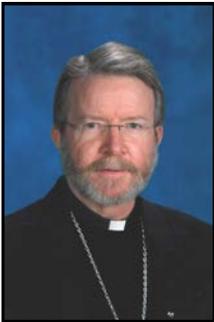




Catholic Community Foundation of Oregon Annual Report 2013

A Letter from the Bishop



Dear Supporters of
the Diocese of Baker,

The Legacy of Faith Catholic Community Foundation (LFF) recently celebrated its sixth anniversary. The last two of those years, as Bishop of Baker and Chairman of the Board of Directors, I've watched admiringly as the Foundation has quietly brought together over \$3,000,000 in separate funds for scholarships, school endowment, priests' retirement, and property maintenance, as well as donor-advised and designated funds and diocesan-issued gift annuities.

I have been impressed by the Board members' faithful dedication to their responsibilities. We meet as a Board twice a year. In the meantime committees review our investments to assure they meet our core Catholic values, and diocesan employees continue to help administer the Foundation as we look for a new executive director.

Worthy of particular commendation from LFF is the generosity and foresight of Loleta Vogt of Pendleton, who passed away in 2012. Not only did Loleta fund a lifetime gift annuity, she also left a planned permanent gift from her estate that both benefits the Diocese and increases the permanent property and maintenance fund. To inspire others to learn how they might follow in her footsteps in providing for the future needs of the Diocese of Baker, Loleta Vogt was posthumously named the first member of LFF's Cathedral Rock Society (CRS). Let me say a word about this new project which is now being developed.

Contributors to the proposed Cathedral Rock Income Fund (CRIF) can make a permanent lifetime gift that benefits the donor with an annual floating

income stream that is distributed during the donor's lifetime. CRIF's "pooled income fund" will combine gifts of \$10,000 or more into one trust to benefit capital investments across the Diocese. The principle will be preserved to fund accounts at LFF, the Diocese of Baker, the Powell Butte retreat center, your parish, your parish school, St. Vincent de Paul, or any designated organization that promotes Catholic values.

A pooled income trust for lifetime giving works especially well with highly appreciated assets because, as a qualified charitable trust, it pays no income or capital gains taxes on the sale of appreciated assets. Qualified LFF Board members can help educate you, your family, and your professional legal and tax advisors on this and other unique advantages of this type of charitable giving program.

To donors who gift \$20,000 or more to CRIF or who let us know they have created a planned gift from their IRA or estate we will present a beautiful framed picture in oil or water color of the Cathedral Rock near Monument. Members of the CRS can proudly display this painting in their home or office. This may lead to similar generosity from faithful family and friends.

As the Legacy of Faith Foundation continues to grow and mature, I encourage you to learn more about lifetime giving in a pooled income fund. Ask your wealth planning advisors about it; discuss its possibilities for your family—not only your immediate family but your Church family as well. It seems to hold great promise for our future.

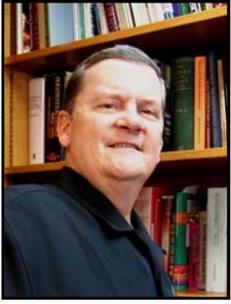
Please accept my gratitude for your interest in and support of The Legacy of Faith Foundation.

Gratefully in Christ Jesus,

Most Reverend Liam Cary

Bishop of Baker

Permanent Member, Board of Directors



The Cathedral Rock Society
meets the
Cathedral Rock Income Fund

Many non-profit foundations, institutions and even the Central Oregon United Way have created honorary giving Societies. (*Summit Society* for \$1000 Annual Givers) The Catholic College I attended, Loras College in Dubuque, Iowa, created *The St. Joseph Society*. Their society is based upon the 175 year tradition of Loras College and St. Joseph, it's Patron, who was a model parent and steward.

We, in the Diocese of Baker, have a vast, rugged and beautiful landscape which holds a magnificent rock formation along the John Day River near Monument, Oregon. It is called Cathedral Rock. Combined with our over 110 year tradition of faith formation over vast distances, we look to the life giving waters of the John Day, and are creating our own new Honorary Society for the Legacy of Faith and Diocese of Baker.

