

# The Foundation

of the Roman Catholic Diocese of Albany, New York

Annual Report 2014-2015







Pectoral cross and chain worn in photo of Cardinal McCloskey, circa 1872. Special thanks to Mary Doehla, Archivist, Roman Catholic Diocese of Albany.

We are called upon not only to continue the work of the Church, but to enlarge and increase it – to lay new foundations broader and deeper – to plant seed for larger growth, that the tree’s branches may spread out, that you and your children may sit beneath its shade and partake of its refreshing fruit.

John Cardinal McCloskey  
First Bishop of Albany

## A Legacy of Faith That Continues to Grow

“Planting seeds for larger growth”, thus with these visionary words Bishop John McCloskey was installed upon the Cathedra of the new Diocese of Albany. From those first seeds planted some 169 years ago, generation upon generation added their chapters to the history of our Diocese building up the Kingdom of God in our local communities and passing on a great legacy of faith for us to uphold and care for.

Following the example of past generations we, by our baptism, are called to be the Lord’s disciples in our own time to carry out the mission of the Church to teach, to heal, to comfort and to sanctify.

In the 1990’s The United States Council of Catholic Bishops wrote of the growing changes in society and the ensuing conflicts and impacts on the mission of the Church. In their pastoral letter, “Stewardship, a Disciple’s Response”, they observed;

“Although religious faith is a strong force in the lives of many Americans, our country’s dominant secular culture often contradicts the values of the Judeo-Christian tradition.....While many Catholics are generous in giving of themselves and their resources to the Church, others do not respond to the needs in proportion to what they possess. The result is a lack of resources which seriously hampers the Church’s ability to carry out its mission and obstructs people’s growth as disciples”.

In 1995 The Foundation of the Roman Catholic Diocese of Albany, New York, Inc. was established as a private, not-for-profit corporation by Bishop Howard Hubbard, to advance the mission of the entire Church of Albany and to ensure the long term strategic financial stability of the religious, charitable and educational institutions, programs and services of the Roman Catholic Diocese of Albany.

**The Foundation today is planting seeds that will nourish and sustain our Church for generations to come.**





# The Foundation Fulfills its Purpose by:

- Seeking endowment, quasi-endowment and current funds that foster and support the programs, services, aims and goals of the Roman Catholic Diocese of Albany.
- Assisting parishes, schools, service organizations and other Catholic entities in meeting their ongoing and long term financial needs.
- Assisting donors in achieving their charitable and financial goals.
- Providing responsible and effective financial management of Foundation investments.
- Distributing net earnings and income according to the wishes of participating entities, donors and the distribution policy of The Foundation.

The Foundation currently provides management to 78 endowment and quasi endowment accounts. Individual Catholic entities and diocesan programs established several of the funds and make regular additions to their accounts.

