

FOCUS

The Independent Catholic Foundation For The Diocese of Altoona-Johnstown

VOL. 12 NO. 1

Spring 2012

Thinking and Paying Forward

"Our greatest lack, is not money for any undertaking but rather ideas; if the ideas are good, cash will somehow flow to where it is needed".

Robert H. Schuller

This quote is the inspiration that generated ideas for four new endowments. The Foundation is honored to be looked at as a resource when someone has passion for an initiative. Recently we were approached with these thoughts:

• A permanent scholarship endowment for St. Joseph Catholic Academy

Last August, the Foundation distributed over \$165,000 to the three Diocesan High Schools from 52 separate endowments; not a penny went to SJCA. All schools need two types of funding; funding for current needs and the creation of an income stream. The 52 existing high-school endowments have been created over the past 22 years one endowment at a time thus creating a source of income. A permanent endowment can be established to honor a family or loved one or in the name of a business. Once established, this will create an income stream forever.

• A scholarship endowment for the Office of Permanent Diaconate

Some do not realize that the Permanent Deacons are not paid for their service and in fact incur numerous expenses. This endowment would be a permanently endowed fund used to provide funding for some of the annual expenses incurred by the Permanent Deacons serving the ministries of the Diocese. Examples of these expenses could be: on-going formation expenses, retreat expenses (including the wives of senior deacons), educational expenses, expenses related to deacons serving in prison, hospital or campus ministries. This endowment currently is seeking funding.

• Penn State Catholic Campus Ministry Endowment

This is a permanent endowment with the annual distributions directed for the benefit of Catholic students at Penn State, University Park. It will support student activities sponsored by Penn State Catholic Campus Ministry, Catholic religious education, and evangelization of students at Penn State. Many of the activities will take place at the soon to open Suzanne Pohland Patero Catholic Student Faith Center. This endowment is a Foundation endowment and not affiliated with PSU. This endowment has actually received small initial funding and is seeking additional monies.

• Trustee Scholarship

The idea for this originated last year after the Blair County Trustees went through the process of selecting winners for the Welge scholarships (see article elsewhere in this newsletter). They were moved that there were so many applicants relative to the scholarships that we had available. When this endowment is created and funded our hope is to greatly increase scholarships that are available. They will be available for applicants from throughout the diocese. The Trustees hope to partner with businesses from throughout the Diocese for help to fund this initiative.

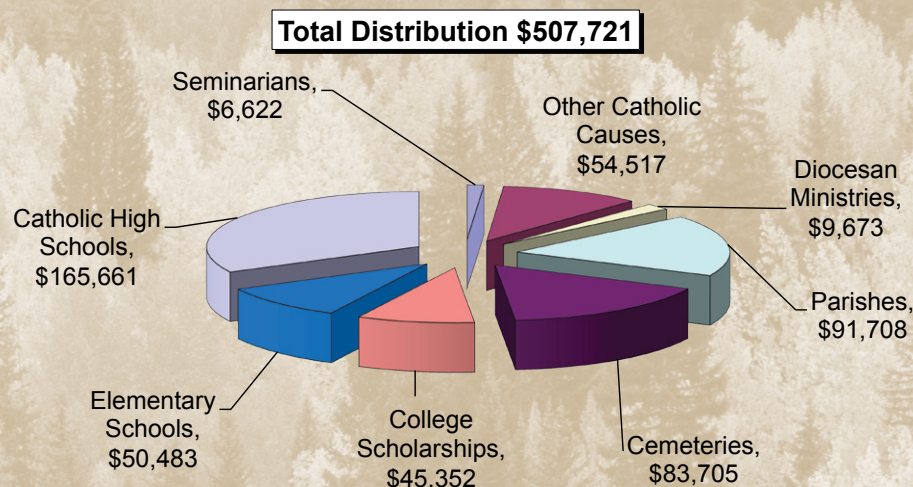
Endowments may be the best way to provide a perpetual fund for parishes, schools, ministries and other Catholic endeavors. Endowments offer a solid base of funds that are available now and forever. Gifts to the Foundation not only further the work of the Church, but also may provide other benefits such as tax advantages, perpetuity, memorial opportunities and professional management. Named endowments can be created with an initial funding of \$10,000; this can be funded over several years. There is always a balance between the need to pay current expenses and the need to save for the future. This is similar to paying the electric bill and saving for retirement; both are important.

