



First Communion Class 1908
Bishop Charles O'Reilly,
founding Bishop
St. Francis de Sales Cathedral
Baker City, Oregon



Passing on the gift of faith



Catholic Community
Foundation of Oregon

2016 Annual Report

Annual Report 2016



Catholic
Community
Foundation
of
Oregon

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OUR PRINCIPLES

The Legacy of Faith Foundation supports religious, charitable and educational programs of the Diocese, its parishes, schools and ministries. Also, other Catholic charities that exist and operate outside the Diocese may receive support. In addition, those qualified charities that are Non Catholic may also receive grant support as long as their values are congruent (consistent) with Catholic moral teaching, especially to protect life.

Our Vision is for the Foundation "Through the Generosity of Donors, their legacies of Faith will be established to fund and support Catholic programs and donor wishes for generations to come."

Catholic Identity

- Reflect our Catholic faith in all we do.
- Foster Catholic education.
- Foster faith formation.
- Embrace the breadth, diversity, and commonality of Catholic interests.

Service

- Work with the Bishop and Church leaders to understand needs.
- Respond to essential societal needs and contribute to effective solutions.
- Collaborate with other philanthropic organizations when consistent with our mission.
- Provide for the needs of future generations.

BOARD OF DIRECTORS

| | |
|-------------------------|-----------------------------------|
| Bishop Liam Cary | Diocese of Baker |
| Dr. Dennis Dempsey | St. Edwards, Sisters |
| Matthew Deppmeier* | St. Edwards, Sisters |
| Kevin Freihoefer*, VP | St. Francis of Assisi, Bend |
| Ray Houghton | St. Thomas, Redmond |
| Mike Irwin | Our Lady of the Lake, Lake Oswego |
| John Keller* | St. Therese, Portland |
| Paul Keller*, Treasurer | St. Mary, Eugene |
| Phillip Mendiguren** | Our Lady of the Valley, La Grande |
| John Schimmoller | St. Francis of Assisi, Bend |
| Kathy Skidmore | St. Francis of Assisi, Bend |
| Annette Vardanega | St. Thomas, Redmond |



IN MEMORIAM

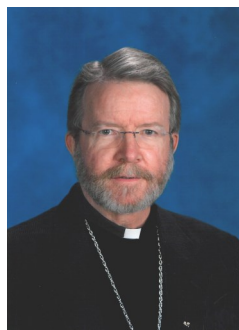
| | |
|----------------------|-----------------------------|
| Rick Dillard* | St. Pius X, Klamath Falls |
| Mick Humphreys* | St. Francis of Assisi, Bend |
| Suzanne Fitzpatrick* | St. Francis of Assisi, Bend |

* Served since the formation of the Foundation in 2006

** Retired 2017

*Thank you to those Board Members who served in 2016.
Your time and commitment is very much appreciated.*

The Bishop's Message



We are forever blessed with the gift of faith passed on to us by our forebears. In turn, it is our duty to leave this legacy to our children, grandchildren and future generations.

The Legacy of Faith Foundation is one way an ever-increasing number of Catholics are choosing to fulfill this responsibility. Gifts to the Foundation help to meet the spiritual, educational and social needs of our diocese, now and well into the years ahead—strengthening faith, nurturing hope, inspiring love. That is no small legacy to leave behind.

Leadership Message



The challenges of the modern society and electronic future are never ending, but if we continue to pray and come together as faithful stewards of our time, talent and treasure we share the light and grace of God and not Facebook or Google.

The late Bishop Thomas J. Connolly was a tireless steward and in his honor, the Diocese, in cooperation with the Legacy of Faith Foundation Board, established the Bishop Connolly Income Fund (BCIF). In late 2015 we accepted two gifts which totaled over \$30,000 that will pay a lifetime income stream, twice per year, to the donors. Upon their passing, the remainder will become funds within the Foundation—a portion to support the Diocese Property and Maintenance Fund, established in 2008, and the rest for designated or advised funds of the donor's choice. We are now accepting gifts of \$10,000 or more into the BCIF and current income payout rates are 4%. We are happy to report two of the LFF board members were the first to contribute to the new fund, and one of the Diocese's pastors is currently working with his advisors to make his gift to the fund.