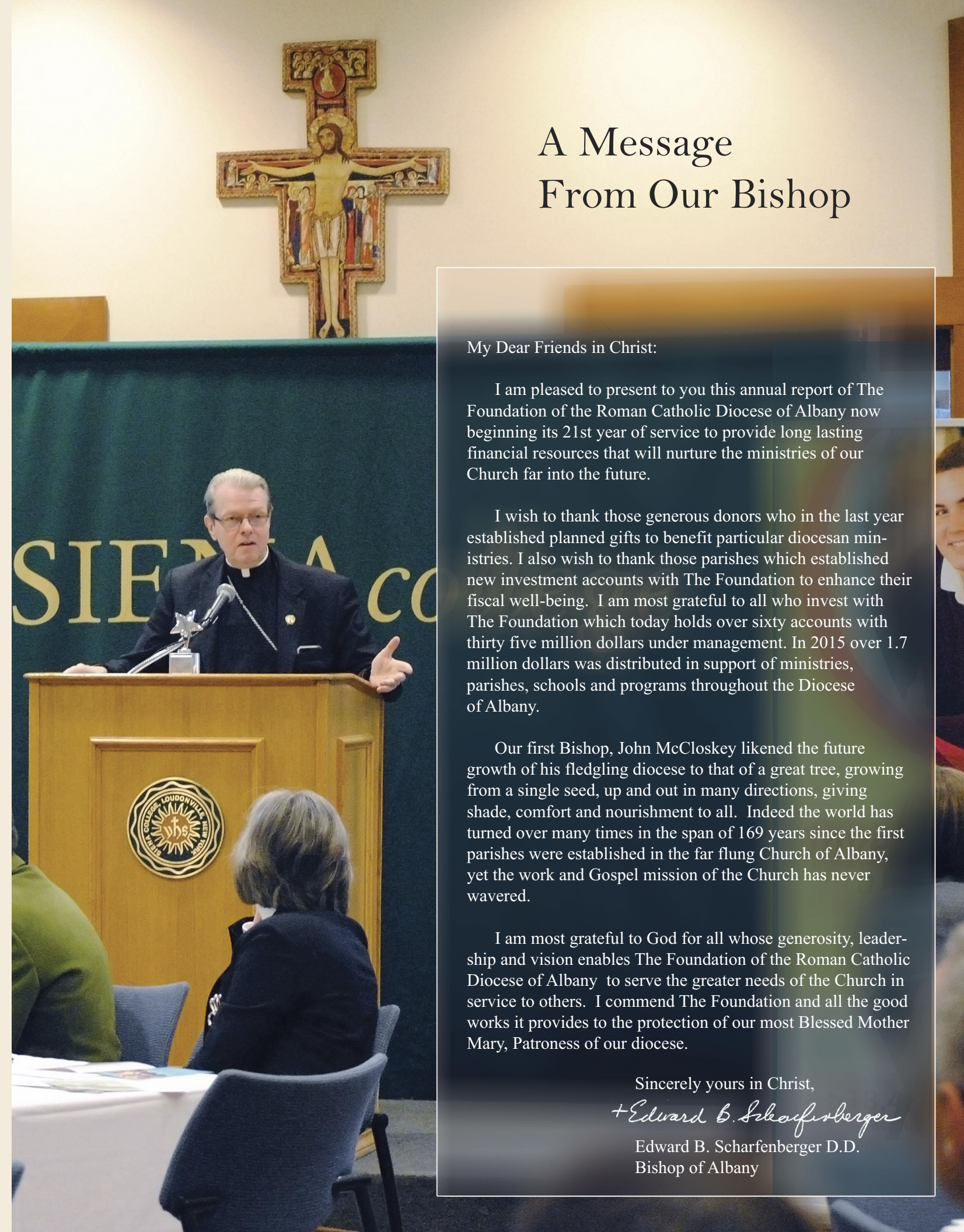
Individual donors have established endowment accounts to benefit specific diocesan schools, parishes, programs or agencies. A percentage of the income that is earned from certain funds is distributed annually to programs that have chosen to participate and those that are endowed by donors. The principal within each account remains whole, and yearly income may be reinvested to increase the market value of the account.

By supporting The Foundation, donors are guaranteed that their gift will be held forever in trust. Donors may name a fund in memory of a loved one and specify a charitable purpose for the fund.



Catholic Charities Housing the Homeless;  
Providing a place to call home.

Catholic Charities Housing Office, Oneonta



## A Message From Our Bishop

My Dear Friends in Christ:

I am pleased to present to you this annual report of The Foundation of the Roman Catholic Diocese of Albany now beginning its 21st year of service to provide long lasting financial resources that will nurture the ministries of our Church far into the future.

I wish to thank those generous donors who in the last year established planned gifts to benefit particular diocesan ministries. I also wish to thank those parishes which established new investment accounts with The Foundation to enhance their fiscal well-being. I am most grateful to all who invest with The Foundation which today holds over sixty accounts with thirty five million dollars under management. In 2015 over 1.7 million dollars was distributed in support of ministries, parishes, schools and programs throughout the Diocese of Albany.

Our first Bishop, John McCloskey likened the future growth of his fledgling diocese to that of a great tree, growing from a single seed, up and out in many directions, giving shade, comfort and nourishment to all. Indeed the world has turned over many times in the span of 169 years since the first parishes were established in the far flung Church of Albany, yet the work and Gospel mission of the Church has never wavered.

