

FOCUS

The Independent Catholic Foundation For The Diocese of Altoona-Johnstown

Vol. 11 No. 1

Spring 2011

A MESSAGE FROM **THE PRESIDENT OF THE FOUNDATION**

and its Executive Director

We welcome you to our semi-annual update of the Independent Catholic Foundation. It has been an exciting six months since we last visited via our fall 2010 newsletter. With the first half of our fiscal year completed, we are enjoying a productive year marked by growth.

The assets under management of the Independent Catholic Foundation have grown in two ways, through contributions and through positive investment performance. Contributions to new and existing endowments total in excess of \$900,000 through January 31, 2011. The amount contributed already exceeds the total for our entire last fiscal

year. We have added 11 new endowments equaling last year's number of new endowments, with five more months remaining.

Our Finance Committee has worked diligently with our investment advisors, Bank of New York / Mellon and Cornerstone Advisors to ensure that prudent investment choices are being made. We have enjoyed tremendous growth in our investment portfolio thus far this fiscal year, and it now totals over \$16.7 million (also as of January 31). This new record was reached with the aforementioned contributions and an investment growth of 11.5% in calendar year 2010. This follows a 17 % investment growth in 2009.

We continue to be honored by people approaching us expressing a desire to help their parish, catholic schools, parish cemeteries or create scholarships by contributing to the Foundation. As evi-

dence of the diverse nature of our support of Catholic Ministries, we were approached by a donor who wants to support the new Catholic Faith Center on the Pennsylvania State University Campus at University Park.

With the help of, and the expertise from our Board of Trustees, we are viewed as a resource by individuals who want a permanent way to help their parish or favorite ministry. As we approach the Lenten season, please pray that this success continues so that we may expand the support of our Diocesan church and its people. We wish you the best in 2011.

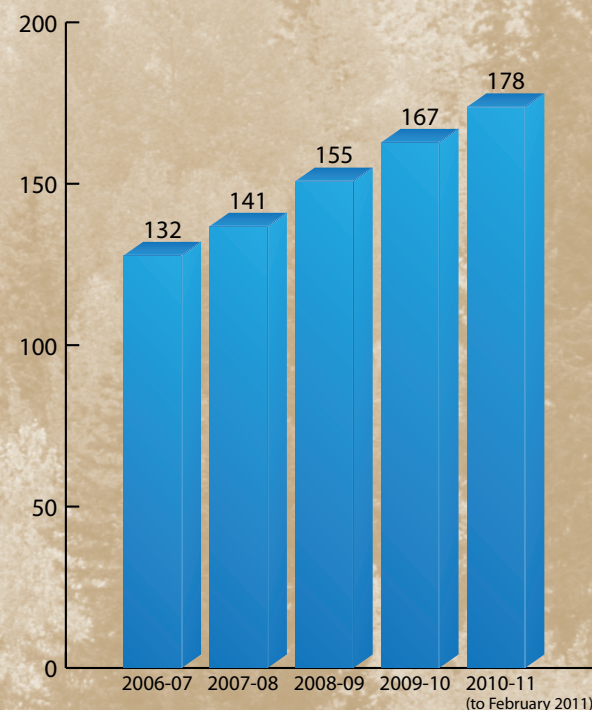
*Thomas J. Kristofco, President
Bill Hiergeist, Executive Director*

Charitable Giving

Charitable giving is an important and generous act for many people. Giving for the benefit of others is a visible display of the donor's priorities and values. To honor a loved one is an especially meaningful act of tribute to someone special. Additionally, it assures the continuance of positive values that influence the world around us. Within the Foundation there are examples of endowments that were created to celebrate an anniversary (see Classes of 1960) a memorial when someone passed (see Msgr. Flinn) or to demonstrate someone's love for their parish (see parish funds). The 178 endowments now held by the Foundation all began with a hopeful thought, a prayer and a conversation with loved ones.