Funds Distribution Sets New Record!

With several additional distributions in January of this year, the Foundation has exceeded one-half million dollars in support to beneficiaries in the fiscal year that began in July of 2011. Most of the endowments call for the annual distribution of funds in August. This sets a new record of support to the ministries of the Diocese. As usual, support for educational endeavors received over half of the funding. Baring unforeseen circumstances, our hope is that this is only a temporary record; one that will be beaten next year.

A Success Case

What began as a couple's philanthropic intentions, ended with students benefiting from scholarship assistance at Bishop McCort Catholic High School. The Foundation was notified about 18 months ago that we were named as beneficiary in a rather large estate for the purpose of creating a scholarship endowment for BMCHS. We received the proceeds of the estate in the spring of last year and thus created the endowment. The first annual distribution will begin this September with many thousands of dollars benefiting the High School. This did not happen by accident. The school was involved, the couples' attorney was involved, and the Foundation was involved. Most importantly for the past 22 years, the Foundation has earned the reputation as a responsible steward and caretaker when someone wants to create a legacy. Because of this, this couples' generosity will benefit the high-school forever, and the support should grow with the passing years. This couples' foresight will touch the lives of students yet unborn.



A MESSAGE FROM
**THE PRESIDENT
OF THE FOUNDATION**
and its Executive Director

In June of this year the foundation will celebrate its 22nd birthday. Twenty-two years of supporting the various ministries of our Diocesan Church. Executive Directors, staff, office location, and Trustees have changed over the years, but our mission to "...provide funding for this Diocesan Church, so the Lord's work may continue", has not. With financial distributions in January 2012, we have distributed over one-half million dollars during this fiscal year which began last July. We hope you will enjoy this newsletter's update and celebrate with us some of our accomplishments. Please see the article

on donor advised funds for an idea that offers support to your favorite ministry in the future while providing income for you now. Our Trustees have begun work on developing a strategic plan so that we may have a clearer vision as we move into the future.

Support of our young in the Diocese is very important to all Trustees. Over half of the annual distribution of funds goes to support the Diocesan elementary/middle schools, three diocesan high-schools and to provide college scholarships. An initiative that is in the early planning stages is the creation of a "Trustee Scholarship" endowment. This will be a permanent endowment with a percentage of the annual earnings being used for scholarships. We are working on ways to fund this new endowment with both Trustee involvement and potential corporate donations.

We hope you find this newsletter informative and that it provides suggestions on how you may permanently and financially support a Diocesan ministry. If you have any questions, or would like to discuss how the Foundation may assist you or your parish, please contact the Foundation or any Trustee. As we celebrate this Easter season, please pray for the continued success and growth of the Foundation. We wish you the best in 2012.