For the invaluable support you give to the Legacy of Faith Catholic Community Foundation I thank you sincerely and ask the Lord Jesus to bless you abundantly.

+ Liam Cary

Most Reverend Liam Cary
Bishop of the Diocese of Baker
Permanent Member, Board of Directors
Legacy of Faith Catholic Community Foundation

We are most grateful for the work and leadership of Bishop Connolly and the many gift annuities he funded in his lifetime which the Foundation managed for him. As you think about your own lifetime income needs and your lasting legacy wishes, I ask you to consider a gift to the BCIF. We believe we have at least 200-300 stewards in our Diocese that have the financial and spiritual ability to come together with those current donors to honor Bishop Connolly's legacy and stewardship example. The benefits are many: a potential income tax deduction in the year of the gift, a lifetime of semi-annual income payments to one or more beneficiaries, and a remainder gift held by Legacy of Faith for both the Diocese of Baker Maintenance Fund, as well as any of the designated funds such as: school scholarships, parish ministries, St. Vincent de Paul, St. Francis de Sales Catholic Radio Station, etc. You set the direction, we stay the course!

I would also like to thank the late Father Leo Weckerle in making the Legacy of Faith his beneficiary of a deferred income annuity issued by the Knights of Columbus. Many of you knew Fr. Weckerle as pastor of St. Thomas Church in Redmond. When he retired in 2006, he continually made monthly visits to Maryville to see Bishop

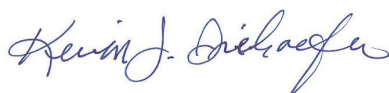
Connolly in his final years. He, like myself, was a Midwest Catholic with roots in the fertile ground of the corn belt, but our hearts and spiritual roots in our Catholic Faith and upbringing.

I know how important education is for our young people and how challenged families are to commit to a private Catholic education with the challenges of today's society. We all seem to be from somewhere else and maybe we don't think of the students in our Diocesan Catholic Schools the same as blood relatives like we did in the Midwest or East. It is a major financial challenge with many of our young Catholic families and with gifts like Father Weckerle's to St. Thomas Academy and Bishop Connolly for Camp Connolly and Diocesan Retreat Center they have shown us a way to come together for not only the salvation of young souls, but the future of our Church in Eastern Oregon.

So thank you, Fr. Weckerle for your many years of service as a Catholic priest and your lasting legacy for the education of members of St. Thomas parish in Redmond. May your stewardship live on perpetually in the hearts, minds and souls of those you have and will touch.

And finally, I would like to thank the efforts of all board members, past, present and deceased. Past: Bishop Robert F. Vasa, Ron Ochs of Madras, Pat Widmer of Bend, John Fitzsimmons of Redmond, John Schiemer of Bend, Jim Perko now of Yakima, and Patty Marx of Bend. We pray for the repose of the souls of Mick Humphreys of Bend, Sue Fitzpatrick of California, and Richard Dillard of Klamath Falls.

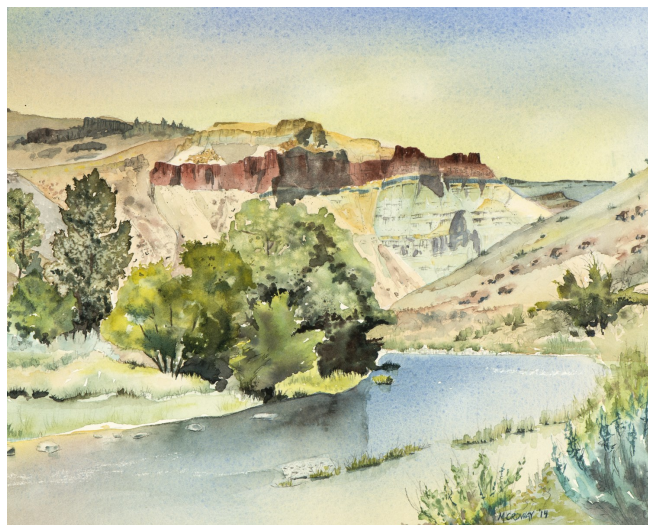
The past and present board members have several important things in common—their baptism in our Catholic Faith, the desire to promote and leave a lasting legacy, and the talent and time to promote stewardship through the Foundation. I thank each of you for your support of the Legacy of Faith Foundation and your willingness to help donors to reach their goals.