We understand the importance of recognition for donors who are willing to sacrifice a portion of their life-time or final estate. We wish to offer them membership in this newly formed *Cathedral Rock Society (CRS)*. These donors have been good stewards of Gods many gifts for they are as steadfast as this rock formation which is believed to be over 33 million years old. Located in the heart of the Diocese of Baker (in the middle of Eastern Oregon) it gives meaning to the importance of the Sacred Heart of Christ, and our Faith in Christ who gives us eternal life.

Members of CRS will be those that commit a life-time gift of \$20,000 or more to the CRIF or a donor designated fund at LFF. They may also choose to support an existing fund such as the St. Thomas School Scholarship Fund, St. Francis School Endowment Fund, Jensen Memorial Fund, Columbian Charity Fund, Diocesan Property & Maintenance Fund, or the Sustaining Administrative Endowment Fund. They may also choose to establish a new fund of their choice.

We also plan to introduce a new Lifetime Income Fund, called the "Cathedral Rock Income und" (CRIF). This fund will allow a donor to gift at least \$10,000 or more during life to the CRIF, and receive semi-annual income payments for their life, or another named income beneficiary. The donor may be eligible for a charitable tax deduction in the year of the gift, based upon life expectancy and a discount factor. (Deductibility is based upon individual tax brackets and other income factors and professional tax advisors should be consulted.) This pool of donations will then be used for Capital Improvements, Construction and Debt Replacement for Diocesan and Parish projects. We plan to distribute 3.5–4% in the first five years of the Pooled Income Fund. When a donor dies, the remainder of the gift will be allocated to one or more designated funds of their choosing with at least 35% to the permanent fund for future improvements and construction of schools, churches, parish halls, etc.

So I ask—do you feel like Peter "upon this rock" we can continue to build and develop the Diocese of Baker? We believe there are 400 to 500 Stewards in this Diocese that share our long-term perpetual commitment to our Faith Community. We do not expect someone without the necessary financial means to make such a large charitable commitment, as they can make smaller commitments directly to the permanent construction/improvement fund. We feel a donor should limit life time gifts to less than 10% of their net worth (including equity in home, ranch or rental property) and no more than 5% of liquid financial assets such as checking, savings, bonds, stocks or CD's. Again we recommend you consult with your accountant, attorney and key family members before committing \$20,000 or more for life time gifts.

In closing, we are happy to announce our first member of the *Cathedral Rock Society*, Loleta C. Vogt, of St. Mary's parish in Pendleton. You can read her life-story here in the next column. We are so thankful for Loleta's legacy gifts which were first established with the Diocese of Baker Gift Annuity program in 2008 and 2010. In honor of Loleta, Legacy of Faith Foundation will give a reprinted Oil Painting of Cathedral Rock matted and framed for display at St. Mary's parish.

We hope all members of our newly formed society will proudly display either their own personal framed oil or water color of this magnificent masterpiece of Gods handiwork. (See page 6 for both paintings.) May it inspire others to create and leave lasting Legacies of Faith.

God Bless,



Kevin J Freihoefer, Vice President
Legacy of Faith Foundation



Loleta C. Vogt
“Legacies of Her Faith”

Loleta C. Vogt, of St. Mary’s Parish in Pendleton, Oregon, in the Diocese of Baker, started her Catholic upbringing in the home of her parents, George and Clara (Bottger) Vogt of Echo, Oregon. Born in 1926 she lived to be 85 years old. She became a Cadet Nurse with the class of 1944 and went on to care for others for 44 years as a nurse, retiring in 1986. She was involved in Credit Women International and was a Certified Consumer Credit Executive since 1982. In 1985 she was named Credit Women of the Year. She was a member of the Catholic Daughters Society for over 60 years. She was involved in community, church, college advisory and enjoyed conversation, camping, crocheting, credit counseling, and world travel - having made two trips to the Holy Lands, one to Rome and numerous other places. She was a life member of the VFW Auxiliary and the St. Anthony Hospital Auxiliary in Pendleton.

Loleta C. Vogt died March 1, 2012, at St. Anthony Hospital in Pendleton and was the first Charitable Gift Annuitant of the Diocese of Baker to die and leave her lasting Legacy to the Diocese of Baker and Legacy of Faith Catholic Community Foundation. The board of directors of the Legacy of Faith are posthumously making Loleta the first member of the newly established *Cathedral Rock Society*. A framed picture in her honor will be presented to the parish for display. This Society is designed for anyone making a permanent gift to the Foundation or a Pooled Income Gift of \$20,000 or more to the *Cathedral Rock Income Fund*. Anyone wishing to learn more about this Fund or a loved one to the *Cathedral Rock Society*, please contact Terri Isom at the LFF Foundation.