I am most grateful to God for all whose generosity, leadership and vision enables The Foundation of the Roman Catholic Diocese of Albany to serve the greater needs of the Church in service to others. I commend The Foundation and all the good works it provides to the protection of our most Blessed Mother Mary, Patroness of our diocese.

Sincerely yours in Christ,

*+Edward B. Scharfenberger*

Edward B. Scharfenberger D.D.  
Bishop of Albany



# Foundation Board of Trustees

The Most Reverend Edward B. Scharfenberger D.D.  
President

Very Reverend David Berberian  
Vice President

Mr. John Hutchinson  
Treasurer

Mr. Michael Costello  
Trustee, General Counsel

Mr. John Smircich  
Secretary and Chair of the Advisory Board

## Investment Advisory Committee

William Barrett  
Kevin Bette  
Din Cahill  
Matthew Fitzgerald  
John Smircich

## Staff to The Foundation

Mr. Thomas Prindle  
Director

Ms. Barbara Murin  
Assistant Treasurer



Albany Council #173, Knights of Columbus present Bishop Scharfenberger with a scholarship gift from the Albany Council #173, Knights of Columbus Endowment Fund for diocesan seminarians.  
Left to right: seminarian Kyle Gorenski, K.O.C. Trustee Phil Gallagher, Bishop Scharfenberger, Director of Vocations Fr. Anthony Ligato and seminarian Sam Bellafore.

# Leave A Legacy Of Love Pass On The Gift Of Faith

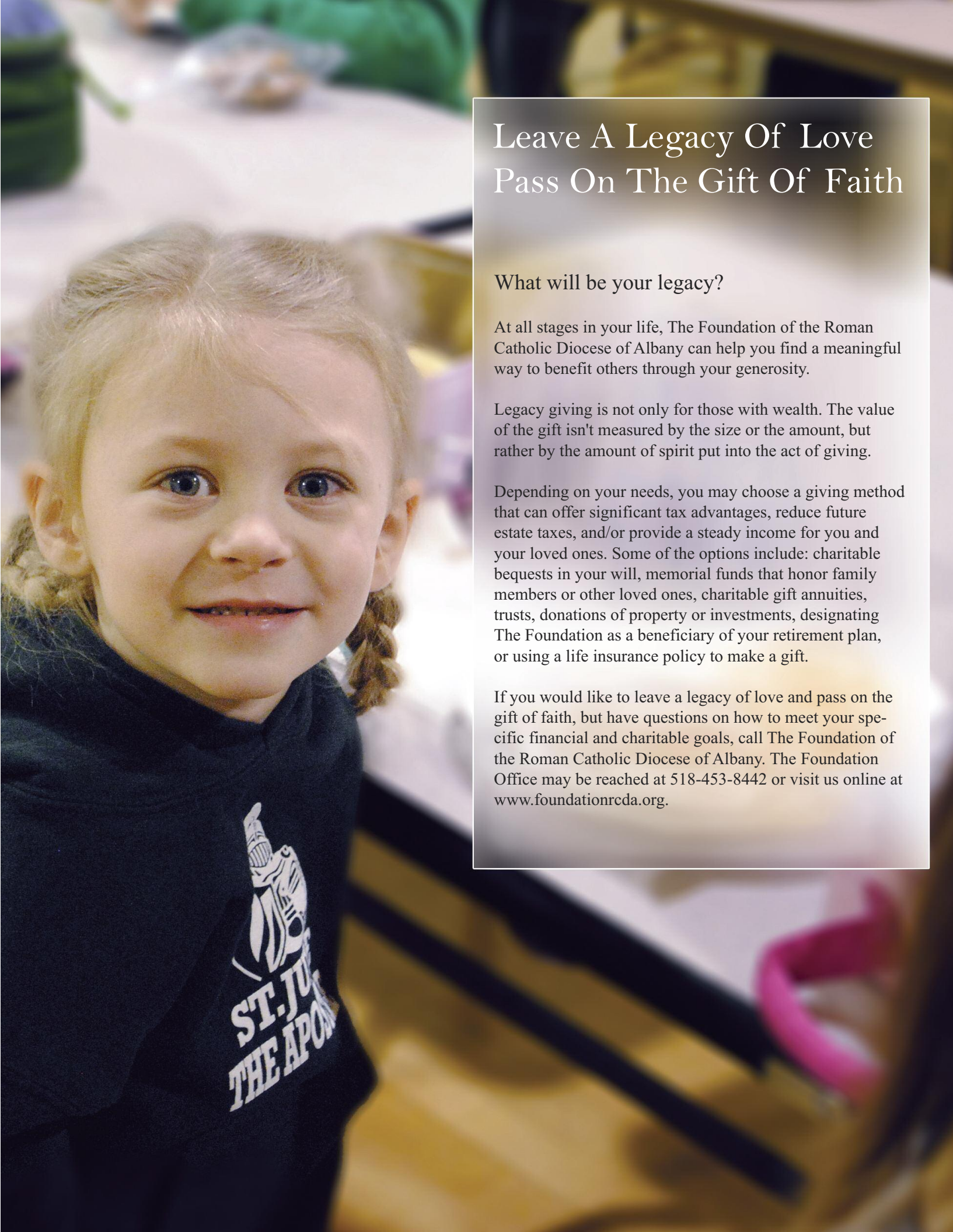
## What will be your legacy?