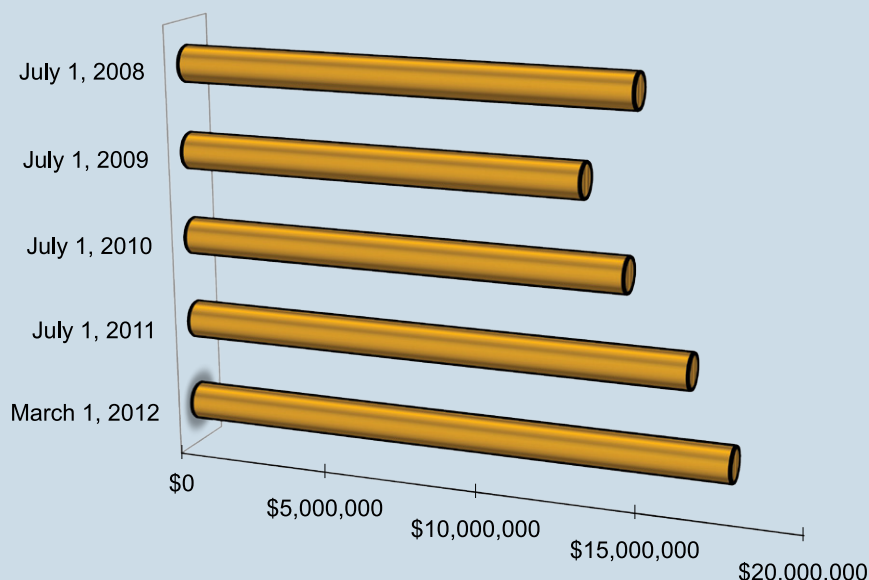
Thomas J. Kristofco, President

Bill Hiergeist, Executive Director

Growth of Investment Portfolio

The value of our investment portfolio has achieved \$17.6 million; this is almost \$1 million more than was reported in last spring's newsletter. In March of 2009 the portfolio was valued at \$11.2 million. The current valuation represents an amazing 57% increase. The current valuation includes both portfolio growth and contributions. While the value of the portfolio can fluctuate with the stock-market, we are optimistic about future growth. The portfolio is invested conservatively with an eye towards growth. The asset allocations are a mix of equities, cash, fixed-income and alternatives. Additionally, we are always working with parishes and individuals to establish new endowments which helps our portfolio grow even more.

Investment Portfolio Values



From Cornerstone Advisors

The S&P 500 began 2011 at a level of 1,257.64 and ended the year at 1,257.60 which would seem to indicate a quiet year in the financial markets, but as anyone who tracked it knows, nothing could be further than the truth. There were several moves of 5% and two swings of more than 15% (one up and one down). The Foundation's account was down slightly, posting a loss of 1.9% for the year. Over the past three years, the account has grown by almost 9% per year. During the year, the Foundation's investment account grew from just under \$16 million to over \$16.3 million thanks to your generous donations and the concerted effort of the various underlying funds to raise assets. From the beginning of 2007 until the close of 2011, the portfolio increased in value from \$12.5 million to its current \$16.3 million, a major achievement given the market turmoil during that time.

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.

Over the past 5 years, the Foundation's assets have outperformed 78% of a national peer group, indicating that the care and diligence utilized by the Investment Committee and outside advisors has been adding value to the assets you entrust to us. Over the same time period, the volatility of the portfolio, as measured both by the beta and the standard deviation, is in the bottom

one-third (less volatile) than its peers.

Going forward, we are

cautiously optimistic that the European debt problems will be resolved favorably and that our own economy will be able to grow. We do not see the booming growth of the 1990's coming back anytime soon and the volatility we have seen over the past several years is most likely here for the intermediate future. The Committee's focus on risk management will continue as it always had with an eye to prudently growing the assets under its care without incurring undue risks.

Kevin Karpuk, CFA
Chief Investment Officer



Donor advised funds

These are individual endowments created with provisions for the person(s) or family who created the endowment to determine where the annual distribution goes. The recipient or beneficiary may change each year, or there may be multiple beneficiaries with each distribution. A donor advised fund offers the opportunity to easily create a low cost, flexible method for charitable giving as an alternative to direct giving or the costly and cumbersome private family foundation. Donors receive maximum tax advantages with the administrative duties and expenses passed on to the holder of the endowment (ie: Independent Catholic Foundation), and the donor may remain anonymous if they choose to do so. Beneficiaries of the annual distribution must be

approved by the Board of Trustees and must align with the teachings of the Catholic Church. The Foundation Gift Acceptance Committee encourages contributions of \$25,000 or more to begin a donor-advised fund, but will consider minimum gift/pledge levels of \$10,000 with limits to the number of beneficiaries required annually.