Kevin Freihoefer
Vice President, Board of Directors
The Legacy of Faith Foundation



Cathedral Rock Oil
Katherine Taylor, Artist
of Bend, OR



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

Commissioned by The Legacy of Faith Foundation for those donors who gift \$20,000 or more to a new or established fund or who let us know they have created a planned gift from their IRA or estate. Each will receive a beautiful framed picture in oil or water color of the Cathedral Rock near Monument.

Existing Funds

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.

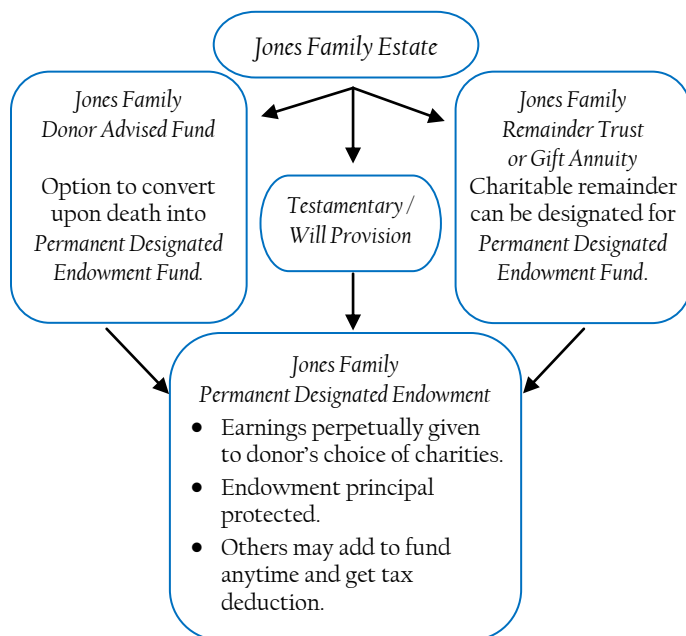
DIOCESAN PROPERTY MAINTENANCE FUND
SUSTAINING ADMINISTRATIVE ENDOWMENT FUND
ST. FRANCIS OF ASSISI CATHOLIC SCHOOL ENDOWMENT FUND
JENSEN MEMORIAL FUND
COLUMBIAN CHARITY FUND
YVONNE LIGHT SCHOLARSHIP FUND
ST. THOMAS EDUCATION FUND
FR. LEO WECKERLE LEGACY FUND

DONOR ADVISED FUNDS

The Legacy of Faith Catholic Community Foundation of Oregon offers a unique way for donors to perpetuate their values while accomplishing their current charitable plans and making a deferred gift.

It starts with a Donor Advised Fund, in which the Foundation manages ongoing distributions to the donor's favored charities. Donor Advised Funds are an attractive alternative to establishing a private foundation because of the lower administrative costs and preferential tax treatment. After the donor's death, the fund balance can then be converted to a permanent family Designated Endowment Fund. Likewise, the charitable remainder of a deferred gift, such as a lifetime income-producing Charitable Remainder Trust or Gift Annuity, can also be added to the permanent family Designated Endowment fund.

A portion of the Designated Endowment fund earnings is distributed each year to support the charities identified by the donor. The endowment principal is protected forever, so gifts are made in the donor's name for generations to come. And once established, children and grandchildren can add to the endowment.



The Foundation currently has five Donor Advised Funds:

MJD GIFT FUND
PGN GIFT FUND
JOSEPH & LEONA VASA MEMORIAL FUND
MUNDA COR MEUM FUND
BUXTON FAMILY TRUST 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. Donors also determine where any remaining funds will be directed once they are deceased.

The Foundation has established 23 annuity contracts since 2001. Today, we manage 8 Gift Annuity Funds. 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.

OTHER TYPES OF FUNDS

CONTINUED

ADMINISTRATIVE FUND

The Administrative Fund was established to help offset the expenses involved in the professional management of the Foundation. The Foundation handles accounting, administration, communication, fund distribution, resource development and constituent relations. Gifts to this fund helps cover the services offered by the Foundation. It was originally funded by the Board of Directors either with cash or in-kind donations.