At all stages in your life, The Foundation of the Roman Catholic Diocese of Albany can help you find a meaningful way to benefit others through your generosity.

Legacy giving is not only for those with wealth. The value of the gift isn't measured by the size or the amount, but rather by the amount of spirit put into the act of giving.

Depending on your needs, you may choose a giving method that can offer significant tax advantages, reduce future estate taxes, and/or provide a steady income for you and your loved ones. Some of the options include: charitable bequests in your will, memorial funds that honor family members or other loved ones, charitable gift annuities, trusts, donations of property or investments, designating The Foundation as a beneficiary of your retirement plan, or using a life insurance policy to make a gift.

If you would like to leave a legacy of love and pass on the gift of faith, but have questions on how to meet your specific financial and charitable goals, call The Foundation of the Roman Catholic Diocese of Albany. The Foundation Office may be reached at 518-453-8442 or visit us online at [www.foundationrcda.org](http://www.foundationrcda.org).





# How To Establish An Endowment

## Making the Decision

Establishing an endowment with The Foundation of the Roman Catholic Diocese of Albany is a significant act of charity. We make the process of establishing a fund as simple as possible.

There are a few basic decisions you need to make:

- How much do you wish to contribute to open your fund?  
*(Endowment funds may be opened with a minimum contribution of \$10,000)*
- How do you wish to make your contribution? Will you use cash, appreciated stock, real estate or some other asset?
- Do you want the fund to be in your name, that of a relative or loved one, in memory of someone special in your life, or some combination of these?
- What parish, program, ministry or school do you want to benefit from your fund?

Once you have made these decisions, let us know. We will sit down with you and discuss your choices. Based on our discussion, we will draw up a simple, two-page endowment agreement that details your charitable intentions.

## Adding to an Existing Fund

The Foundation may already hold an endowment fund that benefits your parish, school or favorite Catholic charity. If that is the case, you might wish to add to that fund rather than open one of your own. You decide how much you would like to contribute, if you want to do it now or at your death, and if you wish to use cash or other appreciated assets to make your gift. Notify us of your decisions, and we will take care of the rest.

## Establishing an Endowment Through Your Estate

Planning a gift through your estate qualifies you for automatic membership in the John Cardinal McCloskey Society.



# Methods Of Giving

Depending on your needs, you may choose a giving method that can offer significant tax advantages, reduce future estate taxes, and/or provide a steady income for you and your loved ones. The Foundation of the Roman Catholic Diocese of Albany accepts both outright and deferred gifts from individuals.

## Outright Gifts:

Gifts of cash, securities or real property.

## Deferred Gifts:

### Bequests

Gifts to The Foundation may be made through a will or through a revocable trust agreement.

### Charitable Gift Annuity

Annuitants may designate The Foundation of the Roman Catholic Diocese of Albany as the annuity remainderman.

### Irrevocable Charitable Trusts

Remainder trusts provide a regular income stream to the donor. Upon the termination of the trust, The Foundation receives the remainder.