Loleta was an inspiration of Catholic faith every day throughout her life. And now, even after her death, her legacy continues to inspire and support Catholic programs throughout the Diocese for many years to come.

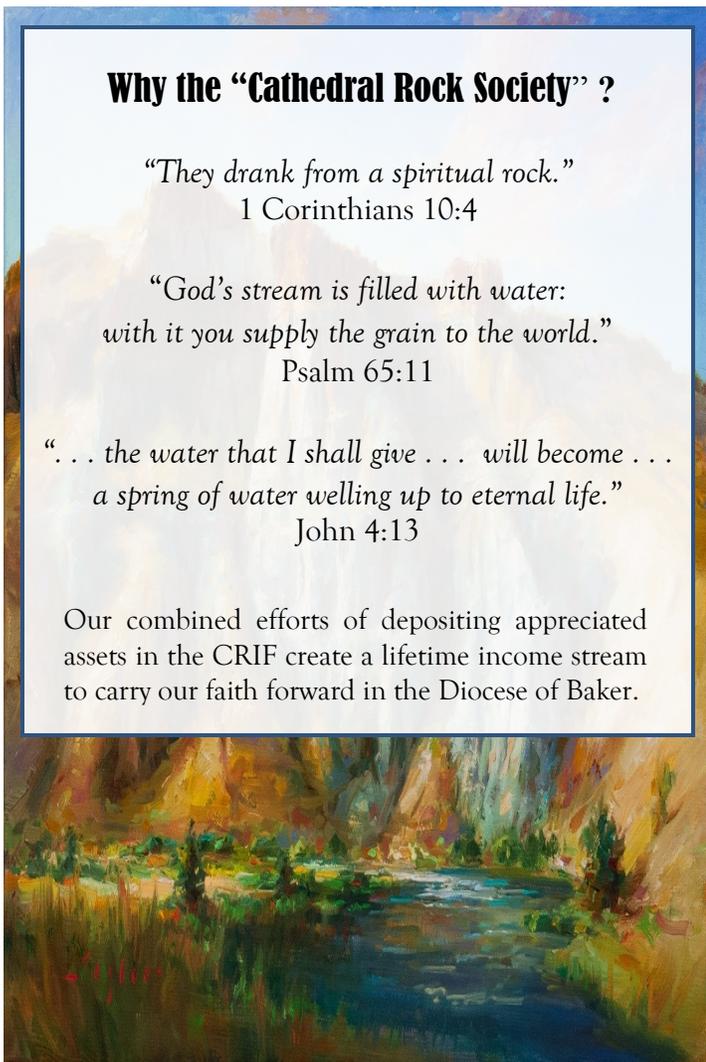
Why the “Cathedral Rock Society” ?

“They drank from a spiritual rock.”
1 Corinthians 10:4

*“God’s stream is filled with water:
with it you supply the grain to the world.”*
Psalm 65:11

*“. . . the water that I shall give . . . will become . . .
a spring of water welling up to eternal life.”*
John 4:13

Our combined efforts of depositing appreciated assets in the CRIF create a lifetime income stream to carry our faith forward in the Diocese of Baker.



GRANT DISTRIBUTIONS

The Legacy of Faith Catholic Foundation of Oregon distributed \$71,782 in grants during the calendar year 2013. These grant distributions are from Donor Advised Funds, Designated Funds, Endowments and Gift Annuities as highlighted below.