Today these costs are covered by administrative fees generated by the various funds invested with the LFF. The Fund expenses were less than 1% of the total assets and we continue to control those expenses through shared service arrangements with the Diocese of Baker personnel.

AGENCY FUND

An Agency Fund is a person, organization or business that provides a service for another organization or party. Similar to the Archangels, like St. Michael, who did the work of God, we at the Legacy of Faith manage, distribute and act on behalf of individuals, parishes, schools, and any organization that needs our professional management and organizational skills.

The Foundation currently has two Agency Funds:

CLERGY HEALTH & RETIREMENT FUND
SACRED HEART KLAMATH FALLS FUND

LFF pools their contributions with those of Donor Advisors, endowed funds and scholarship funds to reduce the overall cost of asset and custodial management. We are blessed to have such accounts utilize our foundation and it's long-term balanced portfolio.

We look forward to accepting more agency work in the future for other organizations that believe in the power of managing assets with strong leadership, faith-based investments as core holdings and regular oversight in a separate non-profit corporation for additional protections.

Call now if we can assist your organization or one who you think might benefit from our services. We, like the angels, are here for your benefit and there is strength in not only our faith in God, but our combined efforts to do good, now and forever, together, through the Legacy of Faith Catholic Community Foundation.

10 WAYS TO LEAVE A LEGACY

1. Prepare a will—control your assets.
2. Leave a charitable gift in your will.
3. Choose a dollar amount or percentage of assets for your favorite charity.
4. Use assets for charitable giving (e.g., stocks, CDs, real estate).
5. Name your favorite charity as beneficiary of your IRA or pension plan.
6. Rename the beneficiary of existing life insurance policies to your favorite charities.
7. Purchase a new life insurance policy naming your favorite charity as beneficiary.
8. Encourage family members and friends to leave gifts to charities in their wills.
9. Ask your professional advisor to counsel his/her clients in this type of giving.
10. Contact the Foundation at 541-388-4004.

For those who wish to advise the Foundation of their existing legacy gifts, please call 541-388-4004 and ask for a Testamentary Gift Intention form.



Grant Distributions

The Legacy of Faith Catholic Foundation of Oregon gave \$211,000 in grants and distributions during the calendar year 2016. These grant distributions are from Donor Advised Funds, Designated Funds, Endowments and Gift Annuities as highlighted below.

PARISH SUPPORT

| | |
|--|-----------|
| --Donor Advised Funds for | \$ 19,000 |
| <i>St. Francis of Assisi Parish - Bend</i> | |

CLERGY & RELIGIOUS SUPPORT

| | |
|-------------------------------------|------------|
| --Health & Retirement Fund | \$ 120,000 |
| --Joseph & Leona Vasa Memorial Fund | \$ 3,000 |

EDUCATION

| | |
|--|-----------|
| --KC Columbia Charity Fund for | \$ 233 |
| <i>St. Francis School tuition assistance</i> | |
| --St. Francis School Endowment-Annual Dist | \$ 47,686 |
| --Donor Advised Funds for | |
| <i>St. Francis School, Bend</i> | \$ 4,733 |
| <i>St. Thomas Academy, Redmond</i> | \$ 6,430 |

SOCIAL SERVICES

| | |
|---------------------------------|----------|
| --Jensen Memorial Fund for | \$ 1,797 |
| <i>St. Vincent de Paul-Bend</i> | |

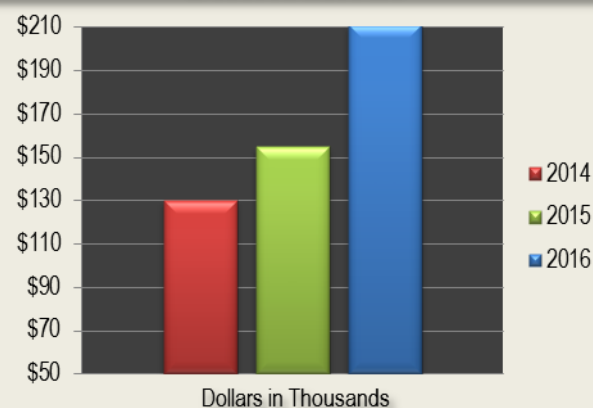
COMMUNITY

| | |
|-----------------------|----------|
| --Donor Advised Funds | \$ 4,750 |
|-----------------------|----------|