Types of Donor-Advised Funds

Permanent Endowment: These are permanently restricted with an annual distribution as determined by the Trustees; all endowments within the Foundation have the same percentage distribution. Principal cannot be distributed, except as required by law. The Foundation is advised each year who will be the beneficiary of the annual distribution and the Foundation mails the checks to the beneficiary.

Provisional or Temporary Endowment: An Endowment is created that allows the interest (annually) and up to and including 50% of the original principal to be distributed. This has all of the tax and expense advantages to the donor as a permanent endowment. There are stipulations in place for minimum distributions and timing of same. Additionally, there may be provisions for different administrative fees.

The details of each situation vary. For more information, please contact the Foundation office.



Foundation Seeking Scholarship Applications From Blair County Students

The Welge Endowment Scholarship Fund was established in 1995 to honor Adelaide G. (Heverly) Welge. This scholarship provides financial assistance to worthy parishioners of parishes in Blair County excluding Tyrone. St. Matthew's Church in Tyrone already had a substantial endowment fund restricted to providing college scholarships for their parishioners when the Welge scholarship was created.

To be eligible for the Welge scholarship, applicants must meet the following requirements:

1. A member of a Roman Catholic parish (excluding St. Matthew) located in Blair County;
2. A college student entering their junior or senior (third or fourth) year, enrolled as a full-time undergraduate student at an accredited four-year college or university;
3. Demonstrate financial need; and,
4. Submit a completed application form on or before June 1, 2012. The application must be signed by the applicant's pastor to verify the applicant's active membership in their parish.

Comments from past applicants:

- "I appreciated the scholarship that was awarded me last year,

it really helped...the financial situation in my house has not improved...my father is off work due to injury"

- "I know that God has put me on this earth to better the lives of others..."
- "I am working multiple jobs...to minimize the amount I'll have to borrow"
- "I have been involved in the Catholic church all my life...my family does not have enough money to help me complete my degree".

The Foundation expects to award a total of approximately \$1,500 in Welge scholarships this year; last year there were three \$475 scholarships awarded. Additionally, the Foundation Trustees are asking Blair County pastors and clergy to help identify worthy and qualified individuals. Applicants are encouraged to complete the application and return it by June 1, 2012. The application is available at the Foundation office or on line at the Foundation's web-site, www.icfdaj.org. The selection committee will identify a recipient (or recipients) from the applications received. The selection process will be completed by June 30 and the funds will be distributed directly to the winners' school in August. Questions should be directed to the Foundation office at 201-2080 or via E-mail at Director@icfdaj.org.

Who receives the annual distribution of funds?

In addition to numerous parish and parish cemetery endowments some of the beneficiaries of the annual distribution of funds are:

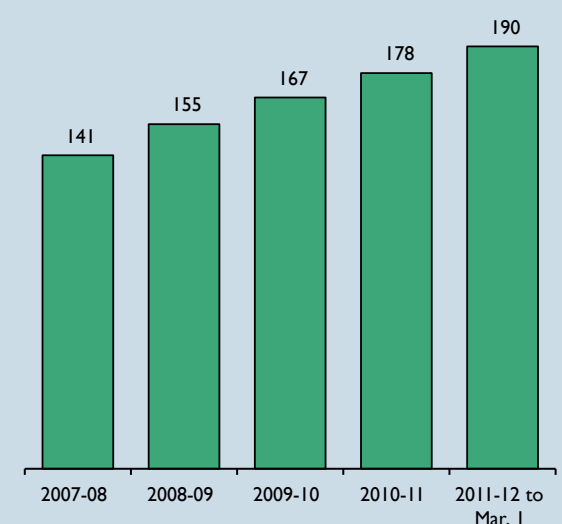
Catholic Elementary and Middle Schools in the Diocese
Catholic High Schools in the Diocese
Students from parishes in the Diocese attending college
Catholic Charities

Saint Vincent DePaul Society
Religious Orders and Convents
Seminarians of the Diocese
Catholic Music Ministries
Family Life Office
Diocese of Mandeville, Jamaica
Several Pro-life initiatives in the Diocese
Diocese of Altoona-Johnstown

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 7 new endowments which bring the total number to 190. The new endowments benefit a parish, a parish school, several parish cemeteries and one for Bishop McCort Catholic High School. Information on how to establish a new endowment is available on our web-site or at the Foundation office.