### Insurance

Donors may make a gift to The Foundation of the Roman Catholic Diocese of Albany by naming The Foundation as the beneficiary within a life insurance policy.

### Retained Life Estate

Donors may transfer their residence, farm or vacation home to The Foundation of the Roman Catholic Diocese of Albany subject to a life estate. The donor may continue to live in the property for life or a specified term of years while continuing to be responsible for all taxes and upkeep. The property then passes to The Foundation when the life estate ends.





# Funds of The Foundation of the Roman Catholic Diocese of Albany

## Current Futures Distribute Funds

St. Anthony and St. Joseph Roman Catholic Church (Herkimer) Fund  
St. Joseph's Roman Catholic Church (Greenfield Center) Fund  
St. John the Evangelist Roman Catholic Church (Rensselaer) Fund  
St. Casimir's Roman Catholic Church (Amsterdam) Fund  
St. Peter's Roman Catholic Church (Troy) Fund  
The Roman Catholic Church of Assumption/St. Paul (Mechanicville) Fund  
St. Vincent de Paul Society of the Church of the Immaculate Conception (Glenville) Fund  
St. Paul the Apostle Roman Catholic Church (Hancock) Fund  
Holy Family Roman Catholic Church (Albany) Fund  
Albany Council 173 – Knights of Columbus Fund to support tuition assistance at Bishop Maginn High School in Albany  
Our Lady of Hope Roman Catholic Church (Whitehall) Fund  
Immaculate Heart of Mary Roman Catholic Church (Watervliet) Fund  
Catholic Charities Outreach Program  
Catholic Charities of Schoharie County  
Church of St. Pius X (Loudonville)  
Church of St. Mary (Crescent)

## Current Futures Reinvest

Planning For His People Fund to benefit The Roman Catholic Diocese of Albany  
St. Pius X School (Loudonville) Fund  
St. Bridget’s Church (Copake Falls) Fund  
Cathedral Parish Fund to benefit the Cathedral of the Immaculate Conception Parish in Albany  
Beacon of Hope Fund for Catholic Education  
St. Theresa’s Fund to benefit St. Theresa of the Child Jesus Church in Windham  
Society for the Propagation of the Faith Fund  
Sacred Heart Parish (Gloversville) Fund  
St. Mary’s (Hudson) Fund  
Blessed Sacrament School (Albany) Alumni Fund  
Church of St. James (North Creek) Fund  
St. John the Baptist Church (Chestertown) Fund  
Foundation Office Grant Fund  
Assumption-St. Paul Cemeteries (Mechanicville) Fund  
St. Frances de Sales (Loudonville) Fund  
St. Patrick’s Roman Catholic Church (Cambridge) Fund  
St. Paul the Apostle (Hancock) Fund  
Holy Spirit Roman Catholic Church (East Greenbush) Fund  
Holy Spirit School (East Greenbush) Fund