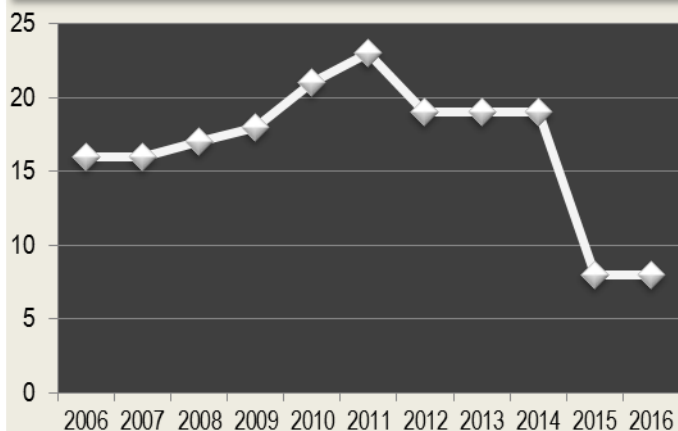
LFF ANNUAL SUPPORT FUND

| | |
|---|-----------------|
| <i>St. Francis School Annual Gala</i> | \$ 750 |
| <i>St. Thomas Star Lite Gala</i> | \$ 750 |
| <i>The Abbey Foundation of Oregon</i> | \$ 1,500 |
| <i>St. Vincent de Paul Fundraiser Event</i> | \$ 500 |
| | <u>\$ 3,500</u> |

Grant & Donor Advised Funds Distributions



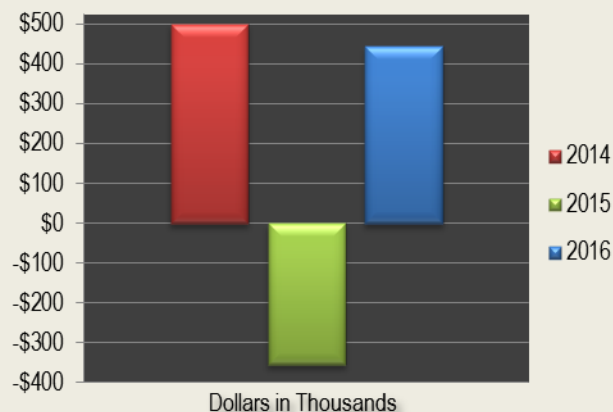
Charitable Gift Annuities with LFF



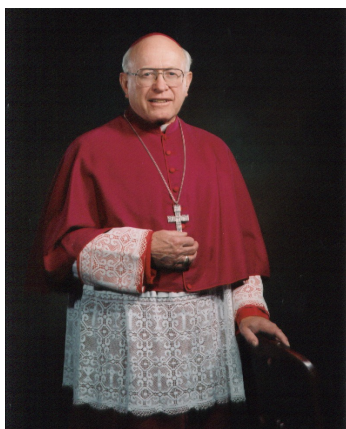
The Foundation holds in trust the investments from our Charitable Gift Annuity program. This program began in 2001 and has grown to as high as 23 Annuity Funds (chart above).

Annuitants receive payments for life, and, at the time of their gift the annuitant determines which parish or program will benefit from the remainder of their original gift upon their passing. The annuity rates are set so that about 50% of the original gift is available for distribution upon death.

Return on Assets



Our change in Assets is primarily driven by new and recurring gifts as well as approved payouts and distributions, an increase or decrease in endowments, donor-advised funds, Gift annuity payouts, and distributions from the priest's retirement fund. The Foundation started with the consolidation of \$500,000 in 2007 and grew to just over \$3.5 million in 2016. Our annual earnings through the end of 2016 has averaged between 7-10%.



Ordained June 30, 1971
Deceased April 24, 2015

BISHOP CONNOLLY INCOME FUND

A Qualified Charitable Pooled Income Trust

DTD 30 June 2015



Consider funding the Bishop Connolly Income Fund to benefit you and Catholic organization(s) of your choice - it is a very generous expression of your support of our Diocese. The Bishop Connolly Income Fund, provided in partnership with your Diocese and Legacy of Faith, is an effective way to make sure *your* legacy lives on like Bishop Connolly.