Parish Support

Donor Advised Funds	
<i>St. Francis of Assisi Parish - Bend</i>	\$ 20,000

Education

KC Columbia Charity Fund	
<i>St. Francis School tuition assistance</i>	\$ 220
St. Francis School Endowment-Annual Dist	\$ 34,718
Yvonne Light Scholarship Fund	
<i>St Thomas Academy</i>	\$ 943
St. Thomas Education Fund	
<i>St. Thomas Academy</i>	\$ 4,371
Donor Advised Funds	
<i>St. Francis School</i>	\$ 4,000

Social Services

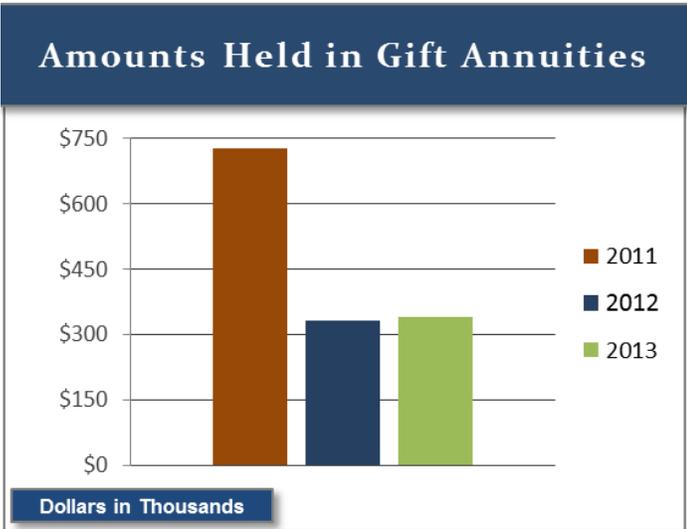
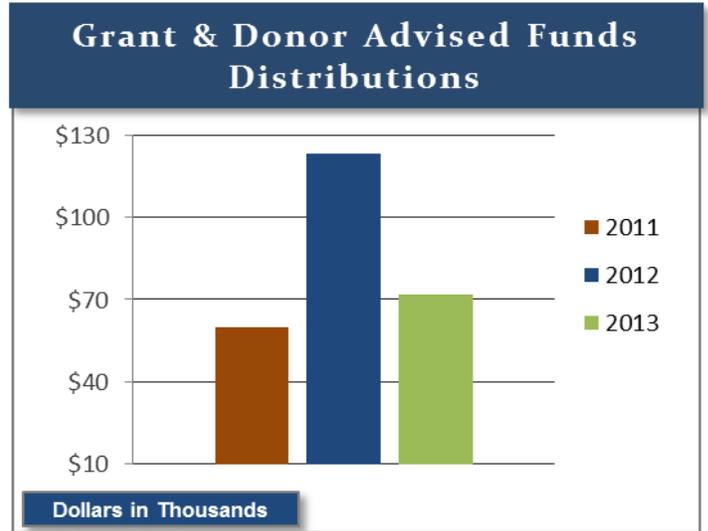
Jensen Memorial Fund:	
<i>St. Vincent de Paul-Bend</i>	\$ 1,530

Community

Donor Advised Fund	\$ 2,500
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LFF Annual Support Fund

<i>St. Francis School Annual Gala</i>	\$ 750
<i>St. Thomas Star Lite Gala</i>	\$ 750
<i>The Abbey Foundation of Oregon</i>	\$ 2,000



The Foundation holds in trust the investments from our Charitable Gift Annuity program. This program began in 2001 and has grown to over \$740,000 during the last nine 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.

***2012 Loleta Vogt Final Annuity Distributions*

The growth of our Assets has been primarily the increase of named-endowments, donor advised funds, and charitable gift annuities. The Foundation started with about \$500,000 in 2007 and has grown to just over \$3 million at the end of 2013. The average annual earnings since 2009 is 13.3%.

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
- ◆ Diocesan Property Maintenance Fund
- ◆ Sustaining Administrative Endowment Fund
- ◆ St. Francis School Endowment Fund
- ◆ 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 three Donor Advised Funds:

- ◆ Matt Deppmeier Donor Advised Fund
- ◆ PGN Gift 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 favorable tax benefits. The donor also determines where any remaining funds will be directed once they are deceased.

The Foundation has 19 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 the designated funds that have been selected so far include: 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, and St. Joseph Parish, Prineville.

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. Today these costs are covered by administrative fees generated by the various funds invested with the LFF. The expenses of the fund include accounting, administration, communication, fund distribution, investment fees and constituent relations. The Fund expenses were less than 1% of the total assets for 2013 and we continue to control those expenses through shared service arrangements with the Diocese of Baker personnel.



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.

YOUR GUIDE TO GIVING

There are many ways 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.