## Endowment Funds

The Reverend William F. Girard Memorial Endowment Fund to benefit St. Ann's and St. Phillip's in Fort Ann, New York  
The St. Joseph’s, Greenfield Center and St. Pauls, Rock City Falls Endowment Fund to benefit St. Joseph's Roman Catholic Church in Greenfield Center  
The Catholic Charities of the Diocese of Albany Berrigan-Powers Trust to benefit programs of Catholic Charities of the Diocese of Albany that provide support to the elderly  
The Dr. Frank Thomas and Ms. Nancy O’ Keefe Donor Advised Endowment Fund  
The Helen and Pauline Dermody Endowment Fund to benefit St. Margaret Mary Roman Catholic Church in Albany and Catholic Charities of Albany - Rensselaer County  
The Mr. and Mrs. Robert G. Feuerriegel, Sr. Family Endowment Fund to benefit St. Joseph’s Roman Catholic Church in Schenectady  
The Very Reverend Msgr. John E. Maney Memorial Fund to benefit vocation awareness and semenarian development in the Diocese of Albany  
The Lee and Richard F. Lindstrom Endowment Fund to benefit Catholic Charities Disability Services  
The Rabbi Silverman - Bishop Hubbard Interfaith Sculpture Fund to benefit perpetual care of the Portal sculpture located on the grounds of the Cathedral of the Immaculate Conception  
The Tucker Family Donor Advised Endowment Fund  
The Joseph A. Reagan Memorial Donor Advised Endowment Fund  
The Lucy and Francis J. Miller Endowment Fund to benefit maintenance of the Cathedral of the Immaculate Conception  
The Bishop Edwin B. Broderick Endowment Fund to benefit general operations of the Roman Catholic Diocese of Albany  
The Munzer Family Endowment Fund to benefit Catholic Charities of the Diocese of Albany to meet the needs of the hungry and homeless  
The Rosemary Eber Endowment Fund to benefit Catholic Charities Disability Services  
The St. Mary’s Institute Class of 1952 Alumni Endowment Fund to benefit tuition assistance to needy families who wish to enroll their children in St. Mary's Institute in Amsterdam  
The Francis J. Urbano Endowment Fund to support seminarians studying for ministry in the Roman Catholic Diocese of Albany  
The Foundation of the Roman Catholic Diocese of Albany Endowment Fund (receives non-restricted contributions to The Foundation)  
The Diocese of Albany Endowment Fund to benefit operations of the Roman Catholic Diocese of Albany  
The Frank and Katherine Roos Memorial Endowment Fund to benefit Catholic Charities of the Diocese of Albany  
The Kenneth and Thelma Lally Partnership in Catholic Education Fund to provide financial assistance for families in need within the Roman Catholic Diocese of Albany who desire a quality, values oriented, Catholic school education for their children in a disciplined environment provided by diocesan elementary and secondary schools  
The Roman Catholic Diocese of Albany Evangelization and Catechesis Endowment Fund  
The Roman Catholic Diocese of Albany Leadership Endowment Fund  
The Catholic Charities Endowment Fund  
The Peggy Ciesinski Hennessy Scholarship Endowment Fund to benefit scholarship assistance to a student attending Notre Dame-Bishop Gibbons High School that is voluntarily involved in community service and demonstrates financial need  
The Sister Dolores Hanlon, CND Scholarship Endowment Fund to benefit scholarship assistance to a student attending Notre Dame-Bishop Gibbons High School  
The North Creek Cemetery Trust Endowment Fund to benefit perpetual operating support to the cemetery at St. James Roman Catholic Church in North Creek  
The Catholic Charities Housing Office Endowment Fund  
The James L. Russo and Patricia E. Russo Endowment Fund to benefit St. Agnes Cemetery  
Endowment Fund to benefit the general care of the Cathedral of the Immaculate Conception and hunger in the foreign missions through Catholic Relief Services (Anonymous Donor)  
P.F.C. Pat Aiezza Memorial Scholarship Fund to provide scholarship support for students attending Bishop Maginn High School  
The Betty and Joseph Mayotte Memorial Endowment Fund to benefit The Roman Catholic Community of Hudson Falls Kingsbury  
The Paul and Marion Jaffarian Endowment Fund to provide support for St . Michael’s Church in Cohoes



# Frequently asked questons about The Foundation of the Roman Catholic Diocese of Albany, New York, Inc. (The Foundation)

1.

**What is The Foundation?**

The Foundation is a separate tax exempt non-profit organization established in 1995 to provide endowments for the Roman Catholic Diocese of Albany and its parishes, schools, agencies and other related entities.
2.

**What is the purpose of The Foundation?**

The Foundation was established to provide a means for individuals and organizations to provide long term financial stability for the diocese and its related entities. Through the creation of endowments, The Foundation provides a means to generate income to help sustain the long term strength and viability of these entities.
3.

**What types of funds can be established with The Foundation?**

Endowment funds, Current Future Distribution funds and Current Future Reinvestment funds.
4.

**What is an endowment?**

An endowment is a permanent fund, the principal of which is never touched but the income from which can be used in accordance with the wishes of the donor. The principal includes the initial contribution as well as any additional contributions from later gifts. An endowment fund is not a capital fund or reserve fund, each of which would generally allow for distributions of principal.
5.