Number of Endowments Continues to Grow

During the past 5 years the number of endowments held by the Foundation has enjoyed steady growth. So far this fiscal year the Foundation has added 11 new endowments which bring the total number to 178. The new endowments benefit a parish, several parish cemeteries and one each for Bishop Guilfoyle and Bishop McCort Catholic High Schools. Additionally, an endowment to honor a deceased priest and one to honor a transferred pastor were also added. Details are being finalized for an endowment that will support the new Catholic Faith Center on the Penn State Campus at University Park. Information on how to establish a new endowment is available on our web-site or at the Foundation office.



College Scholarships



This academic year, forty-three students have benefited from college scholarships held by the Foundation. During the fall 2010 distribution process almost \$43,000.00 was sent to twelve colleges and universities. These scholarships were awarded from seven different educational

endowments. The application process for these varies, with most being administered by the individual parish or high-school, but all benefit parishioners. Last school year and this current school year, the Foundation distributed almost \$100,000.00 under the guidelines of these educational endowments. Most stipulate recipients must be entering their junior or senior year of college. Information on how to establish a scholarship, or add to an existing one, is available at the Foundation office.

Monsignor George B. Flinn Scholarship Established

To mark the one-year anniversary of his passing last fall, the family and friends of Msgr. Flinn established a scholarship endowment in his honor. Created to provide financial help to students attending Johnstown's Cathedral Catholic Academy, this is a permanently endowed scholarship. The committee which included family, friends, parishioners and former staff was enthusiastic that with this structure, the scholarship will provide help to students forever. At the time of his passing, Msgr. Flinn was Vicar General of the Diocese of Altoona-Johnstown and the Rector of St. Johns Gaulbert. Msgr. Flinn had served the Diocese in many capacities throughout his career, and was awarded the Prince Gallitzin Cross Award in 2005. Monsignor always held a special place in his heart for children. The committee thought it was especially fitting that children and their families would benefit from this memorial. Contributions are being accepted at the Foundation office at 320 Frankstown Road, Altoona PA 16602 or at Cathedral Catholic Academy 110 Lindberg Avenue, Johnstown, PA 15905. Contributions are being accepted at any time, in any amount. Please note "Flinn Scholarship" on any checks. Additionally, contributions can be directed through the Foundation's web-site at www.icfdaj.org. Questions can be directed to the Foundation office at (814) 201-2080, or to Ms. Rosemary Batzel, principal of Cathedral Catholic Academy.

"Altoona Catholic" and "Johnstown Catholic" classes of 1960 create scholarships

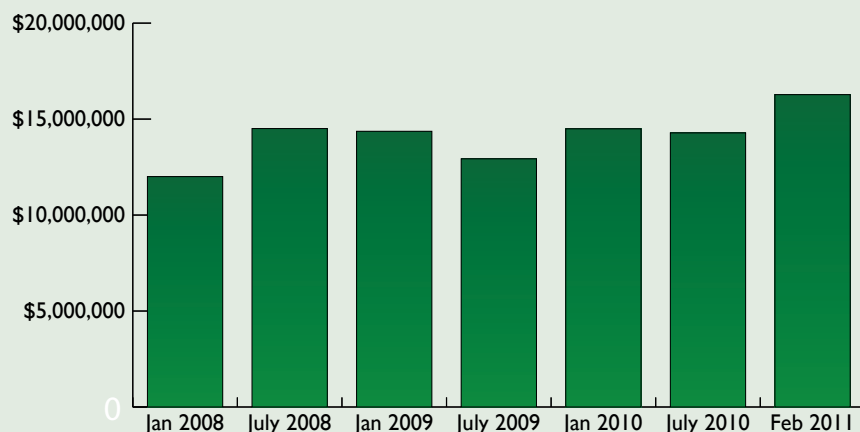
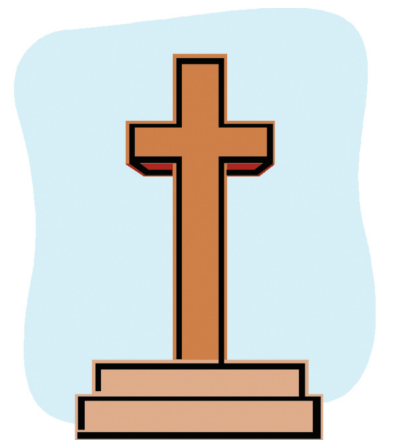
Independent of, and unbeknownst to one another, both classes of 1960 of each high-school (now Bishop Guilfoyle and Bishop McCort Catholic High Schools) have created scholarships. This past summer each class had reunions and associated activities in their respective towns. Both classes thought scholarships would be a great way to honor and say thank you to their respective schools. They chose the Independent Catholic Foundation to create a permanent endowment with distributions to be used to provide assistance to students entering or continuing to attend each high school. The scholarship stipulates that the recipients of this scholarship

