the Foundation separate from the Diocese? The Foundation has been separately incorporated from the Diocese - similar to the separate incorporation of the Parishes. The Foundation has established separate bank accounts, investment management accounts and audited financial statements. It has a separate Board of Directors made up of parishioners from several parishes.

What is the role of the Bishop? The Bishop was one of the original incorporators of the Foundation and will always be a permanent member of the Board of Directors. The Board of Directors oversees the activities of the Foundation. This will ensure the Foundation will always be Catholic and follow the teachings of the Catholic Church with its investment policies and operations.

Will the Foundation be safe from creditors claims or other lawsuits? The Articles of Incorporation specify and legal advisors have stated, “That in no event and under no circumstances shall Foundation funds be used to pay claims against The Roman Catholic Bishop of the Diocese of Baker, Inc., or any of its affiliated entities.”

How does the Foundation receive income in order to pay expenses? The Foundation maintains an Operating Fund whereby donations are deposited and expenses are paid. There are various sources of income to maintain working capital. These sources include gifts from Friends of the Foundation, fees from the accounts held by the Foundation, and distributions received from the permanent Sustaining Administrative Endowment Fund. The Foundation is a non-profit corporation, accepted by the Internal Revenue Service for a tax-exempt 501(c)(3) ruling.

Should I contribute to the Foundation instead of my parish? The creation of the Foundation does not replace the need to provide annual financial support to your parish. A gift to the Foundation establishes a permanent way to contribute your giving to your parish after your death.

How does the Foundation support the Diocese, Parishes, Schools and other Ministries? The Foundation will distribute in perpetuity, in other words forever, the income earned in each specific account to the designated charity as determined by the Donor when the endowment is established. All accounts that are established will have a contract that explicitly identifies the Donor's wishes and the identified Designated Charity.

Can I support Diocesan programs? Yes, several options exist. For example, you may make a gift to the Foundation to establish a permanent endowment fund and have the income distributed annually to the Bishop's Annual Appeal, or other specific Diocesan Programs such as Camps and Retreats.

Why should I contribute to the Foundation? The Legacy of Faith Catholic Community Foundation of Oregon was established to assist donors in their charitable giving by offering several different opportunities to achieve their charitable dreams now and in perpetuity.

What language should I use to include a donation in my will? The suggested language would be, "I give ____ (a specified dollar amount, percentage of estate, or gifts of stock or property etc.) for the purpose of ____ (the specific fund/s you wish to support) as an endowment to The Legacy of Faith Catholic Community Foundation of Oregon a non-profit corporation.

Other Questions? Please refer to the back of this Annual Report for contact information.

Diocesan Properties Maintenance Endowment Fund

In 2008, an anonymous donor gifted to the Diocese funds in order to establish the Diocesan Properties Maintenance Fund. Eventually this Fund will provide some annual support to all the properties of the Diocese, such as the Chancery, Retreat Center, Bishop Vasa's and Bishop Connolly's residences, Camps, and other current and future properties of the Diocese.

When one looks in the future for 20-50-100+ years, the needs of maintenance of properties will grow. From a pragmatic point of view, the growth of this fund beginning at say \$50,000 at a compounded rate of 2% after annual distributions of 5% per year will grow to over \$362,000. This means that the first year distribution of \$2,500 would grow \$18,000 after 100 years. The current fund balance in the Diocesan Properties Maintenance Endowment Fund is \$114,535.

It is with great gratitude that this fund has been established to serve the needs of many in the Diocese.



Upper Elementary T.Y.G. Camp 2010



Middle School Life on Fire Camp 2010

YOUR GUIDE TO GIVING

There are many opportunities to give and leave a legacy. The Foundation accepts gifts of cash, appreciated securities and real estate. All gifts are tax deductible to the full extent of the law. And you choose the parish, school or organization to benefit from your gift.

Your life, your faith, your legacy.