**Why would an individual or entity want to create an endowment fund?**

By creating an endowment, an individual can provide additional stewardship from accumulated assets with the possibility of a charitable deduction for income tax purposes. By creating an endowment, a Catholic entity such as a parish or school can announce to the community that it is providing for the future and intends to continue serving the community for many years to come.
6.

**What is the difference between a current futures distribution fund and a current futures reinvestment fund?**

Any diocesan entity can establish a Foundation account with a minimum investment of \$10,000. At the time that the fund is established, the agency must designate the type of account it wishes to establish:

Reinvest:

Distribute:

The interest earned is added to the principal each year

The agency elects to receive a distribution each year from the interest earned on the principal, not to exceed 5.5% of the principal

7.

**What are The Foundation’s accomplishments?**

Currently The Foundation has 68 separate funds under management with a value of over \$38,000,000.00. Since 1999, The Foundation has made in excess of \$9.5 million available for distribution to its beneficiaries. Over the past ten years The Foundation has earned an average of 6.7%.

8.

**Who manages The Foundation?**

The Foundation is managed by a Board of Trustees consisting of the Bishop of Albany, clergy and lay people. An advisory committee of leaders in the community provides input and recommendations to the Board of Trustees.
9.

**What are the investment goals of The Foundation?**

To preserve capital following prudent investment standards; to continue growth in principal with a sufficient return on investment that will generate income and to provide sufficient diversification to minimize exposure to loss.

10.

**Is there a policy or guideline for responsible investment?**

The Foundation of the Roman Catholic Diocese of Albany complies with the United States Conference of Catholic Bishops’ guidelines informing socially responsible investing. 65% of all assets under management are invested in domestic and international equities and 35% are invested in fixed income securities.

11.

**What is the distribution policy?**

Each year an investment advisory council is convened to determine the performance benchmarks each account within The Foundation should meet to qualify for a distribution of funds.

12.

**Once created, can we add to the endowment?**

Yes. In fact most individuals and entities develop a plan to build the endowment.

13.

**Can I withdraw funds from my account or close my account?**

The Foundation of the Roman Catholic Diocese of Albany is a long term growth vehicle and, as such, account holders are asked not to withdraw principal for a period of five years. After such time, withdrawals may be made from principal and an account can be closed. Additional deposits may be made at any time. An endowment fund is an irrevocable agreement between the donor and The Foundation and cannot be terminated. Funds may not be withdrawn from an endowment.

14.

**Does The Foundation charge a fee for managing endowments?**

Yes. The Foundation’s fee for management and administration of the endowment is currently 0.5% per annum.
- 
- Albany Council #173, Knights of Columbus Trustee Paul Collins presents Bishop Maginn with a \$4,000 distribution from the Albany Council #173, Knights of Columbus Endowment Fund.  
Left to right: Trustee Paul Collins, Principal Chris Signor, Grand Knight Adron Butler, Trustee Phil Gallagher, Foundation Director Tom Prindle.



# The Foundation of the Roman Catholic Diocese of Albany

## Statement of Financial Position as of June 30, 2015

As of June 30, 2015, The Foundation of the Roman Catholic Diocese of Albany held total invested assets of \$38,325,766, allocated 61% to equities, 36.2% to fixed income securities, and 2.8% to cash. The investments are overseen by The Foundation’s all-volunteer Board of Trustees and Investment Committee, monitored by the Diocese’s Chief Financial Officer, and professionally managed by U.S. Trust and Christian Brothers.