shall demonstrate financial need, have attended a Catholic grade school or is a member of a Catholic Parish and be academically strong. The scholarships distributed from the fund each year shall be given in honor of the class of 1960 from each school. These scholarships were created through donations from the members of each class of 1960 participating in their 50th Class Reunion and associated activities. They both chose to create endowment funds that will provide an everlasting sign of their dedication to their alma mater and a desire to help students receive the same superior education they received fifty years earlier.

Saint Simon Society

The Foundation's honor society is happy to announce its membership continues to grow. Named after St. Simon who helped Christ carry his cross, the society presents an opportunity to honor a loved one, family member or colleague. Additionally, it represents a commitment to help sustain the Foundation and ensure its growth. Membership is available to someone who has contributed \$1,000.00 in their name, or in the name of an honoree. Funding for this can occur over a period of two years. A mass will be offered annually on May 12th

the feast of St. Simon. Information on the Saint Simon Society can be found on our web site or at the Foundation office.



Growth of Investment Portfolio

As noted throughout this newsletter, the value of our investment portfolio has achieved a new record of over \$16.7 million. While the value of the portfolio can fluctuate with the stock-market, we are optimistic about future growth. As noted, the portfolio is invested very conservatively, with a mix of equities, cash, fixed-income and alternatives. Additionally, we are working with several parishes and individuals to establish new endowments.

Parish Endowments does your parish have one?

These funds, created by the parish or an individual parishioner and were established to fund religious, operational, educational and charitable needs of a parish or to support general educational programs and other needs of a parish and its parish school. These can be added to at any time in any amount. Some were created through

Cathedral of the Blessed Sacrament Parish, Altoona

Good Shepherd Parish, State College

Holy Name Parish, Ebensburg

Immaculate Conception Parish Education, Lock Haven

Lock Haven Catholic School

Our Lady of Lourdes Parish, Altoona

Our Lady of Fatima Parish Education, Altoona

Our Lady of Victory Parish, State College

Our Mother of Sorrows Parish, Johnstown

Saint Demetrius Parish Education, Gallitzin

Saint John Gualbert Cathedral, Johnstown

Saint John the Evangelist School Sponsorship, Bellefonte

Saint John the Evangelist Missions, Bellefonte

Saint Joseph Parish Education, Portage

a bequest (a person's will) and some were in honor of a loved one, living or deceased. The appeal to these endowments is they will last forever and provide annual income to the parish. This list does not include cemetery endowments.



Saint Joseph Parish, Johnstown

Saint Mary Parish, Hollidaysburg

Saint Mary Parish Scholarship Fund, Hollidaysburg

Saint Mary Education, Altoona

Saint Matthew Parish Education, Tyrone

Saint Nicholas Parish, Nicktown

Saint Peter Parish, Somerset

Saint Rose of Lima, Altoona

Saint Stephen Parish, McConnellsburg

Saint Thomas Parish School, Bedford

Queen of Archangels, Clarence

Knights of Columbus Councils continue to support Seminarians

Through their annual "Seminarian Sweepstakes Tickets" the 41 K of C Councils in the Diocese of Altoona-Johnstown have since 1995, contributed over \$200,000 to their endowment fund held by the Foundation. The distributions from this endowment are used to support

the men studying for the priesthood from our diocese. Stipends are awarded to the men while in the seminary and upon ordination. Councils, or individual Knights are encouraged to add to this endowment at any time. Contact the Foundation office for details.