Number of Endowments



Disclaimer

In all instances it is advisable to speak with legal counsel, a Financial advisor and/or a tax consultant. No information contained in this newsletter or on the Foundation website should be considered legal advice.

On-Line Giving

You may contribute a one-time donation or recurring monthly donations to any endowment or directly to the Foundation through our web-site. We partner with Network for Good for the on-line giving process. Their secure web-site is a safe and easy way to process your donation any time of the day or night. Visit our web-site at www.icfdaj.org for a list of all endowments and for a link for on-line giving.



College Intern position available

This internship will be a project and research oriented position designed to investigate the marketing initiatives of other non-profit catholic and religious foundations. The candidate will look at not only catholic foundations within Pennsylvania but throughout the US. The research will begin with other diocesan foundations within the state of PA. Additionally, they will look at the marketing initiatives other religious foundations and other foundations as appropriate. The goal is to uncover unique and successful methods used for marketing and PR purposes that may be customized to promote the awareness and visibility of our Foundation. This research will begin "on-line" and will be followed up with phone conversations and/or electronic or written correspondence. Depending on location, a site visit may also be appropriate. Lastly, there will be an opportunity to write an article for an upcoming Foundation newsletter. The ideal candidate will have a background in marketing/communications and PR. In addition to the marketing research, they will have the opportunity to work closely with the Executive Director and learn the business operations of a \$18M foundation.

Hours for this position will be flexible, but will require designated hours per week over a period of weeks. The hours will be determined by the successful candidate and any requirements of their college or university; we expect it to involve approximately 200-250 hours. This position will pay a stipend upon successful completion of the internship.

Information about the Foundation, including contact information can be found at www.icfdaj.org

Board of Trustees - July 1, 2011 to June 30, 2012

John H. "Jack" Anderson (Term Expires 2014)
Our Lady of Mercy Chapel, Cresson

Vincent J. Barbera, Esq. (Term Expires 2013)
St. Peter, Somerset
Vice President

James A. Carrieri (Term Expires 2014)
St. Therese of the Child Jesus, Altoona

Peter Delricco (Term Expires 2014)
Church of the Good Shepherd, St. College

Hampton H. "Hap" Durbin (Term Expires 2014)
St. Therese of the Child Jesus, Altoona

Michael A. Fiore (Term Expires 2012)
St. Michael, Hollidaysburg

Monica M. Garver (Term Expires 2013)
Resurrection, Johnstown

Rocco D. Gillott (Term Expires 2013)
Blessed Kateri Tekakwitha, Spring Mills

Rita Halverson (Term Expires 2014)
St. Peter, Somerset

William M. Hiergeist (Ex-Officio)
St. Matthew, Tyrone

Tim Holtz (Term Expires 2014)
St. Augustine, Dysart

Anthony J. Kamnikar (Term Expires 2013)
St. John Gualbert, Johnstown
Treasurer

Thomas J. Kristofco (Term Expires 2013)
St. Michael, Hollidaysburg
President

Dino Persio, Esq. (Term Expires 2012)
Holy Name, Ebensburg

Joe Scialabba (Term Expires 2012)
Most Holy Trinity, Huntingdon

Serena Stevens (Term Expires 2012)
St. John the Evangelist, Lakemont
Secretary

Thomas J. Taricani (Term Expires 2014)
Our Lady of Victory, State College
Immediate Past President

John J. Wolf (Term Expires 2013)
Cathedral of the Blessed Sacrament, Altoona

Laura Zimmerman (Term Expires 2013)
Our Lady of Victory, State College

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 the Foundation 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 (814) 201-2092 (fax)
(E-mail address) Director@icfdaj.org

320 Frankstown Road • Altoona, PA 16602