The Trust is sponsored by the Diocese of Baker with the current Bishop and Vicar General as acting co-trustees.

Board Contacts:

Kevin Freihoefer, St. Francis of Assisi, Bend
Ray Houghton, St. Thomas, Redmond

Other Contacts:

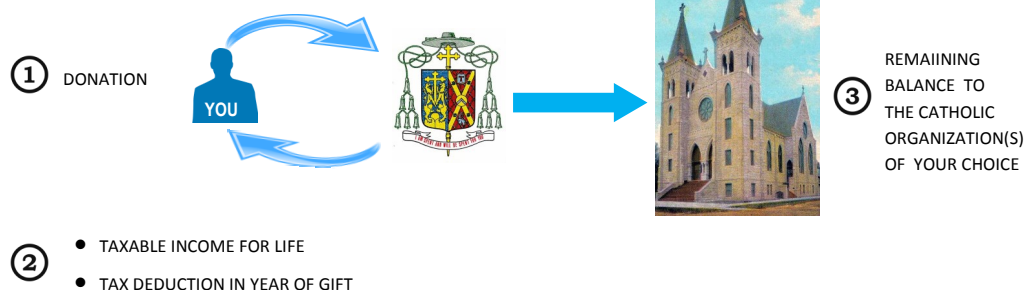
Trustee - Very Reverend Richard Fischer, VG
Terri Isom - for more information (541)388-4004

Key Characteristics of a Charitable Pooled Income Trust Fund

- ≈ Pooled Income Funds were developed in 1969 to allow individuals to contribute into a common charitable trust to gain the tax and income advantages available to those who could afford larger charitable trusts.
- ≈ Pooled Income funds are donor friendly: easy to fund and easy to understand.
- ≈ Potential immediate tax deduction, based on your life expectancy and the anticipated income stream from the pool in the year of the gift
- ≈ May eliminate capital gains tax for gifts of long-term appreciated securities and real property
- ≈ Life-time income stream is taxable to the beneficiaries
- ≈ Professional investment management of pooled assets

What is a Charitable Pooled Income Trust Fund?

It is a charitable trust established and maintained by a qualified nonprofit organization, providing you and/or your beneficiaries with a potential lifetime income stream based on a prorated share of the income earned by the fund. Remaining assets eventually benefit the charitable beneficiaries you have recommended and our Property and Maintenance Fund.



"He literally spent his Life's work, savings and investments for the people, especially the children of this Diocese. This will enhance his lasting legacy for all who follow in his footsteps."

Clergy Health and Retirement Fund

The Clergy Health and Retirement Fund is one of the founding funds of the Legacy of Faith Foundation. As of August 2017, this fund supports 15 retired priests.

In early 2008, the Clergy's Health and Retirement Fund was transferred to the Foundation from Massachusetts Mutual. Its purpose—to support the retired priests of the Diocese of Baker. The Legacy of Faith Foundation manages the assets, as Agent for the Priest's Retirement Committee.

One of our Diocesan retired priests who the endowment benefits is Father Joseph Reeves. Ordained in 1976 by Bishop Thomas J. Connolly, Fr. Reeves served the people of the Diocese from 1976 to July 1995. In July 1995, he became chaplain of St. Vincent Hospital in Portland until 2006 when he retired and returned to the Diocese of Baker to live. He continues to serve the people of Central Oregon when needed.

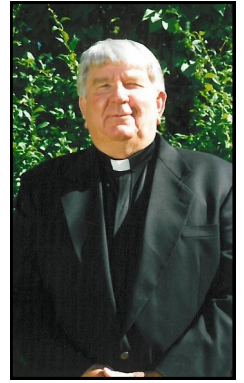


Father Joseph Reeves

"Priests give their lives completely to their people. It's wonderful when people return something to them."

A Priest's Parting Gift

Father Leo Weckerle was raised in the Midwest with roots in the fertile ground of the corn belt. His heart and spiritual roots were grounded in his Catholic faith and upbringing.

