

Annual Report 2013

Photo by Cynthia Gallo Callan



*Foundation for the People
of the Roman Catholic Diocese
of Springfield in Illinois*



Mission

The purpose of the *Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois* is to further the religious, charitable, educational and social ministries of the Church in the Diocese of Springfield in Illinois and to receive and administer funds for the above stated purposes.

*"As each one has received a gift, use it to serve one another
as good stewards of God's varied grace."*

— 1 Peter 4:10



Letter of Introduction

Dear Foundation Members,

This year marks the 21st anniversary of operation as the Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois. This report encompasses the Foundation's activity as of June 30, 2013.

I am happy to report that our Foundation continues to grow! At this time we have 84 endowments serving our parishes, schools and diocesan ministries. As Christian stewards, it is important that we plan for the future. We have benefitted from the planning and sacrifices of those who came before us, and with the help of our Foundation, we can do the same for the generations to come.

Please pray for the continued success of our Foundation and, if possible, consider investing in it to ensure a bright future for our Church here in central Illinois.

With best wishes I remain,

Sincerely Yours in Christ,

+ Thomas John Paprocki

Most Reverend Thomas John Paprocki
Bishop of Springfield in Illinois
President, *Foundation for the People of the
Roman Catholic Diocese of Springfield in Illinois*



*St. Charles Borromeo, Charleston
Catholic Times*

Leadership

**Most Reverend
Thomas John Paprocki**
President

**Reverend Monsignor
Carl Kemme**
Vice President

Mr. John Maxwell
Treasurer

Mr. Shaun Riedell
Secretary

Mrs. Jean Johnson
Member

Advisory Board

Mr. John Gibbons
Edwardsville, Illinois

Mr. Michael Durbin
Highland, Illinois

Mrs. Polly Wand
Litchfield, Illinois

Deacon Al Laabs
Springfield, Illinois

Mr. Chris Niemann
Quincy, Illinois

Mr. Thomas Pavlik, Jr.
Springfield, Illinois

Mr. Jeff Stauffer
Springfield, Illinois

Father Thomas Meyer
Jacksonville, Illinois

Mr. Mark Hayes
Quincy, Illinois

(List as of Jan. 1, 2014)

Investment Managers

**NWQ
Oppenheimer
Eagle**

**Neuberger International
Clearbridge
Invesco**

**Millburn
WHV
BlackRock**

Auditors

Eck, Schafer & Punke LLP

Profile

The Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois is a **not-for-profit corporation** of the state of Illinois, legally separate from the Diocese of Springfield in Illinois. It was incorporated on October 14, 1992. Its purposes are to further the ministries of and to receive funds for the religious, charitable, educational and social purposes of the diocese within the meaning of section 501 (c) (3) of the Internal Revenue Code.

In practice, the Foundation manages **endowed** monies on behalf of parishes, parish schools, diocesan entities and purposes.

The members of the **Board of Directors** of the Foundation are diocesan officials: the diocesan bishop (president), the vicar general/moderator of the curia (vice-president), the diocesan finance officer (treasurer), the director of the Office for Stewardship and Development (secretary) and the Superintendent of Catholic Schools.

The bylaws of the Foundation require that the president of the Board of Directors appoint an advisory board to offer advice on any matter handled by the Foundation. Each member of the advisory board serves for a three-year term, which is renewable. It is required to meet annually, though in practice it meets more frequently.



*St. Katharine Drexel
Springfield*

Criteria, Policies and Guidelines

Following are the criteria and guidelines governing participation in the Foundation:

- ☑ Any diocesan entity may establish an endowment in the *Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois* with a contribution of \$1,000 or more.
- ☑ Donors may add any amount to an existing endowment within the Foundation at any time throughout the year.
- ☑ The beneficiaries of the Foundation shall be the parishes and parish schools of the Roman Catholic Diocese of Springfield in Illinois and those diocesan entities or purposes specifically designated as the beneficiaries of the Foundation by the diocesan bishop (e.g., the formation of seminarians, the continued formation of priests, the health care of priests, the pensions of priests, etc.).
- ☑ The “representatives” for any execution of forms or for any decisions to be made by beneficiaries shall be the pastors (or their equivalents in canon law) of the parishes and parish schools which are beneficiaries, and the diocesan bishop of the diocesan entities and purposes which are beneficiaries.
- ☑ Each beneficiary shall have a local advisory board whose bylaws are approved by the Board of Directors. This advisory board will advise the representatives of the beneficiary on the disbursement of earnings. Parishes may choose to select an existing group to fulfill this role.
- ☑ Distributions from the Foundation are made annually. Beneficiaries have the option of taking full payment of any earnings, reinvesting those earnings, placing those funds in a deferred account for later disbursement or any combination of the above.
- ☑ The Foundation is audited once a year in accordance with standard accounting practices.