**St. Mary Church
Diocesan Retreat Center**



GIFTS THAT START MAKING A DIFFERENCE

Type	What It Takes	Benefits
Donor Advised Funds	Set up a fund in your own name with a gift of \$5,000+	Simplifies your charitable giving to your favorite charities now or in the future. Add to your fund at any time.
Endowments	A gift of \$5,000+ will establish a fund that provides your parish or favorite charity with a permanent source of funding.	Endowment funds last forever. Principal protected-annual distributions made from earnings.
Add To An Existing Fund	Gift of any amount.	Quick and easy. Your gift goes right to work.

GIFTS THAT GIVE BACK—LIFE INCOME GIFTS

Type	What It Takes	Benefits
Charitable Gift Annuity	Receive an income for life in exchange for a gift of \$5,000+	Fixed dollar amount payment for life. Tax advantages.

GIFTS THAT BEAR FRUIT LATER—DEFERRED

Type	What It Takes	Benefits
Testamentary Gifts	A bequest of any size can be left in your will to the Foundation or name us as beneficiary of a retirement account and/or insurance policy.	Easy to do. Creates a lasting legacy. Lasts forever.
Life Estate Agreement	You retain the right to live in your home or use your property while gifting it to us.	Avoid the hassles of selling. Reduce the size of your estate. Tax advantages.



Catholic Community Foundation Of Oregon

Legacy of Faith Catholic Community Foundation of Oregon 2009 Board of Directors

Most Reverend Robert F. Vasa, <i>Chair</i>	Permanent Member
Richard Dillard	St. Pius X, Klamath Falls
Matthew Deppmeier	St. Edwards, Sisters
Sue Fitzpatrick	St. Francis, Bend
*John Fitzsimmons, <i>Vice President</i>	St. Thomas, Redmond
Kevin Freihoefer,	St. Francis, Bend
Arlene Gibson	St. Thomas, Redmond
Mick Humphreys, <i>Treasurer</i>	St. Francis, Bend
*Mike Irwin	St. Francis, Bend
John Keller	St. Therese, Portland
Paul Keller	St. Mary, Eugene
*Patty Marx, <i>Secretary</i>	St. Thomas, Redmond
Ron Ochs	St. Patrick, Madras
*Jim Perko, <i>President</i>	St. Thomas, Redmond
Pat Widmer	St. Francis, Bend

*Thank you to those Board Members who served in 2009.
Your time and commitment is very much appreciated.
Term fulfilled as of November, 2009.

New appointees to the Board of Directors effective November, 2009

John Schiemer, <i>President</i>	St. Francis, Bend
Kevin Freihoefer, <i>Vice President</i>	St. Francis, Bend
Terri Isom, <i>Secretary</i>	St. Thomas, Redmond

Finance & Investment Committee ❧

Mick Humphreys, *Treasurer*
Rick Dillard
Kevin Freihoefer, *Vice President*
John Schiemer, *President*

Friends of the Foundation ❧

All Board Members
Anonymous Donors
High Cascade Printing
Tim and Patti Rausch, St. Francis Bend

The Legacy of Faith
Catholic Community
Foundation of Oregon staff

John Schiemer, *President and Executive Director*
Terri Isom, *Administrative Assistant*

We Acknowledge the important contribution of our consultants ❧

ACCOUNTING AND AUDIT

Hope Burke, *CFO, Diocese of Baker*
Richard W. Donaca CPA, *Auditor, Bend*

(Audited Financial Statements are available upon request)

LEGAL

John Keller, Keller & Keller, Portland

INVESTMENT ADVISOR

Nelson Capital, Socially Responsible Investing
Pro Vita Advisors, Pro Life Investments

Printed by





John Paul II Conference Center & St. Mary Church

Take some time now and call us at 541-388-4004
or visit our website at www.Dioceseofbaker.org

John Schiemer, Executive Director, will be very happy to assist you
with your needs and questions, or you can email your questions to
jschiemer@dioceseofbaker.org.

Find out what The Legacy of Faith Catholic Community Foundation of Oregon
can do for you, your family, your community, and your faith.

Legacy of Faith Catholic Community Foundation of Oregon

John Schiemer, Executive Director
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Bend, OR 97708-5999