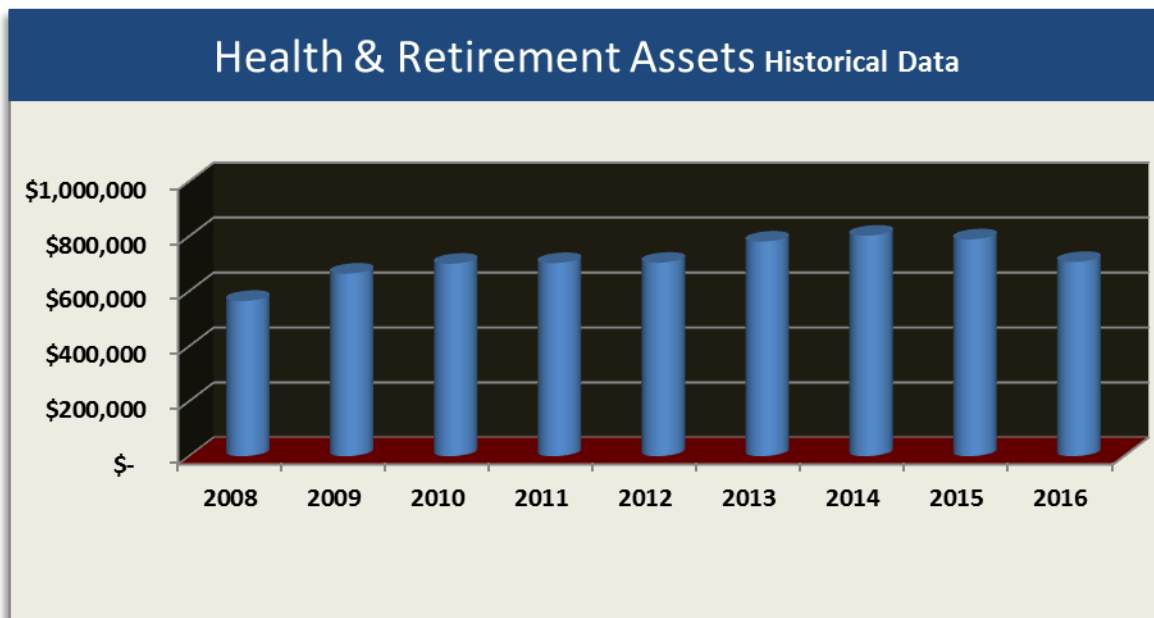


Pastor of St. Thomas Parish in Redmond, Oregon, for 16 years and founder of St. Thomas Academy, Fr. Weckerle was also a member of the Knights of Columbus.

In 2015, a bequest from Fr. Weckerle's deferred income annuity, established with the Knights of Columbus, was used to establish a fund with the Legacy of Faith Foundation. The *Fr. Leo Weckerle Legacy Fund* is used to offer annual scholarships to Catholic schools and colleges and continuing education as it pertains to Religious Education for the members of St. Thomas Parish.

Fr. Weckerle knew that it is a financial challenge for many of our young Catholic families to give their children a Catholic education and his Legacy Fund would help them fulfill their hopes for their children.

With his generous gift, Fr. Weckerle will continue to pass on the gift of faith to young people at his beloved parish and school.



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

WFB Social Impact Investing-Faith Based Screened

2016 Finance & Investment Committee ↻

Kevin Freihoefer

Mike Irwin

Paul Keller

Friends of the Foundation ↻

All Board Members

Anonymous Donors

High Cascade Printing

—Tim and Patti Rausch,
St. Francis of Assisi, *Bend*

The Legacy of Faith Catholic Community Foundation of Oregon Staff ↻

Terri Isom, *Administrative Assistant*

Phone: 541-388-4004

Email: Terri@dioceseofbaker.org

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 <http://dioceseofbaker.org/LFF/LegacyofFaith.htm>

It is our goal to make your participation in the work of the Foundation as rewarding as possible.
Please do not hesitate to contact us whenever we can be of help and we will be happy to assist you.



Catholic Community
Foundation of Oregon

641 SW Umatilla Avenue
Redmond, Oregon 97756

Email: terri@dioceseofbaker.org



The Legacy of Faith

Catholic Community
Foundation of Oregon

Call 541.388.4004

Create a Legacy, through the
Catholic Community Foundation of Oregon
It's Simple. It's Sustaining. It's Stewardship.