GIFTS THAT START MAKING A DIFFERENCE TODAY

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 or distribute from 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

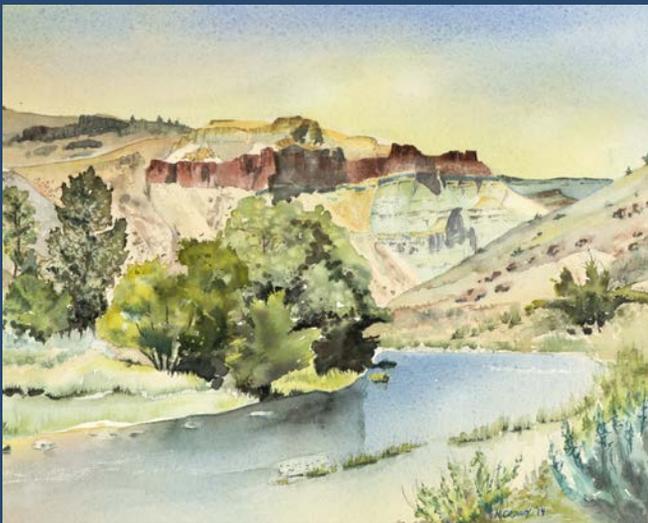
Type	What It Takes	Benefits
Charitable Gift Annuity	Receive an income for life in exchange for a gift of \$5,000+	Fixed dollar amount payments for life and tax benefits.
Pooled Income Fund	Net income for life – minimum \$10,000	Larger upfront tax benefits and increased income payments for life.

GIFTS THAT BEAR FRUIT LATER - DEFERRED GIFTS

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.



Cathedral Rock oil
Katherine Taylor, Artist
of Bend, OR
www.katherine-taylor.com



Cathedral Rock Watercolor
Michelle Ordway, Artist
of John Day, OR

Commissioned by
Legacy of Faith Foundation

Legacy of Faith Catholic Community
Foundation of Oregon
2013 Board of Directors

Bishop Liam Cary	Diocese of Baker
Matthew Deppmeier*	St. Edwards, Sisters
Richard Dillard*	St. Pius X, Klamath Falls
Sue Fitzpatrick*	St. Francis of Assisi, Bend
Kevin Freihoefer*, <i>Vice President</i>	St. Francis of Assisi, Bend
Mick Humphreys*, <i>Treasurer</i>	St. Francis of Assisi, Bend
Mike Irwin	St. Francis of Assisi, Bend
John Keller*	St. Therese, Portland
Paul Keller*	St. Mary, Eugene
Phillip Mendiguren	Our Lady of the Valley, La Grande
Ron Ochs*	St. Patrick, Madras
John Schimmoller	St. Francis of Assisi, Bend
Pat Widmer*	St. Francis of Assisi, Bend

*Thank you to those Board Members who served in 2012 and 2013.
Your time and commitment is very much appreciated.*

** indicates those members who have served
since the formation of the Foundation in 2006*

We acknowledge the important
contribution of our consultants 

ACCOUNTING AND AUDIT

Hope Burke, CFO, *Diocese of Baker*

Barnett & Company CPAs, *Bend*

(Audited Financial Statements are available upon request)

LEGAL

John Keller, Keller & Keller, Portland

INVESTMENT ADVISOR

Nelson Capital Management, Socially Responsible Investing

Pro Vita Advisors, Pro Life Investments

2013 Finance & Investment
Committee 

Rick Dillard

Kevin Freihoefer

Mick Humphreys

Mike Irwin

Ron Ochs

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 

Terri Isom, *Administrative Assistant*

Phone: 541-388-4004

Email: Terri@dioceseofbaker.org

It's Simple
It's Stewardship
It's Forever

TYPES OF FUNDS

To meet the varying philanthropic goals of donors, as well as the needs of the Catholic community, the Legacy of Faith Foundation manages four general types of funds: discretionary, field of interest, designated beneficiary, and donor-advised funds.

The Foundation does not invest in companies or give grants to organizations involved in activities contrary to teachings of the Catholic Faith.

The Legacy of Faith Catholic Community Foundation of Oregon can help you join others in fulfilling the Religious, Charitable, Educational, Financial and Social Needs of the Catholic Community.

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

We will be very happy to assist you with your needs and questions.



Catholic Community
Foundation of Oregon

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