Financial Highlights

Statements of Financial Position

	June 30, 2013	June 30, 2012
Assets		
Investments	\$ 35,052,035	\$ 31,730,588
Total Assets	<u>\$ 35,052,035</u>	<u>\$ 31,730,588</u>
Liabilities and Net Assets		
Funds held for others	\$ 1,837,537	\$ 1,510,400
Net Assets		
Temporarily Restricted	\$ 6,758,226	\$ 3,888,855
Permanently Restricted	<u>\$ 26,456,272</u>	<u>\$ 26,331,333</u>
Total Net Assets	<u>\$ 33,214,498</u>	<u>\$ 30,220,188</u>
Total Liabilities and Net Assets	<u>\$ 35,052,035</u>	<u>\$ 31,730,588</u>

Statements of Activities and Change in Net Assets

Support and Revenue		
Contributions	\$ 124,939	\$ 197,431
Investment income	\$ 4,089,513	\$ (404,020)
Total Support and Revenue	<u>\$ 4,214,452</u>	<u>\$ (206,589)</u>
Expenses		
Program Services		
Distribution to beneficiaries	<u>\$ 1,220,142</u>	<u>\$ 1,125,268</u>
Total Operating Expense	<u>\$ 1,220,142</u>	<u>\$ 1,125,268</u>
Change to net assets	\$ 2,994,310	\$ (1,331,857)
Net assets at year's beginning	<u>\$ 30,220,188</u>	<u>\$ 31,552,045</u>
Net assets at year's end	<u>\$ 33,214,498</u>	<u>\$ 30,220,188</u>



St. Katharine Drexel
Springfield

Why Should We Establish An Endowment?

There are many misconceptions in regard to endowments. When people hear the term “endowment” they immediately think of large organizations funding needs from equally large investment accounts. Many large institutions such as hospitals and universities benefit significantly from endowments. Regardless of size, any organization can benefit from having an endowment.

“We can’t afford to start an endowment.” An endowment can be relatively inexpensive to establish. The minimum investment of \$1,000 is significantly lower than many foundations. An alternative when money is tight would be to ask several donors to make the minimum investment. Once the endowment is established any amount can be added for growth.

“Why do you only pay out 4 percent?” The spending policy of the Foundation is set at 4 percent which maximizes the payment to the beneficiary, while still preserving the corpus, the original funds invested. Statistical models indicate paying 5 percent will eventually cannibalize corpus and cause the endowment to decline. The Foundation is based for long term growth and sustainability, which will be in the best interests of our beneficiaries.

“Why can’t we invest our money and keep all the profit?” Diocesan policy prohibits this model for one reason, legal responsibility. The Catholic Church is morally and legally bound to honor a donor’s intent. If endowed funds should be used, even unintentionally, in a manner which donors did not intend, they could sue the parish and the diocese. Because of this, measures are taken to ensure the donated funds are used properly. An added benefit to pooling your resources in the Foundation comes in terms of buying power. Because of the millions of dollars housed in the Foundation we can invest in funds that require higher minimum account balances.

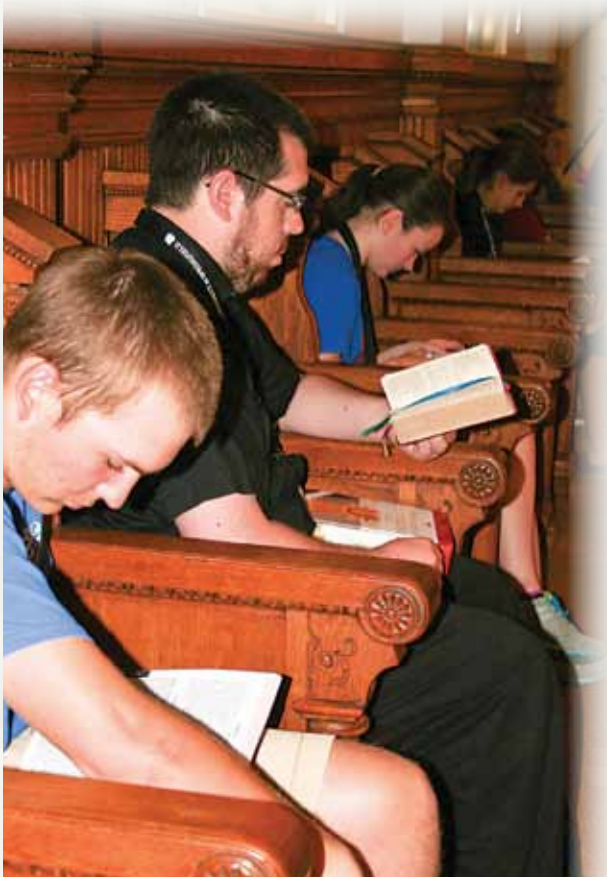
Consider making an investment in *The Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois* today. Call our offices at (217) 698-8500, ext. 114, or e-mail sriedell@dio.org for details.

Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois

Beneficiaries and Diocesan Endowments

St. Mary Parish, Alton
St. Augustine Parish, Ashland
Holy Redeemer Chapel, Barry
Ss. Peter & Paul School, Collinsville
Holy Family School, Decatur
Our Lady of Lourdes School, Decatur
St. Patrick Parish, Decatur
Sacred Heart Parish, Effingham
St. Martin Cemetery, Farmersville
St. Ambrose School, Godfrey
St. Elizabeth Parish, Granite City
St. Joseph Cemetery, Highland
Our Saviour Parish, Jacksonville
Holy Family Parish, Litchfield
St. Maurice School, Morrisonville
St. Bartholomew Cemetery, Murrayville
St. Mary School, Paris
St. Nicholas Parish, Pocahantas
St. Anthony of Padua Parish, Quincy
St. Peter Parish, Quincy
Cathedral School, Springfield
Blessed Sacrament School, Springfield

St. John the Baptist Parish, Arcola
St. Mary Cemetery, Assumption
St. Charles Borromeo Parish, Charleston
Holy Family Parish, Decatur
Our Lady of Lourdes Parish, Decatur
Our Lady of Lourdes Parish-St. Teresa H.S.
St. Mary School, Edwardsville
Sacred Heart School, Effingham
St. Cecilia Parish, Glen Carbon
Holy Family School, Granite City
St. Paul Parish, Highland
Roult High School, Jacksonville
Our Saviour School, Jacksonville
St. Ubaldus Cemetery, Livingston
St. Francis DeSales Parish, Moweaqua
St. Louis School, Nokomis
St. Mary Cemetery, Paris
Blessed Sacrament Parish, Quincy
St. Dominic School, Quincy
St. Mary Parish, Ste. Marie
Cathedral Parish, Springfield
Christ the King School, Springfield
Little Flower School, Springfield
St. Agnes School, Springfield
St. Aloysius Parish, Springfield
St. Frances Cabrini Parish, Springfield
St. Joseph School, Springfield
St. Michael School, Staunton
St. Jerome (SJN School) Troy
Forty Martyrs Parish, Tuscola



Diocesan Endowments

Marquette Catholic High School, Alton
St. John Neumann School, Maryville
St. Joseph Home, Springfield
St. Patrick School, Springfield
Care for Infirm and Retired Priests
Priests' Retirement and Healthcare
Seminarian Fund
Westoff Priestly Vocation Endowment
Educators Endowment
Catechist Formation Endowment
Ordained Ministers Endowment
Catholic Charities Endowment
Bishop's Stewardship Endowment
Tuition Assistance Endowment
Arthur Robinson Fund
Lex Cordis
Fr. McGivney High School



Catholics at the Capitol
Catholic Times

Ways to Give

Giving During Your Lifetime

Outright gifts of cash and/or securities are welcomed by the Foundation. Donors who make gifts during their lifetime also enjoy the benefit of witnessing the immediate results of their generosity.

Giving In The Future

Many gifts to the Foundation can be made through legacy arrangements.

Bequests may be cash or property. Provisions for gifts to the Foundation from an estate may be for a specified amount or a percentage of the remainder after all other bequests and obligations have been satisfied.

Life insurance gifts can be made naming the Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois as beneficiary.

Retirement plans are valuable gifts to consider. By naming the Foundation as beneficiary of these assets, one can avoid taxation and possibly pass on larger estates to loved ones.

The Foundation for the People of the Roman Catholic Diocese of Springfield in Illinois does not provide legal advice for estate planning purposes. It is recommended that an estate planning professional be contacted for assistance before entering into any charitable giving plan.

How To Establish A Fund With The Foundation

Parishes, schools, individuals, families or organizations can create an endowment. Specific details can be found on page 5 of this report. Gifts may also be made to existing endowments that support the causes most meaningful to donors. The funds are invested and generate ongoing revenue for the parishes, schools, programs and organizations of the Diocese of Springfield in Illinois. Donors may name endowments in memory of or in honor of their family, friends or loved ones. Anonymity is also available.