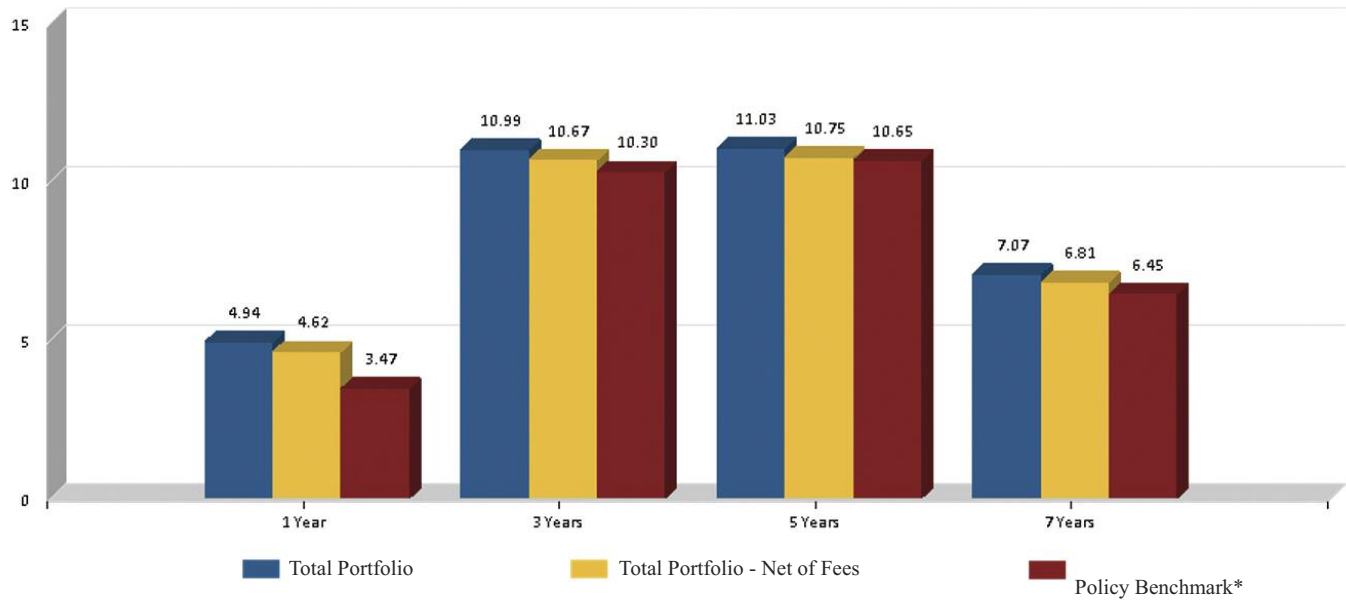
The Foundation’s portfolio is broadly diversified, and measured on an ongoing basis against a blended performance benchmark consisting of the S&P 1500 index for domestic equities (45%), the MSCI Europe, Australasia and Far East index for equity markets outside the United States and Canada (15%), and the Barclays Capital U.S. Aggregate Bond Index for domestic fixed income securities (40%). Combined, these indices reflect the performance of thousands of equity and fixed income securities around the globe.

To the greatest extent possible, The Foundation portfolio is managed in a manner consistent with the religious, social and moral values of the Roman Catholic Diocese of Albany, as well as the investment guidelines of the United States Conference of Catholic Bishops, which is called to exercise faithful, competent and socially responsible stewardship in the management of financial resources. As a Catholic organization, the Conference draws the values, directions and criteria which guide its financial choices from the Gospel, universal Church teaching and Conference statements.

The Foundation’s core investment strategy, called Religious Voice and Values, seeks to review the performance of corporations across a spectrum of religious principles and more traditional fundamental factors, isolating those measures which represent management practices most consistent with Catholic principles and teachings. The overall objective is to construct a portfolio that reflects the performance of global investment markets, but includes only those securities that represent best-in-class practices with respect to charity, social justice, equality and family planning.

Investment Performance Trailing Returns

As of June 30, 2015



Past performance is not indicative of future results.  
All returns are gross of fees unless otherwise noted. For periods longer than one year, the return is annualized. Periods less than one year utilize a cumulative return.  
Returns may include a partial month.  
Benchmark performance returns for the Since Inception period are based on the inception date of the sector or the account under which they are displayed.  
Market value does not include accrued income, but is included in the return calculation.

\*Policy Benchmark: Post June 2012: 45%S&P1500, 15%EAFE, 40%BARX AGG; Pre June 2012: 45%S&P1500, 20%EAFE, 35%BARX AGG





Please remember the religious, charitable and educational institutions,  
ministries, programs and services of the Roman Catholic Diocese of  
Albany in your will and estate plan.



# The Foundation

of the Roman Catholic Diocese of Albany, New York

40 North Main Avenue • Albany, New York 12203  
518.453.8442 • [www.foundationrcda.org](http://www.foundationrcda.org)