A note from our

Independent Advisor

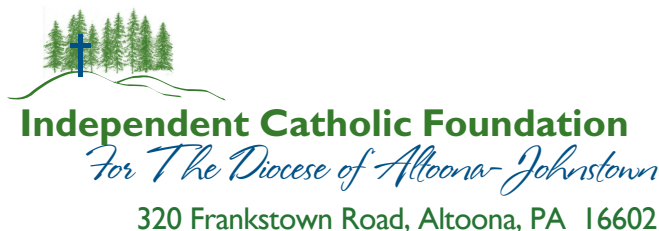
Since we last provided an update on the Independent Catholic Foundation as of the end of 2009, the foundation's assets have continued to grow strongly from \$14.2 mm to almost \$16 mm. For the 2010 calendar year, the portfolio returned 11.6%, putting it near the median of a group of like sized foundations. While we aim to outperform the other funds within this peer group, the ability of the Foundation to keep pace with the group while maintaining a less risky allocation during a market upswing is encouraging.

Over the last 5 years, the portfolio has grown at an average rate of 5.6% per year. While low by historical averages, this performance has been quite outstanding. It is 1.3% ahead of the benchmark and puts the foundation in the top 12% of the foundations in the country. Over those 5 years, the foundation has achieved 96% of each market upswing while only falling 81% of the market during down markets. Over entire market cycles, maintaining this spread will lead to investment success.

The foundation invests in a diversified manner covering all of the major investment styles. Money is allocated to large and small U.S. companies, international stocks, fixed income and also alternative investments which generally do not move in the same direction and magnitude as the gyrations of the stock market. The Investment Committee which oversees these funds has developed policies that are conservative relative to other foundations in order to protect the assets under their care during market declines.

Presently, there are many challenges in the economy. Interest rates are increasing as the economy rebounds which puts pressure on fixed income investments and the consumer has not fully rebounded from the economic crisis of 2008-2009, but there are positive signs including corporate earnings and balance sheets. We remain optimistic that the worst of the recession is behind us, but are still defensively positioned in light of the continuing problems around the world. The Investment Committee, staff and outside advisors of the foundation all remain committed to growing these assets prudently and enabling the parishes to continue their good works now and into the future.

This information was provided by M. "Skip" Cowen, Cornerstone Advisors Asset Management, Inc.



2009 - 2010

Audit Complete

The Foundation's annual audit for fiscal year 2009-2010 was completed by the accounting firm of Young, Oaks, Brown & Company. Please visit our web-site at

www.icfdaj.org

to view their report. A copy can be downloaded if you want a printed copy. If there are any questions, please contact the Executive Director.

Board of Trustees - July 1, 2010 to June 30, 2011

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If you have questions about remembering a parish in your gift planning, please consult your attorney or financial planner. Of course, this planning is best accomplished when it includes family members and your Pastor. Additionally, one of our Trustees may be a resource also. Our Trustees include Attorneys, Certified Financial Planners, CPAs, Realtors, Bankers and successful business owners.

Separate from, but committed to, the Diocesan Church

The Foundation is an independent entity – legally separate from the Diocese of Altoona-Johnstown – committed to the long-term strength and viability of Catholic institutions within the eight-county diocese. The Foundation is overseen by a board of trustees comprised of 18 lay men and women. The Diocese (as a legal entity) and the Diocesan Bishop have no role in the management of the Foundation, which is a 501(c)(3) nonprofit organization [a public charity]. Endowment funds held by the Foundation can not be attached for the Diocesan operating funds or any needs of the Diocese.

For More Information:

Individuals, businesses, organizations or parishes are welcome to inquire about the Independent Catholic Foundation by contacting any Trustee or our office. Executive Director, Bill Hiergeist can be reached at the Foundation office. All inquiries are held in the strictest confidence.

Bill Hiergeist, Executive Director • (814) 201-2080 • (fax) 201-2092 • Director@icfdaj.org

320 Frankstown Road, Altoona, PA 16602

Please visit our updated web-site. You will learn much about our Foundation by visiting:

www.independentcatholicfoundation.org –OR– www.icfdaj.org.

(Both will take you to the same site)